



ANNUAL REPORT 2020

EASY BUY PUBLIC COMPANY LIMITED



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MISSION AND VALUE OF EASY BUY PUBLIC COMPANY LIMITED

“We, EASY BUY Public Company Limited
carry out our business with
intention to contribute to society.”

Consciousness & Pride

We implement our duties
with consciousness and
pride that our work can
contribute to society.

Creativity & Open Mind

We are open minded to all
new ideas and innovation for
the betterment of our
services.

Continuous Improvement

We are constantly seeking
new ways to enhance our
performance and standard to
offer our customers the
highest quality service.



Corporate Key Figures

(Unit: Million Baht)

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Statements of Financial Position			
Loan Receives (Net)	50,813.40	53,600.53	52,543.32
Total Assets	53,068.54	55,340.52	54,954.27
Current Liabilities	12,271.77	12,933.50	13,379.67
Non-Current Liabilities	18,760.85	16,591.27	13,265.78
Total Liabilities	31,032.62	29,524.77	26,645.44
Registered Capital	6,000.00	6,000.00	6,000.00
Retained Earnings (Deficit)	16,035.92	19,815.74	22,308.82
Total Shareholders' Equity	22,035.92	25,815.74	28,308.82
Statements of Comprehensive Income			
Total Income	14,551.00	15,436.05	15,102.11
Operating and Administrative Expenses	3,773.38	3,814.65	3,825.93
Bad Debt and Doubtful Accounts Expenses	3,918.04	4,253.26	-
Expected credit losses	-	-	4,542.96
Financial Cost	914.46	817.73	647.65
Income before Tax	5,945.13	6,550.40	6,085.57
Net Profit	4,752.81	5,234.32	4,797.79
Earnings per Share (Baht)	7.92	8.72	8.00
Key Financial Ratio			
Average funding cost *(%)	3.03	2.85	2.46
Net Profit Margin (%)	32.66	33.91	31.77
Allowance for Doubtful Accounts to Total Loans (%)	6.10	6.17	9.09
OD3 and Over Account Receivables to Total Account Receivables (%)	2.08	2.29	3.75
Return on Average Assets (%)	9.18	9.66	8.70
Return on Average Equity (%)	23.70	21.88	17.73

Remark * Average fund cost = finance cost / average loan borrowing from financial institution and debenture



Capital Structure

History of Capital Increase

As of 31 December 2020

Date	Registered and Paid-up Capital (Baht)	Number of Share (Share)	Par Value (Baht)
30 September 1996	120,000,000	12,000,000	10
11 October 2002	140,000,000	14,000,000	10
9 May 2003	185,000,000	18,500,000	10
24 September 2003	200,000,000	20,000,000	10
2 June 2011	300,000,000	30,000,000	10
2 November 2012	3,900,000,000	390,000,000	10
25 September 2015	4,500,000,000	450,000,000	10
17 May 2017	6,000,000,000	600,000,000	10

Shareholding Structure

As of 31 December 2020, the Company had registered and paid-up capital of 6,000 million baht, divided into 600 million ordinary shares with a par value of 10 baht each. The major shareholders are as follows:

Shareholders	Number of Share (Share)	Percentage of Share (%)
ACOM Co., Ltd.	425,999,760	71.0%
GCT Management (Thailand) Co., Ltd.	150,000,000	25.0%
Bangkok Bank Public Co., Ltd.	24,000,000	4.0%
Others	240	0.0%
Total	600,000,000	100.0%



Message from Chairman and Chief Executive Officer

In 2020, the escalation of COVID-19 pandemic immensely pressured Global Economy and Society. In social part, the pandemic has led to a dynamic change of human life worldwide, as called 'New Normal'. Many countries have imposed various kinds of measure, such as city locked-down, limited travelling, and restricted collaboration on public activities. In economic part, many industries were disrupted so that it caused the high unemployment rate, especially in tourism, trade, and investment sectors. The global average GDP decreased 4.4 percent in 2020 (Referred to International Monetary Fund, date 16 December 2020). These downturn situations are forecasted to recover in year 2021 because of the soon-available Anti COVID-19 Vaccine, together with Joe Biden, who has the preliminary policy to support the overall world economy and trade, become the president-elect of the United States. The full-fledged recovery would take at least 2 years to return to normal as pre-outbreak level.

In particular, the COVID-19 pandemic affected the Thai economy nationwide, especially on export and tourism section. Thai exports contracted by 7.26 percent (YOY) (Jan-Oct) (Referred to Kasikorn Research Center, Date 1 December 2020) and Earning from Tourism Section of Thailand in 2020 reduced 84% comparing to 2019. Such reduction came from the decrease in both foreign and local tourists in serious number due to the travel restrictions remained in place (Referred to Tourism Thailand, dated 2 Dec 2020). In the first 9 months of 2020, Thai economy contracted by 6.7 percent, lower than the projection (Referred to NESDC ECONOMIC REPORT, dated 16 November 2020). The labor market was also fragile because the economic activity was adversely affected by the locked-down, causing the highest unemployment rate at 2.1 percent in July (Referred to BOT Economic and Monetary Conditions, date 30 November 2020). Not only the outbreak that impacted the economic circumstance, but anti-government demonstration congregated in the heart of Bangkok also impinged upon the investment reliability in Thailand.

According to the COVID-19 pandemic Situation, the Bank of Thailand has launched financial measures and requested for cooperation from all commercial banks and non-banks. The financial industries have to reduce the ceiling of charging rate, temporarily increase credit limit to customers, and provided debt-restructuring program to impacted customers. EASY BUY has strictly followed instruction of the Bank of Thailand in all respects and offered many remedial measures which were higher than minimum request of the Regulator to our customers, even though it affected performance of the Company. Furthermore, EASY BUY also seriously started reforming internal operations in order to fully comply with the Personal Data Protection Act which will be effective on 1 June 2021.

Although EASY BUY encountered with fluctuate situations, we still have a good performance as shown in the 6.09 billion baht net profit before tax in 2020. Besides, we still express our social cares and responsibilities by carefully conducting the Corporate Social Responsibility activities in order to follow our management vision that "We are no.1 of Personal Loan brand that always stand side by side with people by providing reliable service for better life quality."

EASY BUY will continuously stretch to new business model and sales structure to become the top brand on customers' mind, together with enlarge compliance-oriented corporate culture in order to meet customers' expectation and provide the best things back to all stakeholders, who always give unwavering supports to us. We hope the difficult situation would be recovered soonest, and all the things will be better and better in the coming year.

Mr. Takeo Noda

Chairman and Chief Executive Officer

EASY BUY Public Company Limited

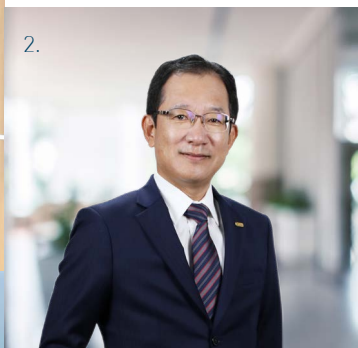
31 December 2020





Board of Directors

As of 31 December 2020



1. Mr. Takeo Noda

Chairman of the Board and Chief Executive Officer

2. Mr. Yoshiro Yamaguchi

Director and Chief Financial Officer

3. Mr. Chatchai Lertbuntanawong

Director and Chief Information Officer

4. Mr. Masato Takami

Director and Chief Operating Officer

5. Mr. Masaru Kuroda

Director

6. Mr. Yoshiharu Mori

Director

7. Mr. Witit Sujjapong

Independent Director and
Chairman of Audit Committee

8. Mr. Paitoon Taveebhol

Independent Director and
Member of Audit Committee





Financial Service

EASY BUY Public Company Limited obtains a License of Personal Loan Business under Supervision from the Ministry of Finance (MOF) according to the Article 12 of MOF Notification, Re: Business Subject to Approval to Clause 5 of the Revolutionary Council Decree 58 (Personal Loan Under Supervision), dated 9 June 2005 and the Notification of the Bank of Thailand Re: Prescription of Rules, Procedures and Conditions for Undertaking of Personal Loan Business under Supervision for Non-financial Institution Operators. Therefore, the Company is authorized to conduct the Personal Loan business by providing service (i) Revolving loan is served through Umay+ branches and apply-channels totally 96 units., and (ii) Installment loan is served through company's allied vendor shops totally 133 shops *(as at 31 December 2020)*.

Revolving Loan under Umay+ Brand

Currently, the Company provides the unsecured revolving loan under the brand name of Umay+ to the customers who need cash for their various needs. The customer can withdraw any desired amount of cash within the credit-line at any time via nationwide ATM network of Umay+ and allied commercial banks. In addition, The Umay+ revolving loan service can be used in conjunction with the Umay+ installment loan service. The customer can choose to pay using installment payments with allied vendors within the credit-line of revolving loan. The customer can choose to repay monthly minimum payment via nationwide ATM network the same as Umay+ revolving loan service or Umay+ branch. The interest is charged only on the amount that the customer uses. The credit-line is restored every time when repayment is made.

The customer can apply Umay+ simply and in a short time by filling and submitting a loan application form together with the required documents via Umay+ branch, apply-channel, mailing, and on-line service. The Company determines the credit-line of up to 5 times of the applicant's monthly salary. To make accurate, reliable and fast credit risk decision to the applicants, the Credit Scoring System is used in the credit granting process.

The Umay+ revolving loan service is divided into 3 types, as follows;



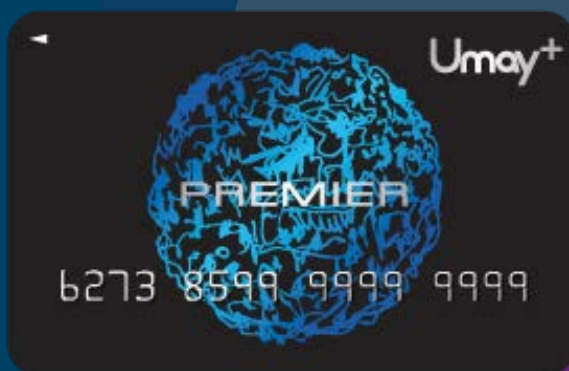
1) Umay+ Card



Umay+ Card

Umay+ Card was launched in August 2006, which is a card for applicants who have regular monthly income of at least 7,000 Baht by providing revolving loan service for cash withdraw. Umay+ card also can be used for installment loan at its allied vendors under the credit-line of revolving loan. *(as at 31 December 2020).*

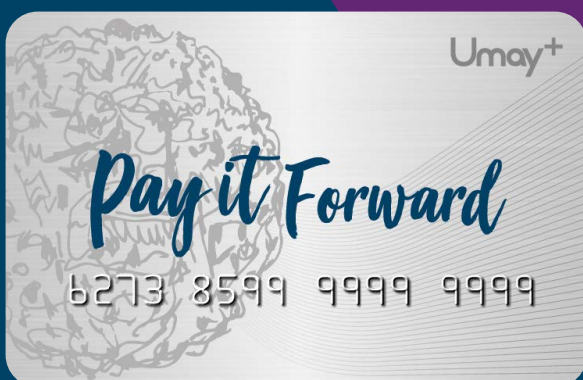
2) Umay+ Premier Card



Umay+ Premier Card

Umay+ Premier Card was launched in November 2011, which is a card for applicants who have regular monthly income of at least 20,000 Baht by providing both revolving loan service for cash withdraw and installment loan service at its allied vendors under the credit-line of revolving loan the same as Umay+ card. *(as at 31 December 2020).*

3) Umay+ PAY IT FORWARD Card



Umay+ PAY IT FORWARD Card

Umay+ PAY IT FORWARD card was launched in March 2013, as an option for customers to share their sympathy to support the Company's social contribution activity, under the project of "EASY BUY...for Thai Society". The activity aims to support the handicapped and disabled people via the Thai Red Cross Society. Since the activity started, the Company has been contributing over 60 million Baht to the Thai Red Cross society. The defined function of Umay+ PAY IT FORWARD card is the same as the aforementioned Umay+ card *(as at 31 December 2020).*

Service Channels

Service Channels of Umay+ can be categorized as follows;

Umay+ Branch

Umay+ Branch generally facilitates all visitors by providing supportive functions related to its services. Branch staffs are well trained to ensure the professional service is delivered to all visitors. Innovative Technology is continuously adapted to Umay+ Branch in order to maximize the customer satisfaction.

As at 31 December 2020, Umay+ Branch is served covering 65 provinces nationwide which located in department store, business center and community. The Company has 96 units of branch and apply-channel in total, which is divided into

- (1) 26 units in Bangkok and its vicinity,
- (2) 16 units in Northern,
- (3) 21 units in Central and Eastern,
- (4) 23 units in North Eastern, and
- (5) 10 units in Southern.

Moreover, the Company establishes the Operation Centers in regional cities, in order to facilitate the efficiency of credit granting process in nearby provinces. As at 31 December 2020, the Company has 5 Operation Centers: Bangkok Operating Center, Nakhonratchasima Operation Center, Chiangmai-Saha Sripoom Operation Center, Songkhla Operation Center and Rayong Operation Center.

Activity Booth

Activity Booth is created to conduct sales activity within a particular period and only essential functions are provided, such as accepting Umay+ service application, credit-line increase requisition, and offering service information. Visitors can definitely enjoy fast and quality service at the booth. As at 31 December 2020, Umay+ has 36 Activity Booths in total.



Allied Vendor Shops for Installment Loan Service

Customers can be served Installment Loan service through allied vendors which consist of shops, department stores, and retail stores. Umay+ always emphasizes on the quality of collaboration with allied vendors. At the point of service, the intensive training program is provided to the assigned staffs in order to deliver the most benefits to customers. As at 31 December 2020, there are 133 allied vendors nationwide, where is divided into (1) 88 vendors in Bangkok and its vicinity, (2) 14 vendors in Northern, (3) 17 vendors in North Eastern, (4) 5 vendors in Southern and (5) 9 vendors in Eastern.

Mailing

Mailing method is simply created in order to provide another convenience to the customers who has limitations to access to Umay+. Loan application form can be found at Umay+ Branch, Activity Booth, and also can be printed via its website (www.umayplus.com). Applicant can easily complete filling the form, attach together with required documents and mail to the Company. This method normally takes 14 days to complete the credit granting process.

On-line Service

Digital trend in Thailand is expected to enhance the customer more convenience in the personal loan services. Umay+ always seeks an opportunity to improve itself for the customer satisfaction. Virtual channels, therefore, are continuously developed and improved in order to create a better customer experience and serve as a spur to attract latent customers who have never used personal loan before through Umay+ on-line service. There are three main virtual channels, where customers always enjoy gaining privileges.

(i) www.umayplus.com: Official website of Umay+ developed based on User Friendly concept, which can be simply accessed via Internet. All service information is officially provided and easily found on this website.



(ii) Umay+ Mobile Application: Can be simply used by operating system for both iOS and Android. This application is developed at the high-level security as equal to commercial banking system standard.

(iii) Umay+ Line Connect: Introduced in October 2017 in order to provide the utmost convenience to the customers. Subscribers can promptly receive promotion information and special privileges. Furthermore, Customers, who subscribes as registered members can enjoy Umay+ service anytime and anywhere. As at 31 December 2020, Umay+ Line Connect has more than 7.7 million subscribers.

Additionally, the company has a communication channel with target audience via online social media such as

(1) **Facebook Umay+ Official** (@umayplusofficial), as of December 31, 2020, Umay+ Official has 406,823 followers.

(2) **Instagram** (@umayplusofficial), as of December 31, 2020, umayplusofficial Instagram has 10,650 followers and

(3) **YouTube** (Umayplus), as of December 31, 2020, Umayplus YouTube 89,706 Subscribers

Withdrawal / Payment Service

Withdrawal Service

Umay+ always has concerns about the customer's convenience. The cash withdrawal channels are implemented in order to serve all customers;

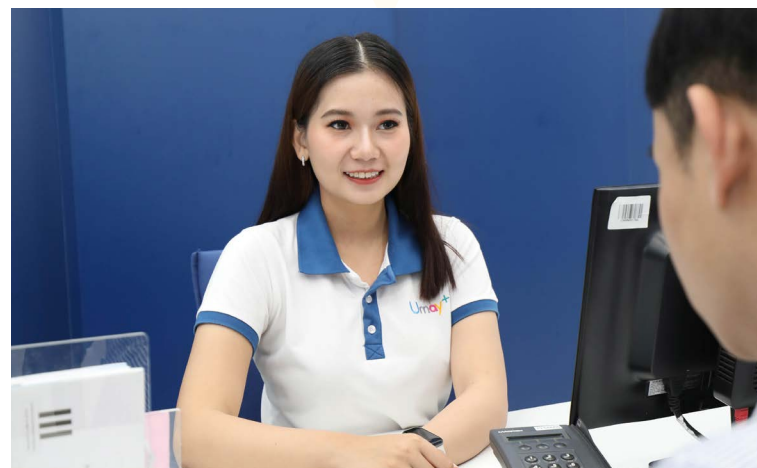
- Withdraw at Umay+'s branch and 85 ATMs (As at 31 December 2020)
- Withdraw at over 50,000 ATMs of allied commercial banks such as Krungsri Bank, Bangkok Bank, Government Saving Bank, Kasikorn Bank, Krung Thai Bank, Siam Commercial Bank, and Thanachart Bank.
- Transfer via Easy Tele Cashing, easily call 0-2695-0000, and self-interact with Automatic Phone System.
- Transfer via Easy Mobile Cashing, simply proceed cash-transfer to the registered bank account through Umay+ Mobile Application.
- Transfer via Easy LINE Cashing, conveniently proceed cash-transfer to the registered bank account through Umay+ LINE Connect.
- Cardless Withdrawal, proceed transaction through Umay+ Mobile Application and scan QR Code at ATM of Umay+ and ATM of Kasikorn Bank



Payment Service

Customers can choose to use the payment methods conveniently through any payment channels as follows;

- Pay cash at Umay+'s branch and 85 ATMs (As at 31st December 2020)
- Pay via Umay+ Mobile Application- Krungsri Bank, Bangkok bank, Kasikorn Bank, Krung Thai Bank, and Siam Commercial Bank
- Pay via mobile phone- Mpay service (AIS)
- Pay cash at agent counters- Counter Service (7-Eleven, etc.), Tesco Lotus, Big C cashier, CenPay, Mpay station (AIS, Telewiz), AirPay Counter, AirPay Application and Truemoney Counter
- Pay via commercial bank's ATM or counters- Krungsri Bank, Bangkok Bank, Kasikorn Bank, Krung Thai Bank, Siam Commercial Bank, Thanachart Bank, TMB Bank, and Government Saving Bank.
- Pay by automatically direct debit- Kasikorn Bank, Bangkok Bank, Siam Commercial Bank, Krung Thai Bank, TMB Bank, Krungsri Bank, Thanachart Bank, and Government Saving Bank
- Pay via Umay+ LINE Connect by Barcode and QR Code





Corporate Social Responsibility Activities

EASY BUY Public Company Limited

For over 24 years, Easy Buy Public Company Limited has always been dedicated to build reliability in ethical business operations and respecting all stakeholders, which is an important principle that the company always cultivate to employees according to our mission, “We, Easy Buy Public Company Limited, carry out our business with intention to contribute to society”. We created activities in many social needed in concepts, appropriateness, proficiency, transparency, and consistent with the business. Both for the community, society and environment by creating value to society through the following social activities.

Economy



The company's top priority is complying with the framework of fair and honest trade and competition under the framework of laws and business ethics. As well as, providing financial intelligence for Thai people in order to apply principles to improve their living standard in a better and sustainable way.

- **Umay+ “MONEY FITNESS” Activity** is an activity to cultivate a financial planning idea. by allowing the Thai youth to present the financial planning idea creatively through the storyboard competition to produce a shot film in order to communicate public-wide through social media platform.

Environment



The company is aware of the conservation and environmental saving by creating awareness through participation in activities to preserve and conserve the environment on a regular basis.

- **Umay+ “Cleaning series” Activity** is an activity that Umay+ has organized in the marathon event that EASY BUY as a sponsor, in order to enable runners and Thai people to pay attention about environment and cleanliness by applying to volunteer in cleaning to prepare areas and running routes.



Social

EASY BUY emphasized on running sustainability growth business together with the development of society, community, environment and quality of life. We believe that the business operation with the Corporate Social Responsibilities integration is one of the important factor which drives for the sustainable development for both communities level and national-level. We continuously organized the certain activity by focusing for sustainable social development, educational standards development, health development and support the event for sport development as deemed appropriate to the social context.



- **Umay+ “PAY IT...FORWARD” Activity** is a CSR activity that the company has conducted under the collaboration between EASY BUY and the Thai Red Cross Society for over 8 years with the objective to enhancing the life quality of underprivileged people in Thailand. EASY BUY raised the donation to the Thai Red Cross Society over 70 million baht in total. In the year 2020, the company continued the fundraising to support the cancer research and cured project for underprivileged patients via the Thai Red Cross Society.

- **Umay+ “makes Children’s Dream... comes true” Activity** is a range of support activities for development of education for youth in province; such as donation of educational supplies, school environment repairing, luncheon, and scholarships, more than 61 schools in 45 provinces nationwide. Moreover, the activity continues the royal initiative “Sufficient Economy” philosophy of His Majesty King Bhumibol Adulyadej The Great. By preserve a path of sufficiency through concepts “Integrated Agriculture” as well as creating knowledge of sustainable integrated agriculture for the local community in the area.





- The sponsorship of “BG Pathum United Football Club” and “Academy Football for Youth, Yamaoka Hanasaka Academy (YHA)” by becoming one of the main sponsors under the brand “Umay+” with the objective to promoting Thai sports popularity and enhancing the Thai sports industry to be international standards.

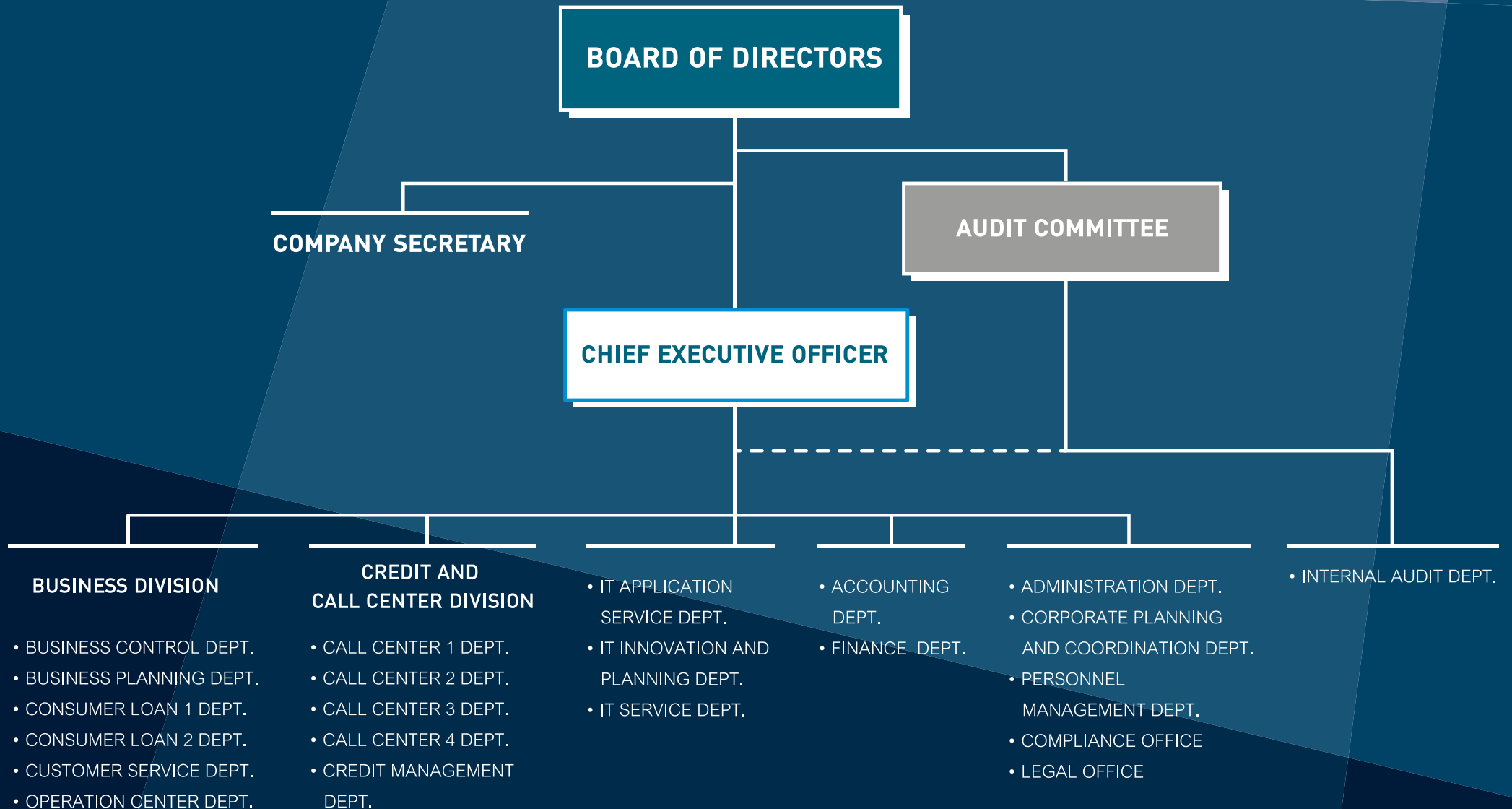


- The sponsorship of “Umay+ Bangkok Midnight Marathon 2020” and “Umay+ Chiangrai 21.1 Marathon 2020” The running is a popular sport of teenagers even in the current situation there is a coronavirus outbreak. EASY BUY is an important role to promoting a sport-tourism industry through running and tourism activity and also promoting family relationships.



EASYBUY ORGANIZATION CHART

As of 31 December 2020





Biography of Board of Directors and Managements

As of 31 December 2020



Mr. Takeo Noda

Chairman of the Board and Chief Executive Officer

Age: 50

Education / Training

- Bachelor of Business Law, Kindai University, Japan

Experience

- Chairman of the Board and Chief Executive Officer and Senior Executive Officer of Credit and Call Center Division- EASY BUY Public Co., Ltd.
- Chief Executive Officer and Senior Executive Officer of Credit and Call Center Division- EASY BUY Public Co., Ltd.
- Director- EASY BUY Public Co., Ltd.
- Chief General Manager- ACOM Co., Ltd.
- General Manager- ACOM Co., Ltd.
- Deputy General Manager- ACOM Co., Ltd.
- Director and Executive Officer- EASY BUY Public Co., Ltd.
- Executive Officer- EASY BUY Public Co., Ltd.
- Chief Manager- ACOM Co., Ltd.
- Assistant Manager- ACOM Co., Ltd.
- Assistant Manager- ACOM Co., Ltd.
- Assistant Manager- ACOM Co., Ltd.
- Staff- ACOM Co., Ltd.



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)



Mr. Yoshiro Yamaguchi

Director and Chief Financial Officer

Age: 58

Education / Training

- Bachelor of Economics, Hitotsubashi University, Japan
- Director Certification Program (DCP247/2017), Thai Institute of Directors Association

Experience

- Executive Officer- EASY BUY Public Co., Ltd.
- Chief Staff Specialist, Overseas Business Department- ACOM Co., Ltd.
- Managing Director- MU Office Service Co., Ltd.
- Senior Manager- Credit Examination Office
- General Manager- Horita Commercial Banking Office (Nagoya)
- Deputy General Manager- The Bank of Tokyo-Mitsubishi UFJ Ltd., Bangkok Branch
- Assistant General Manager- The Bank of Tokyo-Mitsubishi UFJ Ltd., Bangkok Branch
- Chief Manager- The Bank of Tokyo-Mitsubishi Ltd., Nagoya Branch
- Senior Manager- The Bank of Tokyo-Mitsubishi Ltd., Corporate Banking Division V (Tokyo)
- Manager- The Bank of Tokyo-Mitsubishi Ltd., Corporate Banking Division III (Tokyo)
- Manager- The Bank of Tokyo-Mitsubishi Ltd., London Branch



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)



Mr. Chatchai Lertbuntanawong

Director and Chief Information Technology Officer
and Data Protection Officer

Age: 60

Education / Training

- Bachelor of Economics (Quantitative Economics), Ramkamhaeng University
- Director Certification Program (DCP154/2011), Thai Institute of Directors Association

Experience

- Director and Chief Information Officer- EASY BUY Public Co., Ltd.
- Director and Executive Officer, Information Technology Group- EASY BUY Public Co., Ltd.
- IT Director, IT Department- Siam A&C Co., Ltd.
- Vice President, Computer Operation and Data Center- TISCO Finance Public Co., Ltd.
- Assistant Department Head, Computer Development Department – Bank of Ayudhaya Public Co., Ltd.



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)



Mr. Masato Takami

Director and Senior Executive Officer

Age: 44

Education / Training

- Master of Business Administration, Waseda University, Japan

Experience

- Director and Senior Executive Officer and Executive Vice President of Business Planning Dept. and Business Control Dept.- EASY BUY Public Co., Ltd.
- Director and Senior Executive Officer, Business Division- EASY BUY Public Co., Ltd.
- General Manager, Human Resources Department – ACOM Co., Ltd.
- Deputy General Manager, Business Planning Department – ACOM Co., Ltd.
- Chief Manager, Business Planning Department – ACOM Co., Ltd.
- Manager, Finance Department – ACOM Co., Ltd.



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)



Mr. Masaru Kuroda

Director

Age: 57

Education / Training

- Master of Business Administration, New York University, USA
- Bachelor of Business Administration, Yokohama National University, Japan

Experience

- President Commissioner – PT. Bank Nusantara Parahyangan
- General Manager, Overseas Business Dept. – ACOM Co., Ltd.
- Deputy Director General – Mitsubishi UFJ Jinji Service Co., Ltd.
- General Manager, Secretarial Office – Nidec Corporation
- Regional Head for the Middle East – The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- Deputy General Manager, Global Planning Division – The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- Chief Manager, Securitization and Asset Finance Division – The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- SVP & Group Head, Investment Banking Division for the America – The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- Vice President, Investment Banking Division for the America – The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- Officer, International Planning Division – The Mitsubishi Bank, Ltd.
- Officer, European, Middle Eastern, and Africa Division – The Mitsubishi Bank, Ltd.
- Officer, Omori Branch – The Mitsubishi Bank, Ltd.

Position in Other Company

- Executive Managing Officer – ACOM Co., Ltd.



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)



Mr. Yoshiharu Mori

Director

Age: 53

Education / Training

- Bachelor of Laws, Waseda University, Japan

Experience

- President- Siam Cosmos Services Co., Ltd.
- President- A&I Insurance Next, Co., Ltd. (Tokyo), Japan
- Senior Manager, Logistics & Insurance Services – ITOCHU Corporation
- Senior Manager, Financial & Insurance Services – ITOCHU Corporation
- Deputy General Manager, Orico Business Integrated – ITOCHU Corporation
- President – Cosmos Services Co., Ltd.
- President – Itochu Insurance Brokers Co., Ltd.
- Manager, Insurance Business Development- ITOCHU Corporation
- Senior Vice President / Treasurer & Corporate Secretary- Cosmos Services (America) Inc. (Subsidiary of Itochu Corporation)

Position in Other Company

- General Manager, Financial & Insurance Business- ITOCHU (Thailand) Ltd. and ITOCHU Enterprise (Thailand) Ltd.
- Group Chief Operating Officer, ICT & Financial Business Group, Asia & Oceania Bloc – ITOCHU Corporation



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)



Mr. Witit Sujjapong

Independent Director and Chairman
of Audit Committee

Age: 66

Education / Training

- Master of Economics, Hitotsubashi University, Tokyo, Japan
- Bachelor of Economics, Hitotsubashi University, Tokyo, Japan
- Chartered Director, Thai Institute of Directors Association
- Director Certification Program (DCP57/2005), Thai Institute of Directors Association
- GRC Series EP. 3: ESG Driven Boardroom from “Purpose” to “Performance”, Thai Institute of Directors Association
- Seminar Director Forum: “Board’s Role in Strategy for Business Sustainability”, Thai Institute of Directors Association

Experience

- Independent Director and Chairman of Audit Committee – Food Capitals Public Co., Ltd.
- Independent Director and Member of Audit Committee- EASY BUY Public Co., Ltd.
- President and Director- CAT Telecom Public Co., Ltd.
- Executive Vice President – TT&T Public Co., Ltd.

Position in Other Company

- Chairman of the Board- Filter Vision Public Co., Ltd.
- Chairman of the Board- AvantEMS Co., Ltd.
- Director- WISEComNet Co., Ltd.
- Director- Advance Concept Plating Co., Ltd.



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)



Mr. Paitoon Taveebhol

Independent Director and Member
of Audit Committee

Age: 70

Education / Training

- Master of Business Administration, Kasetsart University
- Bachelor of Business Administration (Accounting), Ramkhamhaeng University
- Certificate in Auditing, Thammasart University
- Certificated in Public Accountant, CPA Thailand
- Annual General Meeting 2019 – Business transformation, Thai Institute of Directors Association
- Seminar Independent Director Forum 1/2019 – Tips and Tricks for Dealing with Questions in AGM, Thai Institute of Directors Association
- Seminar IOD National Director Conference 2019 – Board of the Future, Thai Institute of Directors Association
- Seminar Chairman Forum 2019 – Successful Corporate Culture Change: from Policy to Practices, Thai Institute of Directors Association
- Seminar CAC National Conference 2019 – Innovations in the Fight against Corruption, Thai Institute of Directors Association
- Thailand Responsible Business Network – TRBN, Thai Institute of Directors Association
- Seminar ID Club (M-ID Club) No. 1/2018, Thai Institute of Directors Association
- Seminar Independent Director Forum (R-IDF) No. 1/2018, Thai Institute of Directors Association
- Seminar Executive Briefing (C-EB) No. 3/2018, Thai Institute of Directors Association
- Seminar ID Club Event (G-ID) No. 3/2018, Thai Institute of Directors Association
- Seminar Collective Action Against Corruption Conference (C-Conference) No. 1/2017, Thai Institute of Directors Association
- Seminar Director Dinner Talk (M-DDT) No. 2/2017, Thai Institute of Directors Association
- Seminar Independent Director Forum (R-IDF) No. 1/2017, Thai Institute of Directors Association
- Seminar National Director Conference (NDC) No. 1/2017, Thai Institute of Directors Association
- Seminar Annual General Meeting (M-AGM) No. 7/2017, Thai Institute of Directors Association
- Seminar Director Breakfast Talk (M-DBT) No. 4/2017, Thai Institute of Directors Association



Biography of Board of Directors and Managements

As of 31 December 2019 (continued)

- Seminar Special Events (M-SE) No. 3/2017, Thai Institute of Directors Association
- Seminar Collective Action Against Corruption Conference (C-Conference) No. 1/2016, Thai Institute of Directors Association
- Seminar National Director Conference (NDC) No. 1/2016, Thai Institute of Directors Association
- Seminar Director Luncheon Briefing (M-DLB) No. 2/2016, Thai Institute of Directors Association
- Seminar National Director Conference (NDC) No. 1/2015, Thai Institute of Directors Association
- Seminar Collective Action Against Corruption Conference (C-Conference) No. 1/2015, Thai Institute of Directors Association
- Seminar Director Luncheon Briefing (M-DLB) No. 4/2015, Thai Institute of Directors Association
- Seminar Director Luncheon Briefing (M-DLB) No. 1/2015, Thai Institute of Directors Association
- Seminar Collective Action Against Corruption Conference (C-Conference) No. 1/2014, Thai Institute of Directors Association
- Seminar Annual General Meeting (M-AGM) No. 6/2014, Thai Institute of Directors Association
- Seminar National Director Conference (NDC) No. 1/2013, Thai Institute of Directors Association
- Seminar Director Breakfast Talk (M-DBT) No. 3/2012, Thai Institute of Directors Association
- DCP Reunion Program (M-DCP Re) Class of 1/2012, Thai Institute of Directors Association
- Seminar Director Luncheon Briefing (M-DLB) No. 2/2012, Thai Institute of Directors Association
- Seminar National Director Conference (NDC) No. 1/2012, Thai Institute of Directors Association
- Seminar Director Dinner Talk (M-DDT) No. 2/2012, Thai Institute of Directors Association
- Anti-Corruption for Executive Program (ACEP) Class of 2/2012, Thai Institute of Directors Association
- Seminar Annual General Meeting (M-AGM) No. 1/2012, Thai Institute of Directors Association
- Seminar Annual General Meeting (M-AGM) No. 1/2011, Thai Institute of Directors Association
- Special Seminar (R-SS) No. 1/2011, Thai Institute of Directors Association
- Monitoring the System of Internal Control and Risk Management (MIR) Class of 9/2010, Thai Institute of Directors Association
- Seminar Special Events (M-SE) No. 2/2010, Thai Institute of Directors Association
- Monitoring the Internal Audit Function (MIA) Class of 9/2010, Thai Institute of Directors Association
- Role of the Compensation Committee (RCC) Class of 10/2010, Thai Institute of Directors Association
- Monitoring the Quality of Financial Reporting (MFR) Class of 11/2010, Thai Institute of Directors Association
- Seminar Director Forum (R-DF) No. 3/2010, Thai Institute of Directors Association
- Monitoring Fraud Risk Management (MFM) Class of 1/2009, Thai Institute of Directors Association
- Chartered Director Class (R-CDC) Class of 3/2008, Thai Institute of Directors Association
- Audit Committee Program (ACP) Class of 6/2005, Thai Institute of Directors Association
- Role of Chairman Program (RCP) Class of 11/2005, Thai Institute of Directors Association
- Director Certification Program (DCP) Class of 38/2003, Thai Institute of Directors Association
- Director Accreditation Program (DAP) Class of 4/2003, Thai Institute of Directors Association



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)

Experience

- Committee and Member of Numeration and Selection Committee- KCE Electronics Public Co., Ltd.
- Chairman of Enterprise Risks Policy Committee, Independent Director and Chairman of Audit Committee Member- KCE Electronics Public Co., Ltd.
- Risk Management Policy Committee – Somboon Advance Technology Public Co.,Ltd
- Independent Director, Chairman of Audit Committee and Member of Corporate Governance Committee- Big C Super Center Public Co., Ltd.
- Vice Chairman- Mater Dei Institute Foundation
- Audit, Following and Evaluation Committee- Walailak University
- President- Mater Dei Institute Parent and Teacher Association
- Managing Director- BT Business Consulting Co., Ltd.
- President and Secretary General- The ASEAN Federation of Accountants
- Managing Director- Arthur Andersen Business Advisory Company Limited
- Vice President and Council Member- The Institute of Certified Accountants and Auditors of Thailand
- Director and Executive Director – SGV-Na Thalang Company Limited

Position in Other Company

- Chairman of Numeration and Selection and Member of Enterprise Risks Policy Committee- KCE Electronics Public Co., Ltd.
- Chairman of Risk Policy Committee- Central Pattana Public Co., Ltd.
- Chairman of the Board of Directors – ZEN Corporation Group Co., Ltd.
- Independent Director, Chairman of the Nomination and Remuneration Committee, and Member of Audit and CG Committee – Somboon Advance Technology Public Co., Ltd.
- Chairman of Audit Committee, Independent Director- Central Pattana Public Co., Ltd.



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)



Mr. Shigenori Kimura

Senior Executive Officer, Head of Credit
and Call Center Division

Age: 42

Education / Training

- Bachelor of Economics, Ryukoku University, Japan

Experience

- Senior Executive Officer – EASY BUY Public Co., Ltd.
- Senior Manager, East Japan Business Promotion Dept. Net Service Center – ACOM Co., Ltd.
- Senior Manager, East Japan Business Promotion Dept. Service Center II – ACOM Co., Ltd
- Chief Manager, Business Planning Dept. – ACOM Co., Ltd
- Chief Branch Manager, West Japan Business Promotion Dept. Channel Operation Group – ACOM Co., Ltd
- Center Manager, West Japan Business Promotion Dept. Counseling Center – ACOM Co., Ltd
- Sub Manager, Credit Counseling Dept. Fukuoka Counseling Center – ACOM Co., Ltd
- Sales Staff, Business Promotion Dept. Counseling Center – ACOM Co., Ltd
- Sales Staff, Tenroku Branch – ACOM Co., Ltd



Biography of Board of Directors and Managements

As of 31 December 2019 [continued]



Mr. Hideki Yabukawa

Executive Officer

Age: 45

Education / Training

- Bachelor of Laws, Kindai University, Japan

Experience

- Executive Officer, Call Center Department 1-2 – EASY BUY Public Co., Ltd.
- Manager, Overseas Business – ACOM Co., Ltd.



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)



Ms. Watinee Chiarapuntarugsa

Executive Officer

Age: 58

Education / Training

- Bachelor of Business Management, Assumption University
- Honda Management Learning Program, Honda Fundamental Training

Experience

- Executive Vice President, Personal Management Department and Administration Department – EASY BUY Public Co., Ltd.
- Senior Vice President, Personnel Management Department – EASY BUY Public Co., Ltd.
- Department Head, Personal Management Department – EASY BUY Public Co., Ltd.
- Block Manager – Asian Honda Motor Co., Ltd (Regional HQ of Asia & Oceania)
- Department Manager, Human Resources & General Affairs Department – Asian Auto Part Co., Ltd. (Affiliated Company of Asian Honda Motor Co., Ltd.)



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)



Mr. Takeo Ogawa

Executive Officer

Age: 48

Education / Training

- Bachelor of Economics, Gakushuin University, Japan

Experience

- Executive Officer, Call Center 1 and Call Center 2 Department – EASY BUY Public Co., Ltd
- Deputy Manager, Financial Business Section No.1, Financial Business Department – ITOCHU Corporation
- Business Staff, Financial Business Section No.1, Financial Business Department – ITOCHU Corporation
- Temporarily Transferred to ITOCHU Financial Management Service Inc. Tokyo, Japan – ITOCHU Financial Management Service Inc.
- Temporarily Transferred to ITOCHU Shared Management Service Inc., Tokyo, Japan – ITOCHU Financial Management Service Inc.
- Business Staff, Finance Planning Department, Finance Division – ITOCHU Corporation
- Business Staff, Corporate Finance Department, Finance Division – ITOCHU Corporation
- Business Staff, Planning & Administration Section, Financial & Insurance Business Division – ITOCHU Corporation
- Temporarily Transferred to Industrial Growth Platform Inc., Tokyo, Japan – Industrial Growth Platform Inc.
- Business Staff, Financial & Insurance Intelligence Office, Financial & Insurance Business Division – ITOCHU Corporation
- Business Staff, Forex Section, Financial Markets Department – ITOCHU Corporation
- Business Staff, Forex Section, Forex and Capital Markets Department – ITOCHU Corporation



Biography of Board of Directors and Managements

As of 31 December 2020 (continued)



Mr. Sompong Anekvisudwong

Company Secretary and Senior Vice President

Corporate Planning & Coordination Department

Age: 46

Education / Training

- Master of Technology Management, University of New South Wales, Australia
- Company Secretary Program (CSP 44/2012), Thai Institute of Directors (IOD)
- Company Reporting Program (CRP 3/2012), Thai Institute of Directors (IOD)

Experience

- Vice President, Corporate Planning and Coordination Department – EASY BUY Public Co., Ltd.
- Vice President, Business Development – EASY BUY Public Co., Ltd.
- Vice President, Business Promotion – EASY BUY Public Co., Ltd.
- Assistant Vice President, Operations and Compliance of Consumer Finance – Standard Chartered Bank (Thai) Public Co., Ltd.
- Assistant Vice President, Customer Service Department – EASY BUY Public Co., Ltd.
- Assistant Vice President, Marketing & Planning Department – EASY BUY Public Co., Ltd.
- Senior Planner, Marketing & Planning Department – SIAM A&C Co., Ltd.



Management Structure

The Board of Directors

As of 31 December 2020, the Board of Directors is comprised of eight (8) directors as follows:

No.	Name – Surname	Position
1.	Mr. Takeo Noda ¹⁾	Chairman (Executive Director, Authorized Signatory)
2.	Mr. Yoshiro Yamaguchi	Director (Executive Director, Authorized Signatory)
3.	Mr. Chatchai Lertbuntanawong	Director (Executive Director)
4.	Mr. Masato Takami	Director (Executive Director, Authorized Signatory)
5.	Mr. Yoshiharu Mori	Director (Non-Executive Director)
6.	Mr. Masaru Kuroda	Director (Non-Executive Director)
7.	Mr. Witit Sujjapong	Independent Director
8.	Mr. Paitoon Taveebhol	Independent Director

¹⁾ Appointed as a director to replace Mr. Hitoshi Yokohama who resigned, effective on 24 February 2020

The Board of Directors consists of members with directorship qualifications as required by law. In addition, they have expertise, extensive knowledge and experience, and have a thorough understanding on their roles and responsibilities as well as the nature of business, and be able to devote their time and energy to the performance as directors.

Mr. Sompong Anekvisudwong serves as the Company Secretary.

The directors, who are authorized to sign on behalf of EASY BUY are; Mr. Takeo Noda who can solely sign with the company seal affixed; or Mr. Yoshiro Yamaguchi and Mr. Masato Takami who can jointly sign with the company seal affixed.

Scope of powers and duties of the Board of Directors

1. To perform their duties in accordance with the law, company objectives and Articles of Association as well as resolutions of shareholders' meeting, in good faith and with due care for the interest of the Company.
2. To ensure that the Company complies with the Securities and Exchange Act B.E. 2535, the Stock Exchange of Thailand (SET) regulations and other laws relating to the Company's business.
3. To refrain from conducting any similar or competitive business, participating as a partner in an ordinary partnership, or a partner with unlimited liability in a limited partnership or a director in a private company or in any other firm, company or corporation which operates the business similar to or in competition with the Company, regardless of whether it is for his/her own benefit or not. However, an exception is granted where the director provides notice to the shareholders' meeting in advance of his/her effective appointment as a director of the Company.

4. To determine the goals, prospects, policies, business plans and budgets of the Company, and ensure that the management work performed by the CEO and executive officers complies with the set policies.
5. To review the management structure and appoint the CEO and any committees, as it deems appropriate.
6. To hold an annual general meeting of shareholders within four (4) months from the end of each fiscal year and ensure the preparation and submission of the audited financial statements at the end of each accounting period to the shareholders' meeting for its consideration and approval.
7. To authorize one or more directors to perform any actions on behalf of the Board of Directors under its supervision, or grant a power-of-attorney to such designated director(s) to perform any actions within the specified time as the Board of Directors thinks fit. The Board of Directors may designate the CEO to do any acts within the scope of the CEO's powers, duties and responsibilities.
8. To ensure that the Company's performance follows the business plans and budgets at all times.
9. To notify the Company without delay of the event that the director may have direct or indirect interests as a result of (a) the Company's entry into any agreements or (b) his/her increased or decreased holding of shares or bonds in the Company or its subsidiaries.

Audit Committee

As of 31 December 2020, the Audit Committee is comprised of two (2) members as follows:

No.	Name – Surname	Position
1.	Mr. Witit Sujjapong	Chairman of the Audit Committee (Independent Director)
2.	Mr. Paitoon Taveebhol	Member of the Audit Committee (Independent Director)

The Audit Committee possess a wealth of knowledge and experience as well as a comprehensive understanding of the nature of business operations and risk management of the Company. In addition, one (1) Audit Committee member possess knowledge and experience at a level sufficient to review the reliability of financial statements.

Mr. Sornsak Pupetch, the Head of Internal Audit Department, serves as the secretary of the Audit Committee.

Scope of powers, roles and responsibilities of the Audit Committee

1. To review and ensure that the Company's financial statements and any disclosed documents related to the financial performance is accurate, adequate, reliable and reflect the true and fair view of the Company's financial status in accordance with the applicable accounting standards and laws.
2. To review and ensure that the Company has an adequate and effective internal control and internal audit system, consider the independence of the Internal Audit Department and concur an appointment, promotion, transfer and termination of employment of the Department Head of the Internal Audit Department.
3. To review and ensure that the Company complies with the Securities and Exchange Act B.E. 2535, the SET regulations and other laws relating to the Company's business.
4. To consider, select and nominate an independent person to be appointed as the Company's auditor, to propose the amount of remuneration for the auditor, and to meet with the auditor at least once a year without participation of any other person(s).
5. To consider that any related transactions or any transactions which may cause a conflict of interest are in accordance with the Securities and Exchange Act B.E. 2535, the SET regulations and other applicable

- laws and that those transactions are reasonable and the entry into those transactions is for the best interest of the Company.
6. To review and ensure that the Company has a reasonable and efficient risk management system.
 7. To prepare and publish audit committee's report signed by the Chairman of the Audit Committee in the Company's annual report. Each report must contain at least the following details:
 - 7.1 an opinion about the accuracy, completeness and reliability of the Company's financial report;
 - 7.2 an opinion about the adequacy of the internal control system;
 - 7.3 an opinion about the Company's compliance with the Securities and Exchange Act B.E. 2535, the SET regulations and other laws relating to the Company's business;
 - 7.4 an opinion about the appropriateness of the Company's auditor;
 - 7.5 an opinion about the transactions which may cause a potential conflict of interest;
 - 7.6 the number of the Audit Committee's meetings held and the meeting attendance by each committee member;
 - 7.7 an overview of opinions or comments received by the Audit Committee during the performance of its duties under the Audit Committee Charter, which is summarized from its self-assessment of performance; and
 - 7.8 Other details which should be made known to the shareholders and the investors in general within the scope of its duties and responsibilities designated by the Board of Directors.
 8. To approve an internal audit plan based on the relevant risks and the availability of resources, which is proposed by the Internal Audit Department.
 9. To report on the Audit Committee's performance to the Board of Directors at least on a quarterly basis.
 10. As a part of performance of its duty, to invite the Company's management, executives or other appropriate employees to attend meetings, to give opinions or to provide the Audit Committee with any documents as the Audit Committee deems relevant and necessary.
 11. To hire an advisor or any third party under the Company's regulations to deliver comments or opinions, as the Audit Committee deems necessary.
 12. To report the Board of Directors for remedial action within the time that Audit Committee deems appropriate, if during the performance of its duties, the Audit Committee finds or suspects that any of the following transactions or activities may materially and adversely affect the financial condition and operating results of the Company.
 - 12.1 a transaction which gives rise to a conflict of interest;
 - 12.2 a fraud, irregularity or material defect relating to the internal control system; and
 - 12.3 a breach of the Securities and Exchange Act B.E. 2535, the SET regulations or other laws relating to the Company's business.
- If the Board of Directors or the Management does not take remedial action within the time specified in the first paragraph, any member of the Audit Committee may report the relevant transaction or activity to the Office of the Securities and Exchange Commission (SEC) or the SET.
13. Upon receipt of a report from the auditor regarding a suspected fraud or breach of the law relating to the director's or executive officer's performance of duties, to carry out a preliminary investigation and report the result of such investigation to the Office of the SEC and the auditor within 30 days.
 14. To perform other tasks as assigned by the Board of Directors as agreed by the Audit Committee.
- Performing the above duties, the Audit Committee must directly report to the Board of Directors, while the Board of Directors remains totally responsible to the outsiders in relation to the Company's business.

Executive Officers

As of 31 December 2020, the Company has ten (8) Executives as follows:

No.	Name - Surname	Position
1.	Mr. Takeo Noda ¹⁾	Chief Executive Officer
2.	Mr. Yoshiro Yamaguchi	Chief Financial Officer
3.	Mr. Chatchai Lertbuntanawong	Chief Information Officer
4.	Mr. Masato Takami	Chief Operating Officer
5.	Mr. Shigenori Kimura	Senior Executive Officer
6.	Mr. Hideki Yabukawa	Executive Officer
7.	Ms. Watinee Chiarapuntarugsa	Executive Officer
8.	Mr. Takeo Ogawa	Executive Officer

¹⁾ Appointed as a director to replace Mr. Hitoshi Yokohama who resigned, effective on 1 January 2020

Chief Executive Officer is appointed by the Board of Directors. The Executive Officers Meeting, chaired by the Chief Executive Officer, is held at least once a month as prescribed. The Executives have extensive knowledge, experience and capability as well as a thorough understanding of their duties and responsibilities, and be able to make a good judgement for the benefits of the Company.

Mr. Sompong Anekvisudwong serves as the Secretary to the Executive Officer Meeting.

Scope of power and duties of Executive Officers

Executives are assigned to achieve the Company's goals in accordance with its policy, business plan and budget set by the Board of Directors. The Executives provide full and accurate information to the Board of Directors so as to set optimal policies and plans.



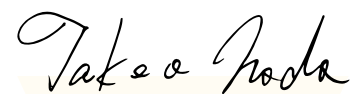
Report of the Board of Directors' Responsibilities for the Financial Statements

To: Shareholders

The Board of Directors is responsible for the financial statements of EASY BUY Public Company Limited (the Company), and the financial information in the Annual Report. The financial statements for the year ended 31st December 2020 have been prepared in accordance with Thai Financial Reporting Standards, with appropriate accounting policies applied on a consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent certified auditors who have given their unqualified opinions.

The Board of Directors supports the practice of good corporate governance in the Company and endeavors to improve the structure of the Board of Directors accordingly so that the Company's operations are efficient, transparent and reliable. An internal control system and a risk management system have been established to reasonably ensure that the financial records are accurate and complete. The board of Directors has appointed and Audit Committee which comprises of two independent directors who are responsible for reviewing the financial reports and for maintaining the adequacy of the internal control and audit systems of the Company. The Audit Committee has expressed its opinion with regard to the stated matters in the Report of the Audit Committee which is presented in this Annual Report.

The Board of Directors is of the opinion that the Company's overall internal control system is adequate and appropriate and can reasonably assure the creditability of the financial statements of the Company for the year ended 31st December 2020.



Mr. Takeo Noda
Chairman of the Board



Report of the Audit Committee

To: Shareholders,

The Audit Committee, appointed by the Board of Directors, consists of two independent directors who have strong background included economics and accounting & finance. They are;

- | | |
|--------------------------|-----------------------------|
| 1. Mr. Witit Sujjapong | Chairman of Audit Committee |
| 2. Mr. Paitoon Taveebhol | Member of Audit Committee |

The Audit Committee performed duties and responsibilities as assigned by the Board of Directors and according to the Audit Committee's Charter. However, each member has no duties on any other committees. The incumbent Committee has been appointed for a term of three years which will end on March 1, 2023.

In 2020, the Audit Committee held 9 meetings. Members of the Committee attended entirely in the meetings.

In 2020, the Audit Committee met with management, relevant departments, the external auditors and the internal auditors to consider and provide opinions and recommendations independently on the following matters:

Financial Reports: To review accuracy, completeness, and reliability of the Company's interim and annual financial statements, significant accounting policies and financial reports to ascertain that they were in compliance with standards of Federation of Accounting Professions and that information disclosure was sufficient. The Audit Committee discussed with management, internal auditors and the external auditors on risks related to the preparation of the financial reports, relevant accounting standards and changes thereof, and accounting policies, including internal control of report preparation process to ensure that they were prepared under generally accepted accounting procedures, were accurate, complete, and reliable with a sensible choice of accounting policies.

Internal Control System and Internal Audit System Review: To ensure that the internal control and internal audit systems were adequate and effective, the Audit Committee considered the adequacy and effectiveness of internal control evaluation based on the internal auditor's quarterly summary report including the Company internal control evaluation results by self-assessment based on SEC guidelines questionnaire in accordance with COSO Internal Control which concluded that the company had generally adequate and effective internal control system.

The Audit Committee considered and agreed to risk-based audit approach of the Internal Audit 3 years medium-term plan and the annual internal audit plan.

Since year 2017 Internal Audit Department received the international standards quality assurance review by independent assessor team from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., the results of which confirmed overall conformance to International Professional Practice Framework (IPPF). The Audit Committee considered Internal Audit Department's self-assessment result for conform to the Code of Ethics, Independence of Internal Audit Activities, and the Standards of Internal Audit Professions for year 2020 with the conformance results. Therefore, the Audit Committee has the opinion that the Internal Audit system is independent and appropriate.

Since the Company has been accredited by Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on August 18, 2017 which valids for 3 years from the certified date, the Company had placed importance of regulatory compliance to anti-corruption and corruption practices and the Audit Committee had been regularly reported the supervision results from the Compliance Office.

In year 2020 the Company prepared the self-assessment for re-certification and submitted results to the Audit Committee for reviewing in order to confirm the evaluation result and signed by the Chairman of Audit Committee and Chairman of the Board of Directors. The CAC Committee had approved for re-certified of the Company as Thailand's Private Collective Action Coalition Against Corruption on 30 September, 2020 which would be expired 3 years from the certified date.

Risk Management System: The Audit Committee considered and reviewed the risk management plan and acknowledged the 2020 risk management report from management. The Audit Committee considers the Company has suitable risk management system.

Compliance with Securities and Exchange Commission (SEC) Laws, the Stock Exchange of Thailand's (SET's) Requirements and Applicable Laws: The Audit Committee reviewed the Company's compliance with SEC laws, SET's regulations, notifications and other rules/regulations of BOT relating to the Company's business.

In addition, the Audit Committee regularly reviewed the management's compliance monitoring report. The Audit Committee considers the Company is in compliance with relevant laws and regulations.

Transactions with Potential Conflicts of Interest: The Audit Committee considered on a regular basis all connected transactions as well as those transactions that might involve possible conflicts of interest in compliance with all laws and regulations of the Stock Exchange of Thailand (SET). The Audit Committee considered these connected transactions were part of the normal course of business with regular commercial conditions, sensible and in the interests for the Company.

Overall View and Remarks as a Result of Performance of Duties: The Audit Committee made a self-assessment of its overall performance and duties for 2020 by Thai Institute of Directors (IOD) questionnaire guideline on November 19, 2020. The overall performance result and specific duties had adequately and completely performed.

The Audit Committee also performed other duties within the scope of its responsibilities as well as duties assigned by the Board of Directors and submitted summary reports to the Board of Directors regularly.

The Audit Committee had one meeting with the external auditors of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. without any management being present, in order to obtain their direct feedback on the Company's operation and issues of coordination among the concerned managements. The Audit Committee considered and agreed to propose Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the Company's auditor for year 2020 with an annual fee to the Board of Directors for subsequent approval by the Shareholders' Meeting.

The Audit Committee has performed its duties carefully and independently for the benefit of the Company without any limitation in obtaining information, resource and cooperation from the Company.

On behalf of the Audit Committee



Mr. Witit Sujjapong
Chairman of the Audit Committee



History

- 1996**
 - SIAM A&C was incorporated.
 - Started operating consumer finance business by launching Installment Loan Business.
- 1998**
 - Launched “EASY BUY” as the company’s registered trademark.
- 2001**
 - Launched Personal Loan Business, as an unsecured loan in form of cash.
 - Opened the first upcountry branch in Nakorn Ratchasima province to provide consumer finance services to customers in Northeast Region.
- 2002**
 - Increased registered capital from Baht 120 million to Baht 140 million to the existing shareholders.
- 2003**
 - Increased registered capital to Baht 200 million to the existing shareholders.
- 2005**
 - Converted into a public limited company and changed name to EASY BUY Public Company Limited.
 - Became under the supervision of the Bank of Thailand pursuant to the Notification of the Ministry of Finance.
- 2006**
 - Offered new personal loan service, revolving loan, named “Umay+”, under slogan “Life is more manageable”.
- 2007**
 - Provided cash withdrawal channels via Commercial Bank’s ATM network to expand convenience to Umay+ customers.
- 2011**
 - Increased registered capital to Baht 300 million to the existing shareholders.
 - Launched new revolving loan service, named “Umay+ Premier”, focused on regular income earners from middle class and above.
- 2012**
 - Affirmed the company rating of “BBB+” by TRIS Rating Co., Ltd.
 - Obtained the foreign business license to operate personal loan under the supervision for non-financial institution operators under the conditions prescribed by the Ministry of Finance.
 - Increased registered capital to Baht 3,900 million to the existing shareholders.
- 2013**
 - Achieved 1 million “Umay+” Cardholders nationwide.
- 2015**
 - Increased registered capital to Baht 4,500 million to the existing shareholders.
 - Affirmed the National Long Term Rating of AA(tha) with Stable Outlook by Fitch Ratings (Thailand) (“Fitch Ratings”).
- 2016**
 - Upgraded the National Long Term Rating of the Company to AA+(tha) with Negative Outlook by Fitch Ratings.
- 2017**
 - Affirmed the National Long Term Rating of AA+(tha) with Stable Outlook by Fitch Ratings.
 - Increased registered capital to Baht 6,000 million to the existing shareholders.
 - Certified to be a member of Collective Action Coalition against Corruption (CAC).
- 2018**
 - Re-branded logo “Umay+”, under tag line “Plus happiness to Life”.
- 2019**
 - Provided Cardless Withdrawal Service. Customers can simply initiate a withdrawal transaction via Umay+ Mobile Application and then scan QR Code at the transacted ATM to receive cash instantly.
- 2020**
 - Strengthen agility of information technology and provide electronics service such as E-NCB, E-Statement, E-NCB Yearly Letter, as well as provide Virtual Card for customers.



Knowing about Parent Company

ACOM Co., Ltd is EASY BUY's parent company and major shareholder, which held 71.00% of its total shares as at 31st December 2020. ACOM was incorporated in 1978 and subsequently listed on the first section of the Tokyo Stock Exchange in 1996. ACOM conducts four main businesses:

- (1) Loan and Credit Card Business
- (2) Guarantee Business
- (3) Loan Servicing Business
- (4) Overseas Financial Business

ACOM has been ranked as one of the largest and well recognized consumer finance companies in Japan and has established a strong record of innovation within the industry. ACOM was the first operator which provided the 24 hours a day services via selected ATMs in 1979 and introduced the MUJINKUN automatic loan application machines in 1993. In 1998, ACOM was approved as a principal member of MasterCard International, becoming the first consumer finance company in Japan to obtain a license to issue credit cards under the MasterCard name.

As at 31st December, 2020, *(with reference to the third quarter summary for the financial statement fiscal year ending 31st March, 2021)* ACOM's key financial data are total assets of JPY 1,205,021 million,

total liabilities of JPY 708,884 million, shareholders' equity (net asset) of JPY 496,137 million and profit of JPY 70,161 million. Mitsubishi UFJ Financial Group Inc. (MUFG) is the major shareholder of ACOM, direct and indirect holding 40.18% of its total paid-up registered capital as at 31st December, 2020. As at 9th February, 2021 the credit rating of ACOM's long-term bonds was rated 'BBB+' by Rating and Investment Information, INC, 'A+' by Japan Credit Rating Agency, and 'BBB+' by Fitch Ratings. (Source: ACOM Company Limited)

ACOM was an innovator and interested in entering into the consumer finance business in Thailand, and also has gained trust from its joint venture partners to take a major role in management and operation due to its expertise and experience in the similar type of business in Japan.



Management Discussion and Analysis

Analysis explanation of Company's financial position and operating performance in 2020

According to the spread of coronavirus disease 2019 ("COVID-19") around the world, an economic slowdown occurred and affected many businesses and industries. This situation led to an uncertain environmental impact on business operations. Government expenditure stimulated recovery in the Thai economy from the end of the second quarter, resulted in progress in overall economic indicators. However, the management of the Company regularly keeps monitoring this situation including assessing the financial impact on the value of assets, provisions on liabilities, and contingent liabilities.

So far, the Company has released mitigation plans to customers who got the effect from COVID-19 by interest rate reduction, fee and penalty fee exemption, the grace period for a personal loan and installment loan customers, and debt restructuring offer following Bank of Thailand ("BOT")'s relief measures for retail debtors phase 1, phase 2, and phase 3, which is extended to June 30, 2021.

Operating Performance

Total Revenues

The revenue of the Company is divided into core revenues of consumer loan business and other revenues. The consumer loan business of the Company consists of a revolving loan (or personal loan) and installment loan.

The total revenue in 2020 was decreased from 15,436.0 million baht in 2019 to 15,102.1 million baht, the growth rate decreased by 2.2% (YOY) compared to 2019. The main reason was interest rate ceiling reduction from BOT's announcement since August 1, 2020 onward, which decreased rate from 28% to 25%, impact on the Company's 5-month revenues, including fee income reduction from the Company's mitigation plan of collection fee exemption to customers who affected by COVID-19 until December 31, 2020.

The Portion of the Company's total revenues from 2019 to 2020

(Unit : Million Baht)	2019		2020	
	Amount	Percent (%)	Amount	Percent (%)
Income from personal loans*	14,111.8	91.4%	13,650.1	90.4%
Income from installment loans*	19.2	0.1%	16.5	0.1%
Other income	1,305.0	8.5%	1,435.5	9.5%
Total Revenues	15,436.0	100.0%	15,102.1	100.0%

Note: * The revenue from the personal loan and installment loan consist of Interest Received, Credit Usage Fee, and Collection Fee.

For more than 20 years in the personal loan business, the Company has more than 2 million customer base and active customers more than 1.4 million accounts. In addition, with the strict credit approval policy focusing on the quality of customers and vendors, interest income was generated continuously. In 2020, the Company ongoing enhanced multiple strategies as following detail;

- 1) On-line service: to strengthen a rapid function services improvement for more convenience and utmost customer satisfaction. The Company emphasizes developing the efficiency of Umay+ Mobile Application, Umay+LINE Connect, and www.umayplus.com website to provide self-service to a customer, while connected with other banks' channels. An on-line service would be a high potential channel to attract new target customers.
- 2) Continuity on marketing promotion: to increase credit facility for good quality customers under the credit limit principle according to BOT regulations.
- 3) Credit model revision: to make a more precise scoring model corresponding to changed customer behavior from the impact of COVID-19. The new approval with the new credit scoring model was fully implemented in December 2020.

Other Revenues

Apart from the above core revenues, the Company earns other revenues from bad debt recovery, re-issue card fees, interest income from deposits, etc.

In 2019 and 2020, other revenues were 1,305.0 million baht and 1,435.5 million baht respectively.

Table of other revenues in 2019 and 2020

(Unit: Million Baht)

	2019	2020
Recovery of bad debt	1,187.7	1,318.4
Others	117.3	117.1
Total	1,305.0	1,435.5

In 2020, the Company could collect bad debt recovery with a satisfying level which was increasing continuously every year. This resulted from the consistently improved operation of debt collection strategy corresponding to the current situation e.g. related law and regulation training, debt collection technology development, etc., resulting in an efficient debt collection strategy.

Outsourcing agency must be authorized by the Company before acting as representatives. At the end of 31 December 2020, the number of outsourcing agencies was 45 agencies.

Expenses

The main expenses are operating and administrative expenses, bad debt and doubtful accounts and finance costs.

Operating and Administrative Expenses

Operating and administrative expenses increased from 3,814.7 million Baht in 2019 to 3,825.9 million Baht in 2020 or slightly increased by 0.3% (YOY), represented in the following table.

(Unit : Million Baht)	2019	% of Total Revenue	2020 (TFRS9)	% of Total Revenue	Growth (yoy)
Personnal expenses	1,658.3	10.7%	1,657.7	11.0%	0.0%
Marketing expenses	235.9	1.5%	214.1	1.4%	-9.2%
Commission expenses	213.7	1.4%	260.2	1.7%	21.8%
Special business tax and stamp duties	543.9	3.5%	535.0	3.5%	-1.6%
Others	1,162.9	7.5%	1,158.9	7.7%	-0.3%
Total Expenses	3,814.7	24.7%	3,825.9	25.3%	0.3%

From the above table, outsourcing agency collection in 2020 that increased by approximately 46 million baht from 2019, was consistent with over-expectation in received bad debt recovered against the COVID-19 pandemic. On the other hand, marketing expenses decreased by approximately 22 million baht from postponement or cancellation of marketing activities, advertising, and public relations activities, etc.

An overall ratio of operating and administrative expenses to the total revenues in 2020 was 25.3%, in 2019 was 24.7%. The Company could maintain operating cost reduction, control expenditures, and continuously improve operational efficiency.

Bad Debt and Doubtful Accounts

In 2020, Bad debt and doubtful accounts were 4,543.0 million Baht, increased by 6.8% (YOY) according to Thai Financial Reporting Standard No.9 ("TFRS 9") adoption and impact of the COVID-19 mitigation plan. However, the Company continuously maintained a credit quality control policy and credit approval standard.

(Unit : Million Baht)	2019	% Total Revenue	2020	% Total Revenue	Growth (yoy)
Bad debts and expected credit losses	4,253.3	27.6%	4,543.0	30.1%	6.8%
- Bad debts	4,033.0	26.1%	3,667.9	24.3%	(9.1%)
- Expected credit losses (reversal)*	220.2	1.4%	875.0	5.8%	297.3%

Note: * 2019 represented in Doubtful account (reversal)

Finance Costs

In 2020, finance costs were 647.7 million Baht, reducing by 170.1 million Baht from 2019 or 20.8% with these following causes.

- 1) Decrease in loan borrowings: The Company had a debenture and long-term borrowings repayment, starting from 2018. In 2020, the Company repaid matured long-term principle of more than 3,000 million baht as the cash flow from operating activities was sufficient for borrowing repayment and supporting the growth of personal loan business expansion.
- 2) Decrease in market interest rate: Since the policy rate was cut three times in 2020, leading to the favorable impact in respect of gradually lower finance costs in short-term borrowings. Besides, the matured long-term borrowings with the high-interest rate in 2020 were replaced with lower interest rate borrowings.

(Unit : Million Baht)	2019	2020 (TFRS9)	Difference	Growth (yoy)
Finance Cost	817.8	647.7	(170.1)	(20.8%)
Debt bearing interest	27,958.8	24,632.9	(3,325.9)	(11.9%)
Average Cost of Fund (%)	2.8%	2.5%		
Interest coverage ratio (time)	9.2	10.9		

Net Profit Margin

The Company achieved profitability performance with a high net profit ratio of 31.8% in 2020, although the net profit decreased to 4,797.8 million baht or -8.3% (YOY) from 2019. The main factor was from 3% interest rate ceiling reduction for the last 5 months of 2020.

- Profitability ratio

	2019	2020
Net Profit (Million Baht)	5,234.3	4,797.8
Net Profit Margin (%)	33.9	31.8
Interest & Fee Income Ratio (%)*	25.4	23.8
Cost of Fund Ratio (%)	2.8	2.5
Net Interest & Fee Margin (%)	22.6	21.3

* Including interest income, credit usage fee and collection fee

Even the interest rate and fee were reduced, the Company could competently sustain the lower finance costs. Net interest & fee margin was high enough to support the operating and administrative expenses, bad debts, and risk of non-performing credit in the competitive market.

Financial Position

Total Assets

Total assets in 2020 were 54,954.3 million baht, decreased by -0.7% (YOY) from 2019 which was 55,340.5 million baht.

Table of Total Assets

(Unit : Million Baht)	2019		2020	
	Amount	%	Amount	%
Current assets	54,053.5	97.7	53,133.0	96.7
Non-current assets	1,287.0	2.3	1,821.3	3.3
Total assets	55,340.5	100.0	54,954.3	100.0

In 2019 and 2020, the current assets were 54,053.5 million baht and 53,133.0 million baht, respectively. The non-current assets were 1,287.0 million baht and 1,821.3 million baht, respectively. The key assets were as following.

Loan Receivables

The net loan receivables were 53,600.5 million baht in 2019 and 52,543.3 million baht in 2020, the decreased rate by -2.0% (YOY). The net loan receivables are calculated from loan receivables outstanding balance deducted by unearned interest income and allowance for doubtful accounts or expected credit losses.

- Loan Receivables Aging as of December 31, 2019

Loan Receivables	Personal Loans		Installment Loans		Total	
	Million Baht	%	Million Baht	%	Million Baht	%
Normal	53,294.7	93.6	189.1	99.3	53,483.8	93.6
Current-OD2	2,342.2	4.1	0.8	0.4	2,343.0	4.1
OD3 Up	1,306.7	2.3	0.5	0.3	1,307.2	2.3
Total	56,943.6	100.0	190.4	100.0	57,134.0	100.0
<u>Less</u> Unearned Interest Income	-	-	(10.2)	(5.3)	(10.2)	(0.0)
<u>Less</u> Allowance for expected credit losses	(3,520.9)	(6.2)	(2.4)	(1.3)	(3,523.3)	(6.2)
Net	53,422.7	93.8	177.8	93.4	53,600.5	93.8

- Loan Receivables Classified by Staging as of December 31, 2020

Loan Receivables	Personal Loans		Installment Loans		Total	
	Million Baht	%	Million Baht	%	Million Baht	%
Performing (Stage 1)	54,053.0	93.8	183.7	99.4	54,236.7	93.8
Under-performing (Stage 2)	1,399.5	2.4	0.5	0.3	14,00.0	2.4
Non-performing (Stage 3)	2,167.1	3.8	0.7	0.4	2,167.8	3.8
Total	57,619.6	100.0	184.9	100.0	57,804.5	100.0
<u>Less</u> Unearned Interest Income	-	-	(8.4)	(4.5)	(8.4)	(0.0)
<u>Less</u> Allowance for expected credit losses	(5,251.5)	(9.1)	(1.3)	(0.7)	(5,252.8)	(9.1)
Net	52,368.1	90.9	175.2	94.8	52,543.3	90.9

The loan receivables contain revolving loan receivables and installment loan receivables. The majority was revolving loan receivables.

- Change in Allowance for Expected Credit Losses as of December 31, 2020

(Unit : Million Baht)	Allowance for expected credit loss			Allowance for doubtful accounts	Total
	Allowance for 12-month ECL (Stage 1)	Allowance for Lifetime ECL - not credit impaired (Stage 2)	Allowance for Lifetime ECL - credit impaired (Stage 3)		
Balance as at December 31, 2019	-	-	-	3,523.3	3,523.3
Impact of adoption of IFRS9	2,440.3	740.5	1,118.8	(3,523.3)	776.3
Balance as at January 1, 2020	2,440.3	740.5	1,118.8	-	4,299.6
Changes in staging	(733.9)	(1,864.5)	2,598.4	-	0.0
New financial assets originated or purchased	227.9	-	-	-	227.9
Net remeasurement of loss allowance	780.2	1,954.7	867.1	-	3,602.0
Financial assets derecognized	(56.8)	(5.3)	(2.6)	-	(64.8)
Written-off	(31.3)	(43.4)	(2,737.2)	-	(2,811.9)
Balance as December 31, 2020	2,626.4	782.0	1,844.5	-	5,252.8

The loan receivables before allowance for expected credit losses in 2020 was higher than 2019, however, the net loan receivables declined. In the other words, the net loan receivables in 2019 were 53,600.5 million Baht but it decreased to 52,543.3 million baht in 2020, resulted from the allowance for expected credit losses increased by 1,729.5 million Baht or 49.1% (YOY).

The key factor of allowance for expected credit losses increased as followings:

- 1) The adoption of TFRS9 on January 1, 2020 increased the allowance for expected credit losses by 776.2 million baht.
- 2) The additional allowance for expected credit losses of 953.2 million Baht during 2020, which was quite higher than normal business operation, was from the response to government mitigation plan COVID-19 relief measure in order to help non-NPL customers following by BOT's guideline. The Company provided the mitigation plan with a debt holiday for three months (May-July) of principal and interest with unchanged status ("Skip Payment Program").

• **Assets Quality Ratio Assets Quality Ratio**

	2019	2020 (TFRS9)
NPL to account receivables (%)	2.3%	3.8%
Allowance for expected credit losses to account receivables (%)	6.2%	9.1%
Allowance for expected credit losses to NPL (%)	269.5%	242.3%

NPL coverage ratio in 2020 was still high enough at 242.3% which was adequate for NPL risk allowance.

Liabilities

The total liabilities were 29,524.9 million Baht in 2019 and 26,645.4 million Baht in 2020, which decreased by 9.8% (YOY).

Interest-bearing debt

The Company borrowed both short-term and long-term loans from financial institutions, bills of exchange, and debentures. As of December 31, 2020, the ratio of short-term borrowings to long-term borrowings was 48.1% to 51.9%, while it was 41.6% to 58.4% in 2019. The loan details were as following.

	2019		2020 (TFRS9)		Difference	Growth (yoy)
	Million Baht	%	Million Baht	%		
Short-term borrowings*	11,617.9	41.6	11,854.1	48.1	236.2	2.0
Long-term borrowings	16,340.9	58.4	12,778.8	51.9	(3,562.1)	(21.8)
Total	27,958.8	100.0	24,632.9	100.0	(3,325.9)	(11.9)

* Including long-term borrowings and debentures within one year.
(If include lease liabilities, interest-bearing debt in 2020 were equivalent to 24,850.5 million baht)

- Change in Liabilities from funding activities

(Unit : Million Baht)	Short-term borrowings from financial institution	Long-term borrowings from financial institution	Debentures	Total
As at December 31, 2019	4,163.2	9,666.6	14,129.0	27,958.8
Impact of first adoption of TFRS9	-	(196.6)	(78.0)	(274.6)
As at January 1, 2020	4,163.2	9,470.0	14,051.0	27,684.2
Changes in cash flow				
Cash proceeds	37,967.0	2,200.0	1,500.0	41,667.0
Cash repayment	(37,482.1)	(3,317.6)	(4,139.6)	(44,939.3)
Non-cash changes				
Differences on translating foreign currencies	-	137.1	78.0	215.1
Deferred issuance costs on debentures and borrowings	0.5	0.7	4.7	5.8
As at December 31, 2020	4,648.6	8,490.2	11,494.0	24,632.9

In 2020, interest-bearing debt decreased with the major factor;

The principal repayment of debentures and long-term borrowings more than 3,000 million baht: The Company continuously repaid loan borrowing balances in 2020 as operating profit was enough for repayment and personal loan business expansion.

The above factors led to declining in the interest-bearing debt of the Company by 3,325.9 million Baht or 11.9% (YOY) as of December 31, 2020. Nonetheless, whenever the Company entered to long-term loan transaction with foreign currency and/or floating interest rate, the Company shall implement fully hedging with derivative financial instruments such as cross-currency swap agreement, interest rate swap agreement to prevent such volatility in the financial risk of foreign exchange rate and interest rate.

So far, the loan borrowing agreements and debenture conditions did not contain any requirements of maintaining a financial ratio.

Shareholders' Equity

Shareholders' equity increased from 25,815.7 million baht in 2019 to 28,308.8 million Baht in 2020 or increased by 9.7% (YOY). As of December 31, 2020, the Company had registered capital and paid-up capital of 6,000.0 million baht with retained earnings of 21,708.8 million baht. The Debt to Equity ratio in 2019 was 1.1 times, decreased to 0.9 times in 2020, and tended to gradually decline in correspondence to Company's good performance.

Cash Flow Analysis

The resources of major cash flows are operating income, borrowings from financial institutions and debenture issuance. The Company used those received cash flows to repay borrowings, and financial expenses, including operating and administrative expenses. The cash flow for operating decreased by 330.4 million baht in 2019 and increased by 131.7 million baht in 2020.



Risk Factors 2020

The Risk Factors which might occur and affect the Company's operations could be summarized as follows:

1. Risk from losing the opportunity to gain competitive advantage

An intense competition from various institutes in personal loan business such as commercial banks, financial institutions, and non-banks, makes intelligence, especially in the area of consumer and marketing, become vital for strategic planning and competition ability. Therefore, it is essential for EASY BUY Public Company Limited (the Company) to be able to appropriately and efficiently gather and analyze data in order to continuously improve business operation consistent with customer preferences.

In order to manage this risk, the Company conducts survey of consumer behaviors and consumer needs of the target group, and organizes marketing activities by using the results of the survey. Moreover, the Company regularly gathers customer's feedbacks and suggestions, and always monitors market movement, for instance, the movement of competitors, the transformation of consumer behaviors, and other influence factors related to personal loan business. For further strengthening our competitive ability in this competitive environment, the Business Planning Department and Corporate Planning and Coordination Department are assigned to report such information to the executives and responsible departments.

2. Risk from the Company Depending Heavily on Revolving Loan Business

The Company is licensed by the Ministry of Finance (MOF) to provide personal loan business under supervision for Non-financial Institution operators which allows the Company to conduct the retail consumer finance business representing (i) Revolving loan, (ii) Installment loan. However, over 99% of the revenue comes solely from the revolving loan. Under this circumstance, the Company is considered to rely wholly on the revolving loan. Any changes of business competitions factors, such as, obsolescence of service quality and substitute products or services, would harm the revenue growth consequently.

Nevertheless, the Company aims to continue improving its services by determining Management Policy that helps emphasize the product's branding through marketing strategies. Furthermore, the Company explores an opportunity to create new products, various promotional campaigns and exhibition are arranged timely and seasonally, service networks are expanded across the nation, and quality of Account Receivable is regularly monitored.

3. Risk from Economic Condition in Thailand

The Company operates a consumer loan business which is considered as one of businesses that has significant role on the micro economy. If the country faces economic recession, the consumer expenditure will fall spontaneously, and the demand for revolving loan may drop. This would negatively impact to the growth of business in financial sector.

The Company has a keen awareness of the risk from economic situation. Thus, economic review and outlook report is reported to the management team at least quarterly. This report includes both macro and micro economic analysis, i.e. outlooks, political situation, household debt, consumer finance movement, capital and money market, etc. This report is also effective for the Company to adjust its business activities and operations in accordance with the transformation of economy properly.

4. Risk from Change in Government Policy

Changing in government policy (e.g. economic stimulus measures such as increase government expenditure, decrease tax, increase the policy rate, etc.)

Regarding the above mentioned risk, the Company gives priority on maintaining and continuously attempt enhancing credit portfolio control by operating a sound credit-granting process and an appropriate credit administration, and ensuring adequate controls by regular assessment. Additionally, the Company assigned the Compliance Office to monitor changes of laws and regulations related to the business, and use these information to analyze the impact on corporate strategies and operations. The result of the analysis is regularly reported to the management team and related departments in order to enable adjusting the strategies or operations before/during to comply with the government policies properly and timely.

5. Risk from Brand Image and Reputation

The Company's business operation is always performed by adhering to the government laws and regulations, especially to the regulations of Bank of Thailand. Despite having been strictly in compliance with the related laws and regulations, the Company has awareness of risk from unreasonable complaints regarding the business operations, negative news or reviews from press, social media, and other sources that could damage the Company's image and reputation.

Therefore, the Company performs various types of PR in order to obtain a clear understanding of what we are from customers, as well as conducting corporate social responsibility activities to firmly build relationships and demonstrate the Company's commitment in an authentic manner. Moreover, the Company has internal rules, regulations, and procedure manuals, to appropriately handle customer complaints and suggestions by assigning the Customer Service department as the centre of complaints and suggestion handling. Additionally, the Company has effective monitoring systems and tools in order to enable early discovery and prevention of a misconduct / fraudulent respectively.

6. Risk from Difficulty in Recruitment and Retention of the Talent

Regarding the management policy, "We aim to become the leading company and escalate Umay+ as number one selected brand that provides high level of customer satisfaction", the aim also highlights the importance of the employees as one of the most valuable factors of the business success. Therefore, in order to increase a competitive capability and be ready for the growth, the Company must develop a stable human resource system as well as adequate workforce motivation. Furthermore, the Company must be prepared to prevent the competent employee shortage problem in time. Recently, the business situation in consumer finance business has become more competitive which led to the high demand of financial workforces. This may result to the recruitment difficulty facing that could affect business operation and achievement.

The company is aware and intends to mitigate this risk through several methods such as increasing the chance of personnel selection by recruiting local people, using recruitment companies, improve basic welfare, and engagement programs in accordance with the management policy that aims to become the motivating workplace and friendly workplace. The Company developed human resource management mechanism via Career path by determining functional competency in order to improve the effectiveness of employee's capability and responsibility. Additionally, employee engagement survey has conducted every 3 years.

7. Risk from Cyber Attack or Major Disruption of the IT System

Since its business operations rely mainly on computer network and information technology system that stores information necessary for business operations and customer data. Cyber-attack may lead to a leakage of such confidential information, which will adversely affect the reputation of the Company. Major disruption of the Company's information technology system can also have a significant impact on the continuity of operations and customers' satisfaction.

Always realizing the confidentiality and privacy of customer's information, the Company implemented the high level of security guards, implemented Advance Prevention Threat system and performed numerous kinds of penetration test. The Company has a daily procedure of safeguard against the risk of physical damage. In addition, the Company established backup centres at different location in order to ensure that all critical business operations can be smoothly run without any adverse effects.

8. Risk from Business Disruption

The business operations can be disrupted by unexpected external situation such as natural disaster, man-made disaster, and technical disaster that injure the Company's property and assets. This would extremely affect its services, and may damage the Company's assets. In consequence, it could result in negative outcome for the company's finance and operation.

The Company always provides against any contingent damages. A business continuity management policy is introduced as a guideline to perform the designated duties when an emergency occurs. The Company implemented the Enterprise Business Continuity plan defined functional plans to assure that all critical business operations can be resumed without delay in case of occurrence of any event leading to disruption of business, losses, emergency or crisis, rendering the Company to be unable to operate as normal. The Company also implemented the model of relief campaigns for customers who may affect by natural disaster, which could be promptly provided as necessary.

9. Risk from Decreasing of Loan Receivables Quality

The consumer finance business normally involves a large number of retail customers; therefore, the Company is exposed to risks from economic downturn, lay off of employment, disasters which may affect the customer ability to repay their debt directly. However, the Company always keeps monitoring situations and customer behaviour, and regularly reviews that the existing credit criteria are consistently applied so as to further enhance sound and profitable loan portfolio quality and minimize the potential damages.

Furthermore, the Company is aware of the risk that may be caused by internal and external fraud acts in credit granting process. The Company gives emphasis on appropriate Know Your Customer procedures, continuously provides leaning opportunity for Ethics and Code of Business Conduct and other internal rules to the relevant employees, and adequately divide functional responsibilities based on three lines of defence model to assure that mistakes, intentional or unintentional, cannot be made.

10. Liquidity Risk

The Company's core business is to provide revolving loan which allows its customers to use a card issued by the Company to withdraw cash within the approved credit-line through various service channels. The Company may be exposed to short-term liquidity risk if a considerable amount of cash withdrawal exceeds the Company's available balance. The long-term liquidity risk may arise from the lack of funding. As a result, these may lead to an effect on insufficient working capital and confidence in the business eventually.

The Company always monitors its liquidity risk and controls cash and cash equivalents to the level deemed appropriate for its operations on a daily basis. In addition, the Company obtains a short-term credit facility from commercial banks and other institutions to support the customers' demand for cash withdrawal. As for long-term liquidity management, the following risk management methods are put into practice as prescribed in the internal policy: (i) exploring the new funding sources; (ii) raising funds with longer maturity; (iii) creating proper funding structure; and (iv) maintaining the Company credit rating in order to facilitate funds requirements.

11. Risk from Fluctuation of Interest Rate and Foreign Exchange Rate

The fluctuations of interest rates directly impact the Company's operations and its cash flows due to Company's funding generally comes from bank loan and financial market. Therefore, if the loan interest rate increases, this will definitely cause an increase in financing cost. In addition, The Company is exposed to foreign exchange risk relating to loans which are denominated in foreign currencies.

However, the Company confirms solutions to mitigate the risk regarding the interest rates by using derivative financial instruments, principally swaps facilities, under a fully-hedged policy, and by balancing short and long-term borrowings with consideration to maturity ladder.

Also, the Company has a policy to hedge against the foreign exchange risk by entering into a cross currency swap to convert all loans denominated in a foreign currency into the Baht. The Company has no policy to enter into a swap transaction to speculate in the foreign exchange rate and/or the interest rate.

12. Risk from Ability to Comply with Relevant Laws and Regulations

The Company's business is subject to various laws and regulations by regulators such as the Ministry of Commerce, the Ministry of Finance, the Bank of Thailand (BOT), the Anti-Money Laundering Office, and the Securities and Exchange Commission Thailand. Since the core business of the Company is to provide consumer loans under the supervision of the BOT, in the event that any new specific laws and regulations related to the Company's business are enacted, the Company may have to adjust its operation to comply with such laws and regulations. However, misinterpretation of such laws and regulations or legal uncertainty may eventually result in unexpected legal problems.

The Company has the Compliance Office responsible for monitoring and following up any changes in laws and regulations, and analysing impact on the Company's business. Compliance & Regulation Training programs are adequately provided to all relevant parties to ensure the well understanding is properly implemented.

13. Financial Information Risk

Regarding the preparation of financial statements or financial reporting, the Company has to comply with Accounting Standards announced by the Federation of Accounting Professions as well as regulations and requirements prescribed by relevant regulators, such as the Securities and Exchange Commission Thailand, the Ministry of Commerce, the Revenue Department, and the Bank of Thailand. Especially, at the present time, the Federation of Accounting Professions has announced the amendments of many Accounting Standards to improve the accuracy and reliability of Thai companies' financial reporting on a level with International Financial Reporting Standard, such as Employee Benefits (TAS 19) and Accounting for Certain Investments in Debts and Equity Securities (TAS105). Such changes with limited period of preparation may harm the Accounting Standard Compliance.

The Company extremely prioritizes to mitigate such risk by closely monitoring news and announcements regarding financial reporting from the regulators and External Auditor, directly or indirectly, as well as by attending outside training and seminars. Furthermore, the Company regularly reviews a provision of allowance for doubtful accounts in order for the accuracy in accordance with accounting standard.

14. Operational Risk in Improving Operational Effectiveness and Managing Fraud

The Company always continues improving its internal processes in order to deliver the most effective, convenient, fast and innovative services to customers. The company is aware of the operational risk in improving operations to be effective and in managing fraud. This risk may occur from significant factors including; (1) Internal Fraud, which may occur from acts of a type intended to defraud, misappropriated property or circumvent laws, regulations, and policies and internal regulations of the Company; (2) Clients, Products & Business Practices, which may occur from an unintentional or negligent failure to meet a professional obligation to customer, including suitability requirements, or from nature or design of a product or service; and (3) Execution, Delivery and Process Management, which may occur from failed transaction processing or process management from relations with trade counterparties and vendors. These three main factors may lead to negative impact on operation cost and reputation of the Company.

The Company established adequate internal policies, rules, and regulations in order to prevent any Internal Fraud. Effective engagement by regular announcement are always performed. In addition, the creation of key procedure manuals is required in key operation processes.

15. Corruption Risk

The corruption can absolutely result in negative impact on reputation of the Company. It could harm any areas of operations, especially with outside interactions. The Company realizes the importance of corruption prevention, and define significant activities, which would generate the corruption risk; (1) Contacting Public Official, which may occur from bribery either direct or indirect; (2) Tax Evasion, which may occur from illegal non-payment of tax by intention; and (3) Charity Donation, which may occur from usage as a corruption or bribery channel.

Regarding the corruption prevention, relevant internal policies, rules, regulations are implemented accordingly; for instance, Anti-Corruption Policy, Authorization Rules, Ethics and Code of Business Conduct, Anti-Bribery Regulation, Compliance Regulation, Whistleblowing Regulation, Entertainment and Gift Regulation. The Company always provides the employees with well education regarding internal documents in order to avoid such a risk in the Company's operations. In addition, The Company is a member of "Collective Action Coalition Against Corruption (CAC Certification)" since October 2017.

16. Change in politics

Changing in (e.g. government performance management, political stability, election and government protests etc.) may affect customer's behavior and EASY BUY's competitive advantage.

Regarding the above-mentioned risk, the Company gives priority on maintaining and continuously attempt enhancing credit portfolio control by operating a sound credit-granting process and an appropriate credit administration, and ensuring adequate controls by regular assessment. Additionally, the Company assigned the Corporate Planning and Coordination Department to monitor changes in politics related to the business, and use such information to analyze the impact on corporate strategies and operations. The result of the analysis is regularly reported to the management team and related departments in order to enable adjusting the strategies or operations before/during the political crisis to properly and timely.



Corporate Governance

The Company's Board of Directors and Executives foresee that the "Corporate Governance System" is the key factors, which show a good, visionary, transparent and auditable management system, as well as represent the qualified and ethical directors who have responsibility to duties, respect the right and treat all stakeholders equally, enhance long-term stability and sustainable growth of the company.

The Company's Corporate Governance Policy aims to the principal guide for supervising its business operations. The Company's Corporate Governance Policy, which covers protection of stakeholders, shareholders meetings, business ethics, conflicts of interest, internal control and disclosure of information, is divided into five sections as follows;

1. Rights of Shareholders

The Company recognizes and emphasizes the rights of shareholders especially in conducting the shareholders' meeting, which the Company has a policy to arrange the meeting as prescribed by law and regulation. For the shareholders' decision making, the Company provides shareholders with adequate information i.e. meeting's materials with the Board of Directors' opinion which are sent together with the notice of shareholders' meetings. During the meeting the Chairman conducts the meeting according to the order of the agenda and not add an agenda without notifying shareholders in advance. The Chairman of the meeting places importance on each opinion, question, or recommendation of shareholders and provides adequate time for consideration on each agenda.

2. Equitable Treatment of all Shareholders

The Company respects shareholders' rights and equitably treats shareholders, comprising executive shareholders and non-executive, as well as major shareholders and minor shareholders, in order to reassure that the Board of Directors and Executives will properly and equally protect the benefit and basic rights of shareholders.

3. Role of Stakeholders

The Company has a policy to respect the rights of all stakeholders; such as shareholders, business partners, customers, employees, competitors, society and environment, and specified as the principle in the "Company's code of conduct" to ensure that the Board of Directors and Executives realize and protect those rights fairly. Furthermore, in order to impel the anti-corruption in organization, the Company encourages the Anti-Corruption Program, contributes employees to comply with related laws and regulations and provides "Whistle Blowing" channels for reporting a clue or complain concerning to illegal, incorrect financial reporting, insufficient internal control or misconduct.

4. Disclosure of Information and Transparency

The Company has a policy to disclose materials of information about the Company, which includes financial and non-financial reports, in accordance with the regulation of the Security Exchanges Committee (SEC) and other applicable regulations accurately, adequately, transparently and on a timely basis. All financial disclosure must comply with the generally accepted accounting standard and certified by a Certified Chartered Auditor. In addition, the Company has set up an Investor Relations unit to be the representative in order to communicate information to shareholders, investors, securities analysts, and concerned parties to receive the Company's information through various channels, which can be accessed easily such as the Company's website, etc.

5. Responsibilities of the Board of Directors

The Board of Directors consist of various fields experienced experts who are honest, possess business ethics and are able to devote time and effort to efficiently perform their duties as directors of the Company. The Company has sufficient directors to manage company's business as required by law, total directors more than 5 persons but not exceeding 12 persons and consisting of independent directors at least one – thirds of the Board of Directors and the independent directors must have the required qualifications in accordance with the Notification of the Stock Exchange of Thailand on Qualifications. In addition, the board of directors shall consist of Executive Directors and Non-Executive Directors in order to balance the board power. Each director will serve a term as set out in the articles of association of the Company.

The Directors have to manage the Company in accordance with the laws, corporate objectives, articles of association, and shareholders resolutions in good faith and with care to preserve the interests of the Company. Furthermore, the Directors have to set goals, policies, project plans and budget for the Company, control and

supervise the Executives to manage business operation in accordance with the Company's policy and assigned duties without violating laws, regulations of the Stock Exchange of Thailand and related regulation. The Board of Directors must arrange the meeting at least 6 times a year. The Chairman of the board will be responsible for monitoring and allocating sufficient time for each agenda for the directors to discuss and express their opinions independently on the important matters with the best interests of the shareholders and stakeholders in mind.

The Boards of Directors considers to set up the sub-committees by appoint the Audit Committee with a duty to govern the Company to ensure that the business operation is truly transparent.

Remuneration of directors will be in line with their responsibilities and the rate given to other directors in the same industry and will be considered by the board and proposed annually to the shareholders for the approval.

The following table shows the details of the number of meetings held and the number of each director's attendance in relation to the meetings of the Board of Directors and the Audit Committee in 2020.

Name – Surname	Board of Directors	Audit Committee
Mr. Takeo Noda ¹	7/7	-
Mr. Hitoshi Yokohama ²	2/2	-
Mr. Yoshiro Yamaguchi	9/9	-
Mr. Chatchai Lertbuntanawong	9/9	-
Mr. Masato Takami	9/9	-
Mr. Masaru Kuroda	0/9	-
Mr. Yoshiharu Mori	9/9	-
Mr. Witit Sujjapong	9/9	9/9
Mr. Paitoon Taveebhol	8/9	9/9

¹ Appointed as a director to replace Mr. Hitoshi Yokohama who resigned, effective on 24th February 2020

² Resigned on 24th February 2020

6. Anti-Corruption

The Company aims to encourage Anti-Corruption Program, both inside and outside the Organization by issuing related Policies and Regulations, for instance, Corporate Governance Policy, Anti-Corruption Policy, Ethics and Code of Business Conduct, Anti-Bribery Regulations, Entertainments and Gifts Regulation, and Donation and Sponsorship Procedure Manual in order to be the best practice for Directors, Executives and Employees, the Company also provides Whistle Blowing Channels for Employees and Outsiders are able to notify misconduct behavior that violate Laws, Ethic and Code of Business Conduct, then lead to the Investigation Process and considering the Sanction further on. The Company was considered by The Private Sector Collective Action Coalition against Corruption Committee on 30 September 2020, to be recertified company of The Private Sector Collective Action Coalition Against Corruption. In addition, to emphasize the culture of Anti-Corruption to all Employees, The Company has organized Anti-Corruption Activities for Employees in 2020 as follows:

1. Tested Employees' knowledge through "Ethics and Code of Business Conduct Examination" by requiring all employees take the exam.
2. Tested Employees' knowledge through "Anti-Corruption Policy Examination" by requiring all employees take the exam.
3. Provided the public relation artwork about "Entertainment and Gift Regulation" in order to provide knowledge about Entertainment and Gift Regulation guideline.
4. Joined CAC Quote Sharing Activity by internally and externally sharing short quote from the Executive about the Metaphor of Corruption and COVID-19
5. Shared the public relation artwork about No Gift Policy through various channels such as Intranet, Facebook, EASY BUY Website, and Enterprise Social Application.
6. Prepared letter to request cooperation from Vendor, Supplier, and Business Partner not to offer any gift to the Executive and employees
7. Prepared letter to Vendor, Supplier, Business Partner, and Donee or Sponsorship Receiver in order for them to acknowledge and follow Anti-Corruption Policy of the Company



Internal Control and Risk Management

According to the Board of Directors Meeting No.2/2021, dated 25 February 2021, regarding the Company's adequacy of internal control system for 2020, the Board of Directors concluded that the Company obtains adequate and satisfactory level of internal control system in overall, which consisted of five components: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

At present, the Company has 2 independent directors who are expert, competent and reliable and truly independent from management. Both of them are members of the Audit Committee and have strong background on economics, accounting and finance. Their knowledge and experience undertake a sufficient review the reliability of financial statements. However, the number of independent director is still not in accordance with the Corporate Governance Policy which prescribed that the Board of Directors must consist of at least 3 independent directors.

In addition, the Company has specified the role and duty of Compliance Office and Compliance Representatives to support, promote, monitor and evaluate the compliance under the Code of Business Conduct. However, the evaluation on the compliance with the Code of Business Conduct by external specialist has currently not been yet implemented.

1. The Company's Operation of Internal Control System

The Company has the Audit Committee in charge of reviewing and monitoring to ensure that the Company has an appropriate and effective internal control system. The Audit Committee also verified the Company's operation to be in accordance with the laws, rules and regulations of Securities and Stock Exchange and Capital Market Supervisory Board as well as other laws relating to the Company's business. The Audit Committee shall have meeting at least every quarter to assure the accuracy of financial statement and adequacy and completeness of information disclosure and to consider the related party transactions or the conflict of interests.

Additionally, the Company authorizes the Internal Audit Department to interview or question any officers or employees and obtain any documents necessary for their execution of operations in order to investigate the adequacy and efficiency of internal control, risk management, and the other operational procedures, which are in accordance with the defined operation and enable the Company to reach its goals and objectives. Furthermore, the Internal Audit Department is responsible for reporting the audit result to the Audit Committee directly as well as reporting the day-to-day operation to Chief Executive Officer.

2. Bank of Thailand Audit

The Company operates the personal loan business under supervision by the Bank of Thailand. The Company is subject to audit by the Bank of Thailand according to the Article 12 of Ministry of Finance Notification, Re: Business Subject to Approval to Clause 5 of the Revolutionary Council Decree 58 (RE: Personal Loan Under Supervision), dated 9 June 2005.

In 2020, the Bank of Thailand postponed the audit on operational oversight under the Notification of the Ministry of Finance and the Bank of Thailand regarding Market Conduct because of irregular situation. However, the problems that was audited in 2019 were already resolved.

3. Independent Audit Report

Internal Control system in terms of accounting, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (“Auditor”) considered the internal control relating to the preparation and fair disclosure of financial statements, and according to the summary of auditing the 2020 Financial Statement Fiscal Year ended 31 December 2020, the Auditor found no observation showing that the Company lacks adequacy of Internal Control system concerning the preparation and disclosure of financial statement.

4. National Credit Bureau Audit

The National Credit Bureau Company Limited audited the Company’s operation of credit bureau system concerning the consent of credit information disclosure on 14 October 2020. There was no significant issue or observation found from the random investigation.

5. Head of Internal Audit and Head of Compliance

The Audit Committee appointed Mr. Sornsak Phuphet as the Department Head of Internal Audit Department and secretary of Audit Committee as he has adequate experience in the internal audit field with the certificate of Certified Professional Internal Auditor of Thailand (CPIAT), issued by the Institute of Internal Auditors of Thailand. Additionally, he has an in depth understanding of the Company’s business and operation which allows him to perform the duty efficiently.

Appointing, relieving, and removing the Department Head of Internal Audit Department must be approved by the Audit Committee as referred in the scope, authority, duty and responsibility of the Audit Committee specified in the Audit Committee Charter.

Furthermore, the Company assigns Mrs. Parisa Rasamichan as the Office Head of Compliance Office to be responsible for monitoring the Company’s operation in order to comply with the regulations of the related government agencies or the Company’s regulators.



Report of the Independent Certified Public Accountants

To the shareholders and board of directors Easy Buy Public Company Limited

Opinion

We have audited the financial statements of EASY BUY Public Company Limited (the “Company”), which comprise the statement of financial position as at December 31, 2020, and the related statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EASY BUY Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Notes 3.3 and 3.13 to the financial statements that EASY BUY Public Company Limited has adopted new accounting policies in accordance with group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 “Leases” which become effective for fiscal years beginning on or after January 1, 2020. Our opinion is not modified in respect of this matter.





Report of the Independent Certified Public Accountants (Continued)

Other Information

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, 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

Our 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 our 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.



Report of the Independent Certified Public Accountants (Continued)

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(Kasiti Ketsuriyong)
Certified Public Accountant (Thailand)
Registration No. 8833

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

February 25, 2021



Statement of Financial Position

Easy Buy Public Company Limited

As at December 31, 2020

(Unit : Thousand Baht)

	Notes	2020	2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	436,455	304,754
Loan receivables due within one year	8	52,493,906	53,555,597
Other receivables	9	202,640	193,111
Total Current Assets		53,133,001	54,053,462
NON-CURRENT ASSETS			
Loan receivables	8	49,418	44,935
Leasehold improvements and equipment	10	157,638	144,103
Right-of-use assets	11	214,828	-
Intangible assets	12	37,110	63,972
Deferred tax assets	13	1,296,982	947,718
Other non-current assets		65,290	86,326
Total Non-current Assets		1,821,266	1,287,054
TOTAL ASSETS		54,954,267	55,340,516

Notes to the financial statements form an integral part of these statements



Statement of Financial Position (Continued)

Easy Buy Public Company Limited

As at December 31, 2020

(Unit : Thousand Baht)

	Notes	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings from financial institutions	6 and 14	4,648,588	4,163,225
Trade accounts payable		5,368	2,459
Other payables	15	523,573	613,124
Current portion of long-term borrowings from financial institutions	6 and 14	3,206,137	3,317,177
Current portion of debentures	14	3,999,350	4,137,460
Current portion of lease liabilities	16	88,506	-
Current income tax payable		787,917	699,882
Current portion of decommissioning obligations for leasehold improvement	18	29,530	176
Derivative liabilities	14 and 19	90,696	-
Total Current Liabilities		13,379,665	12,933,503
NON-CURRENT LIABILITIES			
Long-term borrowings from financial institutions	6 and 14	5,284,094	6,349,411
Debentures	14	7,494,690	9,991,505
Lease liabilities	16	129,128	-
Provision for employee benefits	17	209,594	186,423
Decommissioning obligations for leasehold improvement	18	33,937	63,931
Long-term derivative liabilities	14 and 19	114,336	-
Total Non-current Liabilities		13,265,779	16,591,270
TOTAL LIABILITIES		26,645,444	29,524,773

Notes to the financial statements form an integral part of these statements



Statement of Financial Position (Continued)

Easy Buy Public Company Limited

As at December 31, 2020

(Unit : Thousand Baht)

	Notes	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	20		
Authorized share capital			
600,000,000 ordinary shares of Baht 10 each		6,000,000	6,000,000
Issued and paid-up share capital			
600,000,000 ordinary shares of Baht 10 each, fully paid		6,000,000	6,000,000
RETAINED EARNINGS			
Appropriated			
Legal reserve	21	600,000	600,000
Unappropriated		21,708,823	19,215,743
TOTAL SHAREHOLDERS' EQUITY		28,308,823	25,815,743
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		54,954,267	55,340,516

Notes to the financial statements form an integral part of these statements



Statement of Profit or Loss and Other Comprehensive Income

Easy Buy Public Company Limited

As at December 31, 2020

(Unit : Thousand Baht)

	Notes	2020	2019
REVENUES			
Income from personal loans		13,650,046	14,111,785
Income from installment loans		16,563	19,200
Other income	23	1,435,501	1,305,062
Total Revenues		15,102,110	15,436,047
EXPENSES			
Operating expenses	24	911,274	879,866
Administrative expenses	24	2,914,656	2,934,782
Bad debts and doubtful accounts expenses	8 and 24	-	4,253,263
Expected credit losses	8 and 24	4,542,957	-
Finance costs	6 and 26	647,653	817,733
Total Expenses		9,016,540	8,885,644
PROFIT BEFORE INCOME TAX EXPENSE		6,085,570	6,550,403
INCOME TAX EXPENSE	27	1,287,781	1,316,081
NET PROFIT FOR THE YEARS		4,797,789	5,234,322

Notes to the financial statements form an integral part of these statements



Statement of Profit or Loss and Other Comprehensive Income (Continued)

Easy Buy Public Company Limited

As at December 31, 2020

(Unit : Thousand Baht)

	Notes	2020	2019
OTHER COMPREHENSIVE INCOME (LOSS)			
Components of other comprehensive income that will not be reclassified to profit or loss			
Gain (loss) on remeasurements of defined benefit plans		(5,645)	(40,618)
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss		1,129	8,124
Other comprehensive income (loss) for the years, net of tax		(4,516)	(32,494)
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		4,793,273	5,201,828
BASIC EARNINGS PER SHARE	BAHT	8.00	8.72
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	600,000,000	600,000,000

Notes to the financial statements form an integral part of these statements



Statement of Changes in Shareholders' Equity

Easy Buy Public Company Limited

As at December 31, 2020

(Unit : Thousand Baht)

	Notes	Share capital, Issued and paid-up	Retained earnings		Total shareholders' equity
			Appropriated, Legal reserve	Unappropriated	
Balance as at January 1, 2019		6,000,000	600,000	15,435,915	22,035,915
Dividends paid	28.1	-	-	(1,422,000)	(1,422,000)
Total comprehensive income for the year		-	-	5,201,828	5,201,828
Balance as at December 31, 2019		6,000,000	600,000	19,215,743	25,815,743
Balance as at January 1, 2020		6,000,000	600,000	19,215,743	25,815,743
The effects of adoption of recently issued accounting standard	2.2	-	-	(734,193)	(734,193)
Dividends paid	28.2	-	-	(1,566,000)	(1,566,000)
Total comprehensive income for the year				4,793,273	4,793,273
Balance as at December 31, 2020		6,000,000	600,000	21,708,823	28,308,823

Notes to the financial statements form an integral part of these statements



Statement of Cash Flows

Easy Buy Public Company Limited

As at December 31, 2020

(Unit : Thousand Baht)

	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expense		6,085,570	6,550,403
Adjustments for :			
Depreciation and amortization expenses		338,572	119,004
Discount on restoration cost		-	254
Interest income		(13,666,609)	(14,130,985)
Finance costs		647,653	817,733
Bad debts and doubtful accounts expenses		-	4,253,263
Expected credit losses		4,542,957	-
Employee benefit expense		19,605	47,609
Loss on disposal of equipment and intangible assets		115	300
Gain on lease modification		(88)	-
Gain on discount received from lease agreement		(2,501)	-
		(2,034,726)	(2,342,419)
Changes in operating assets and liabilities			
Loan receivables		(4,321,141)	(6,959,781)
Other receivables		(14,696)	194,594
Other non-current assets		21,036	(7,730)
Trade accounts payable		2,909	(1,875)
Other payables		(14,290)	(104,357)
Cash paid for operating activities		(6,360,908)	(9,221,568)
Cash received from interest income		13,725,747	14,050,368
Employee benefit paid		(2,079)	(1,210)
Interest paid		(711,154)	(858,871)
Income tax paid		(1,361,805)	(1,315,414)
Net cash provided by operating activities		5,289,801	2,653,305



Statement of Cash Flows (Continued)

Easy Buy Public Company Limited

As at December 31, 2020

(Unit : Thousand Baht)

	Notes	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchasing of leasehold improvements and equipment	5	(83,156)	(39,434)
Proceeds from sale of equipment		82	221
Cash paid for purchasing of intangible assets	5	(2,553)	(4,033)
Net cash used in investing activities		(85,627)	(43,246)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term loans from financial institutions	5	37,967,008	52,576,766
Repayment of short-term loans from financial institutions	5	(37,482,108)	(51,801,666)
Proceeds from long-term loans from financial institutions	5	2,200,000	2,689,260
Repayment of long-term loans from financial institutions	5	(3,317,610)	(3,517,975)
Proceeds from issuing of debentures	5	1,500,000	2,500,000
Repayment of debentures	5	(4,139,600)	(3,964,800)
Repayment of the lease liabilities	5	(234,163)	-
Dividends paid to owners of the Company	28	(1,566,000)	(1,422,000)
Net cash used in financing activities		(5,072,473)	(2,940,415)
Net increase (decrease) in cash and cash equivalents		131,701	(330,356)
Cash and cash equivalents as at January 1,		304,754	635,110
Cash and cash equivalents as at December 31,	7	436,455	304,754

Notes to the financial statements form an integral part of these statements



Notes to Financial Statements

Easy Buy Public Company Limited

As at December 31, 2020

1. GENERAL INFORMATION AND OPERATIONS

EASY BUY Public Company Limited (the “Company”) was incorporated in Thailand. Its registered office is at 5th Floor, Sathorn Square Office Tower, 98 North Sathorn Road, Silom, Bangrak, Bangkok.

The immediate parent of the Company is ACOM CO., LTD. which was incorporated in Japan.

The principal business of the Company is consumer finance business representing personal loans and installment loans.

The Company has conducted business under the Foreign Business Act B.E. 2542 since September 27, 2012.

The Coronavirus disease 2019 (“COVID-19”) pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. Nevertheless, the Company’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

The Company issued relief measures to customers affected by the COVID-19 pandemic on March 19, 2020 by reducing interest rate and skip payment for personal loan and installment loan customers following the Bank of Thailand’s relief measures for debtors affected by COVID-19 pandemic.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards (“TFRSs”) and accounting practices generally accepted in Thailand.

The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (“TAS”) No. 1 “Presentation of Financial Statements”, which was effective for the accounting period beginning on or after January 1, 2020 onwards, and the Notification of the Department of Business Development dated December 26, 2019 regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562”.

The financial statements have been prepared on the historical cost basis except for those described in the significant accounting policies (see Note 3).

Currently, the Company's operations relate to a single business segment which is the consumer finance business, and are carried out in a single geographic area which is Thailand.

2.2 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements, except the following financial reporting standards:

Group of Financial Instruments Standards

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

In the current year, the Company has initially applied Group of Financial Instruments Standards. The Company has elected to recognize the cumulative effect of initially adopting of Thai Financial Reporting Standards No. 9 ("TFRS 9") as an adjustment to the opening balance of retained earnings of the reporting period.

TFRS 9 introduces new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities
- 2) Impairment of financial assets, and
- 3) General hedge accounting

The Company has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

- a) Classification and measurement of financial assets and liabilities:

TFRS 9 requires financial assets to be classified and measured subsequently at amortized cost or fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification and measurement depend on the Company business model for managing its financial assets and the contractual cash flow characteristics of financial assets.

Financial liabilities are generally classified and measured subsequently at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, TFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognized.

b) Impairment of financial assets:

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, TFRS 9 requires the Company to recognize allowance for expected credit losses on:

- (1) Financial assets measured subsequently at amortized cost or at FVTOCI;
- (2) Lease receivables;
- (3) Trade receivables and contract assets; and
- (4) Financial guarantee contracts to which the impairment requirement of TFRS 9 apply.

In particular, TFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses ("ECL") if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company are required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

c) Impact of initial application of TFRS 9 on financial position:

The tables below show the adjustment for each financial statement line item affected by the application of TFRS 9 for the current period.

(Unit : Thousand Baht)

	Previous classification and measurement	Carrying Amounts as at December 31, 2019 As previously reported	TFRS 9 adjustments		Carrying Amounts as at January 1, 2020	New classification and measurement
			Allowance for ECL	Others		
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	Cost	304,754	-	-	304,754	Amortized Cost
Loan receivables due within one year	Cost less allowance for doubtful account	53,555,597	(776,488)	-	52,779,109	Amortized Cost
NON-CURRENT ASSETS						
Loan receivables	Cost less allowance for doubtful account	44,935	234	-	45,169	Amortized Cost
Deferred tax assets	-	947,718	-	185,805	1,133,523	-
LIABILITIES						
CURRENT LIABILITIES						
Short-term borrowings from financial institutions	Cost	4,163,225	-	-	4,163,225	Amortized Cost
Other payable	Cost	613,124	-	(13,929)	599,195	Amortized Cost
Current portion of long-term borrowings from financial institutions	Cost	3,317,177	-	(140,849)	3,176,328	Amortized Cost
Current portion of debentures	Cost	4,137,460	-	(78,004)	4,059,456	Amortized Cost
Derivative liabilities	-	-	-	253,246	253,246	FVTPL
NON-CURRENT LIABILITIES						
Long-term borrowings from financial institutions	Cost	6,349,411	-	(55,721)	6,293,690	Amortized Cost
Debentures	Cost	9,991,505	-	-	9,991,505	Amortized Cost
Long-term derivative liabilities	-	-	-	179,001	179,001	FVTPL
SHAREHOLDERS' EQUITY						
Unappropriated retained earnings	-	19,215,743	(776,254)	42,061	18,481,550	-

The following table reconciles the aggregate opening allowance for doubtful accounts of financial instruments as at December 31, 2019 to expected credit loss as of January 1, 2020 in accordance with TFRS 9.

(Unit : Thousand Baht)

	Allowance for doubtful accounts as at December 31, 2019	TFRS 9 adjustments	Allowance for ECL as at January 1, 2020
Allowance for			
Loan receivables due within one year	3,522,827	776,488	4,299,315
Loan receivables	477	(234)	243

Thai Financial Reporting Standards No. 16 “Leases”

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS supersedes the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether an Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement date for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

Financial impact of the initial application of TFRS 16

The Company recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company’s incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 is 2.73%.

The following table shows the operating lease commitments disclosed applying TAS 17 as at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

	(Unit : Thousand Baht)
Operating lease commitments as at December 31, 2019	310,847
Short-term leases and leases of low-value assets	(11,059)
Effect of discounting the above amounts	(8,257)
Lease liabilities recognized as at January 1, 2020	291,531

The Company has recognized Baht 294.15 million of right-of-use assets and Baht 291.53 million of lease liabilities upon transition to TFRS 16. The difference of Baht 2.62 million came from prepayment relating to leases recognized in the statement of financial position before the date of initial application.

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidance, which have been announced in the Royal Gazette on April 22, 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who are effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who are effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Company has elected to apply temporary relief measure, not to account for any reduction in lease payments by lessors as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognized in each period reversed in proportion to the reduction, with any differences then recognized in profit or loss.

2.3 Thai Financial Reporting Standard No.16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

2.4 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management’s stewardship of the entity’s economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No.3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 “Presentation of Financial Statements” and Thai Accounting Standards No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 “Financial Instruments” and Thai Financial Reporting Standard No.7 “Financial Instruments: Disclosures”.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when it becomes effective. The Company’s management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Functional and presentation currency

The financial statements are presented in Baht, which is the Company’s functional currency. All financial information presented in Baht has been rounded in the financial statements to the nearest thousand Baht unless otherwise stated.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits at banks and financial institutions and current investments with original maturities of 3 months or less.

3.3 Financial Instruments

a) Policies applicable from January 1, 2020

The Company recognizes financial assets and financial liabilities in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3.3.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

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

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a financial assets and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate).

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost.

Impairment of financial assets

The Company recognizes allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortized cost as well as loans to customers by applying expected credit loss model. The Company accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

a) Significant increase in credit risk

The Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if;

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

b) Definition of default

The Company considers constituting an event of default for internal credit risk management policies and historical experience indicates that financial assets are defaulted by considering information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, in full.

Irrespective of the above analysis, the Company considers that default has occurred when the past due is more than 90 days unless the Company has supportable information to demonstrate that a more lagging default criterion is reasonable.

c) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the consideration of following events;

- Significant financial difficulty of the customer;
- A breach of contract, such as a default or past due event;
- The lender(s) of the customer, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the customer will enter bankruptcy or reorganization.

d) Write-off policy

The Company writes off loans to customers when there is information indicating that the debtor is in financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of loans to customers, when the days past due are over the period that the Management determined, whichever occurs sooner. Loans to customers written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

e) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

For installment loan receivables, the exposure at default is represented by the asset's gross carrying amount at the reporting date.

For personal loan receivables, the exposure at default is represented by the asset's gross carrying amount at the reporting date and includes with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

3.3.2 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

Financial liabilities measured subsequently at amortized cost

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which the risks and rewards of ownership are transferred.

A financial liability is derecognized from the statement of financial position when the Company has discharged its obligation or the contract is cancelled or expires.

3.3.3 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including cross currency and interest rate swap agreements, and interest rate swap agreements.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

b) Policies applicable prior to January 1, 2020

3.3.4 Loan receivables

Personal loan receivables are stated at cost including accrued interest income and accrued credit usage fee net of allowance for doubtful accounts.

Installment loan receivables are stated at cost net of unearned interest income and allowance for doubtful accounts.

3.3.5 Allowance for doubtful accounts

Allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. The Company provides allowance for doubtful accounts based on certain percentages of outstanding accounts receivable balances including accrued interest income and accrued credit usage fee net of unearned interest income. Allowance for doubtful accounts is made in full for receivables that are overdue more than three months.

Receivables that are overdue for more than six-months are written off. Any recovery is recognized as other income in the statement of profit or loss and other comprehensive income.

3.3.6 Debt restructuring

For the debt restructuring by the modification of term of repayment to the debtor, the Company determines the loss arising from the revaluation of the book value of the debtor on the basis of the present value of the future cash flows to be received under the new conditions, using the compromised interest rate in discounting. Amount by which the newly determined book value is lower than the previous book value, including interest receivable, is recorded as a loss from restructuring in the statement of profit or loss and other comprehensive income.

Losses from debt restructuring arising from reductions of principal and interest are recognized as an expense included in the statement of profit or loss and other comprehensive income.

3.3.7 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss and other comprehensive income over the period of the borrowing on an effective interest basis.

3.3.8 Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate arising from financing activities.

Foreign currency liabilities hedged by cross currency swap contracts are translated to Thai Baht at such contracted exchange rates.

Interest differentials under swap arrangements are accrued and recorded as adjustments to the hedged loans.

3.4 Leasehold improvement and equipment

Recognition and measurement

Leasehold improvement and equipment are stated 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 the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling the removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of leasehold improvement and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvement and equipment.

Gains or losses on disposal of an item of leasehold improvement and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvement and equipment, and are recognized net within other income in the statement of profit or loss and other comprehensive income.

Subsequent costs

The cost of replacing a part of an item of leasehold improvement and equipment is recognized 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of leasehold improvements and equipment. The estimated useful lives are as follows:

Leasehold improvements	5	years
Furniture, fixture and office equipment	3, 5	years
Vehicles	5	years

No depreciation is provided on assets under installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.5 Intangible assets other than goodwill

Other intangible assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software program licenses	3, 5, 10	years
Trademarks	10	years

3.6 Impairment

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 recognized if the carrying amount of an assets exceeds its recoverable amount. The impairment loss is recognized in the statement of profit or loss and other comprehensive income.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of the asset's value in use and fair value less cost 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.

Reversals of impairment

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss 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 loss not exceed the carrying amount has would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.7 Employee benefits

Defined contribution plans

A defined contribution plans is a post-employment benefit plan under which the Company pays fixed contributions into a separate company (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the statement of profit or loss and other comprehensive income in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Thai Government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by a qualified actuary using the projected unit credit method.

The actuarial gains (losses) are recognized as other comprehensive income.

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss and other comprehensive income when the plan amendment is effective.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or compensated absences 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.

3.8 Provisions

A provision is recognized 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 recognized as finance cost.

Provision for demolished costs of leasehold improvements

Provision for demolished costs of leasehold improvements is based on discounting the expected future cash flows of provision for demolished costs of leasehold improvements. These costs are included as part of leasehold improvements.

3.9 Foreign currency transactions

Transactions denominated in currencies other than Thai Baht are translated into Thai Baht at the rates of exchange prevailing on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

3.10 Earnings per share

For the purpose of calculating basic earnings per share, the number of ordinary shares shall be the weighted average number of ordinary share outstanding during the period.

Using the weighted average number of ordinary shares outstanding during the period reflects the possibility that the amount of shareholders' capital varied during the period as a result of a larger or smaller number of shares being outstanding at any time. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period; a reasonable approximation of the weighted average is adequate in many circumstances.

3.11 Income

For income from personal loan, interest and credit usage fee are recognized as income on an accrual basis using the effective interest rate method over the period of outstanding loan receivables (excluding accrued interest and fee), with income recognized when the payments fall due irrespective of when actual collection is made. Recognition of income is stopped for receivables which have defaulted on more than 6 payment periods.

For installment loan which are originated before August 1, 2019, interest and credit usage fee are recognized by the Company as an income on an accrual basis using the flat interest rate method over the installment period, with income recognized when the payments fall due irrespective of when actual collection is made. Recognition of income is stopped for receivables which have defaulted on more than 6 payment periods. The outstanding amount of installment loan using the flat interest rate method as at December 31, 2020 is Baht 8.56 million. Existing contracts will be closed on August 2, 2023.

For installment loan which are originated on and after August 1, 2019, interest and credit usage fee are recognized by the Company as an income on an accrual basis using the effective interest rate method over the installment period, with income recognized when the installments fall due irrespective of when actual collection is made. Recognition of income is stopped for receivables which have defaulted on more than 6 payment periods. The outstanding amount of installment loan using the effective interest rate method as at December 31, 2020 is Baht 167.94 million.

3.12 Bad debt recovery

Bad debt recovery is recognized as an income in the statement of profit or loss and other comprehensive income in the period which it is collected.

3.13 Lease

The Company has applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows:

a) Policies applicable from January 1, 2020

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a yield interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Impairment” policy.

Variable rents that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Administrative expenses” in the statement of profit or loss and other comprehensive income.

b) Policies applicable prior to January 1, 2020

Operating leases

Leases which a significant portion of the risks and rewards of ownership have not been transferred to the lessee are classified as operating leases. Payments made under operating leases are charged as an expense to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expired, an expense such as a penalty required to be made to the lessor is recognized as an expense in the period in which termination takes place.

3.14 Finance cost

Interest expenses and amortization expense of deferred issuance cost on debentures and borrowings are charged to the statement of profit or loss and other comprehensive income for the period in which they are incurred. The interest component of finance lease payments is recognized in the statement of profit or loss and other comprehensive income using the effective interest rate method.

3.15 Income tax

Income tax expense for the year comprised current and deferred tax. Current and deferred taxes are recognized in the statement of profit or loss and other comprehensive income except to the extent that they relate to an items recognized directly in equity or in other comprehensive income.

Current tax is the expected 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 recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used or taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities at the end of the reporting period.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expenses in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they related to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable the future taxable profits will be available against which the temporary differences can be utilized. 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 realized.

3.16 Fair value measurements

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, fair value measurements are categorized into Level 1, 2, and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows;

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

4.1 Use of management's judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Company's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Critical judgments in applying the Company's accounting policies are as follows:

4.1.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (see financial assets sections of Note 3.3.1). The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

4.1.2 Significant increase in credit risk

As explained in Note 3.3.1, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

4.2 Key sources of estimation uncertainty

The Company estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimate and assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is outlined below

Calculation of loss allowance

When measuring expected credit losses, the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of defaults is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

5. ADDITIONAL CASH FLOW INFORMATION

5.1 Non-cash transactions of leasehold improvements and equipment for the years ended December 31, were as follows:

(Unit : Thousand Baht)

	2020	2019
Leasehold improvements and equipment		
Liabilities recorded at beginning of the year	154	1,769
Purchase of leasehold improvements and equipment	84,540	37,819
	84,694	39,588
<u>Less</u> Cash paid for purchase of leasehold improvements and equipment	(83,156)	(39,434)
Liabilities recorded at ending of the year	1,538	154

For the years ended December 31, 2020 and 2019, the Company recorded leasehold improvements related to provision for restoration cost of Baht 0.46 million and Baht 0.47 million, respectively.

5.2 Non-cash transactions of intangible assets for the years ended December 31, were as follows:

(Unit : Thousand Baht)

	2020	2019
Intangible assets		
Liabilities recorded at beginning of the year	-	-
Purchase of intangible assets	2,553	4,033
	2,553	4,033
<u>Less</u> Cash paid for purchase of intangible assets	(2,553)	(4,033)
Liabilities recorded at ending of the year	-	-

5.3 Reconciliation of liabilities arising from financing activities

Changes in the liabilities arising from financing activities, including both cash and non-cash changes classified as financing activities in the statements of cash flows, were as follows:

(Unit : Thousand Baht)

	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Lease liabilities	Total
As at December 31, 2019	4,163,225	9,666,588	14,128,965	-	27,958,778
Impact of first adoption of TFRS 9	-	(196,570)	(78,004)	291,531	16,957
As at January 1, 2020	4,163,225	9,470,018	14,050,961	291,531	27,975,735
Changes in cash flow					
Cash proceeds	37,967,008	2,200,000	1,500,000	-	41,667,008
Cash repayment	(37,482,108)	(3,317,610)	(4,139,600)	(234,163)	(45,173,481)
Non-cash changes					
Differences on translating foreign currencies	-	137,114	78,004	-	215,118
Deferred issuance costs on debentures and borrowings	463	709	4,675	-	5,847
New lease agreement	-	-	-	178,348	178,348
Others	-	-	-	(18,082)	(18,082)
As at December 31, 2020	4,648,588	8,409,231	11,494,040	217,634	24,850,493

(Unit : Thousand Baht)

	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total
As at January 1, 2019	3,385,848	10,493,596	15,580,334	29,459,778
Changes in cash flow				
Cash proceeds	52,576,766	2,689,260	2,500,000	57,766,026
Cash repayment	(51,801,666)	(3,517,975)	(3,964,800)	(59,284,441)
Non-cash changes				
Maturity	-	-	-	-
Renewal	-	-	-	-
Deferred issuance costs on debentures and borrowings	2,277	1,707	13,431	17,415
As at December 31, 2019	4,163,225	9,666,588	14,128,965	27,958,778

6. TRANSACTIONS WITH RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties are as follows:

Related parties	Type of business	Country of incorporation/ Nationality	Nature of relationships
ACOM CO., LTD.	Consumer Finance Business	Japan	Parent company, 71.00% shareholding
Bank of Ayudhya Public Company Limited	Banking Business	Thailand	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.18% shareholding in parent company
MUFG Bank, Ltd.	Banking Business	Japan	Financial institution in group of Mitsubishi UFJ Financial Group (MUFG), 40.18% shareholding in parent company
GCT Management (Thailand) Ltd.	Investment Company	Thailand	Shareholder, 25.00% shareholding
Key management personnel	-	Japanese, Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company (whether executive or otherwise)

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policy
Finance costs	as agreed in contract
Interest expense	as agreed in contract
Guarantee fee	as agreed in contract

Significant transactions with related parties for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	2020	2019
Finance costs		
Other related parties		
Interest expense	98,383	161,071
Guarantee fee	85	921
Debenture arrangement fee	1,611	10,885
Upfront fee	709	1,706
Administrative expenses		
Key management personnel		
Key management personnel's compensation (Short-term benefits)	82,255	95,707
Key management personnel's compensation (Long-term benefits)	1,081	823

Balances with related parties as at December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	2020	2019
Short-term borrowings from financial institutions		
Other related parties		
Bank of Ayudhya Public Company Limited	870,000	400,100
Total	870,000	400,100

As at December 31, 2020 and 2019, short-term borrowings from financial institutions from other related parties bear interest at rates ranging of 0.81%- 0.89% per annum and 1.56% per annum, respectively.

(Unit : Thousand Baht)

	2020	2019
Current portion of long-term borrowings from financial institutions		
Other related parties		
MUFG Bank, Ltd., Singapore branch		
USD 8.00 million (December 31, 2019 : USD 16.50 million)	241,654	571,070
Bank of Ayudhya Public Company Limited	1,000,000	300,000
Long-term borrowings from financial institutions		
Other related parties		
MUFG Bank, Ltd., Singapore branch		
Nil (December 31, 2019 : USD 8.00 million)	-	276,400
Bank of Ayudhya Public Company Limited	3,884,094	4,084,094
Total	5,125,748	5,231,564

As at December 31, 2020 and 2019, long-term borrowings from financial institutions from other related parties bear interest at rates ranging from 0.71%- 3.72% per annum and 2.56%- 3.78% per annum, respectively.

(Unit : Thousand Baht)

	2020	2019
Other payables		
Accrued interest expense		
Other related parties		
MUFG Bank, Ltd., Singapore branch	50	154
Bank of Ayudhya Public Company Limited	15,788	28,174
Total	15,838	28,328
Deferred issuance cost (presented net from long-term borrowings and debentures)		
Other related parties		
MUFG Bank, Ltd.	67	1,823
Bank of Ayudhya Public Company Limited	415	807
Total	482	2,630

Significant agreements with related parties

Guarantee fee agreements

The Company entered into agreements with ACOM CO., LTD., the parent company, which has guaranteed the financial institutions due performance of obligations by the Company under loan agreements with financial institutions (if any). In consideration thereof, the Company is committed to pay guarantee fee based on certain percentage of the outstanding balances of loans as stipulated in the agreements unless the Company gives prior written notice to terminate the agreements.

The Company entered into agreements with MUFG Bank, Ltd., a financial institution in the group of Mitsubishi UFJ Financial Group, which has guaranteed the debentures due performance of obligations by the Company under conditions of debentures. In consideration thereof, the Company is committed to pay guarantee fee based on certain percentage of the outstanding balances of debentures as stipulated in the agreements.

Cross currency and interest rate swap agreements

The Company entered into agreements with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in foreign currencies with volatility of floating interest rate by swapping foreign currencies and floating interest rates to Baht currency in fixed interest rates as specified in the agreements (see Note 14).

Interest rate swap agreements

The Company entered into agreements with Bank of Ayudhya Public Company Limited to hedge financial liabilities denominated in Baht currency with volatility of floating interest rates by swapping floating interest rates to fixed interest rates as specified in the agreements (see Note 14).

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	2020	2019
Cash on hand	118,116	143,631
Cash at banks- current accounts	185,773	65,380
Cash at banks- savings accounts	132,566	95,743
Total	436,455	304,754

In 2020 and 2019, above cash at banks bears interest at the rates of ranging from 0.05%- 0.13% per annum and 0.10% - 0.38% per annum, respectively.

8. LOAN RECEIVABLES

(Unit : Thousand Baht)

	As at December 31, 2020			As at December 31, 2019		
	Personal Loan Receivables	Installment Loan Receivables	Total	Personal Loan Receivables	Installment Loan Receivables	Total
Due within one year						
Loan receivables	57,619,620	135,192	57,754,812	56,943,607	144,668	57,088,275
<u>Less</u> Unearned interest income	-	(8,322)	(8,322)	-	(9,851)	(9,851)
Allowance for doubtful accounts	-	-	-	(3,520,896)	(1,931)	(3,522,827)
Allowance for expected credit loss	(5,251,550)	(1,034)	(5,252,584)	-	-	-
Net	52,368,070	125,836	52,493,906	53,422,711	132,886	53,555,597
Due over one year						
Loan receivables	-	49,680	49,680	-	45,732	45,732
<u>Less</u> Unearned interest income	-	(48)	(48)	-	(320)	(320)
Allowance for doubtful accounts	-	-	-	-	(477)	(477)
Allowance for expected credit loss	-	(214)	(214)	-	-	-
Net	-	49,418	49,418	-	44,935	44,935
Total	52,368,070	175,254	52,543,324	53,422,711	177,821	53,600,532

Bad debts and expected credit losses for the year ended December 31, 2020 comprise the following:

(Unit : Thousand Baht)

	For the year ended December 31, 2020		
	Personal Loan Receivables	Installment Loan Receivables	Total
Bad debts	3,666,229	1,687	3,667,916
Expected credit losses (reversal)	875,329	(288)	875,041
Total	4,541,558	1,399	4,542,957

Bad debts and doubtful accounts expenses for the year ended December 31, 2019 comprise the following:

(Unit : Thousand Baht)

	For the year ended December 31, 2019		
	Personal Loan Receivables	Installment Loan Receivables	Total
Bad debts	4,031,205	1,837	4,033,042
Doubtful accounts (reversal)	221,010	(789)	220,221
Total	4,252,215	1,048	4,253,263

Staging analysis for loan receivables as at December 31, 2020 is as follows:

(Unit : Thousand Baht)

	As at December 31, 2020		
	Personal Loan Receivables	Installment Loan Receivables	Total
Performing (Stage 1)	54,052,956	183,754	54,236,710
Under-performing (Stage 2)	1,399,547	465	1,400,012
Non-performing (Stage 3)	2,167,117	653	2,167,770
	57,619,620	184,872	57,804,492
<u>Less</u> Unearned interest income	-	(8,370)	(8,370)
Total	57,619,620	176,502	57,796,122
<u>Less</u> Allowance for expected credit losses	(5,251,550)	(1,248)	(5,252,798)
Net	52,368,070	175,254	52,543,324

Aging analysis for loan receivables as December 31, 2019 is as follows:

(Unit : Thousand Baht)

	As at December 31, 2019		
	Personal Loan Receivables	Installment Loan Receivables	Total
Current	53,294,733	189,049	53,483,782
Overdue payment			
Less than and equal to 3 months	2,342,191	818	2,343,009
More than 3 months	1,306,683	533	1,307,216
	56,943,607	190,400	57,134,007
<u>Less</u> Unearned interest income	-	(10,171)	(10,171)
Total	56,943,607	180,229	57,123,836
<u>Less</u> Allowance for doubtful accounts	(3,520,896)	(2,408)	(3,523,304)
Net	53,422,711	177,821	53,600,532

Allowance for expected credit loss

The movements of the allowance for expected credit loss of loans receivables for the year ended December 31, 2020 are as follows:

(Unit : Thousand Baht)

	Allowance for expected credit loss			Allowance for doubtful accounts	Total
	Allowance for 12-month ECL (Stage 1)	Allowance for Lifetime ECL - not credit impaired (Stage 2)	Allowance for Lifetime ECL - credit impaired (Stage 3)		
Balance as at December 31, 2019	-	-	-	3,523,304	3,523,304
Impact of adoption of TFRS 9	2,440,244	740,491	1,118,823	(3,523,304)	776,254
Balance as at January 1, 2020	2,440,244	740,491	1,118,823	-	4,299,558
Changes in staging	(733,865)	(1,864,511)	2,598,376	-	-
New financial assets originated or purchased	227,958	-	-	-	227,958
Net remeasurement of loss allowance	780,187	1,954,673	867,131	-	3,601,991
Financial assets derecognized	(56,845)	(5,327)	(2,633)	-	(64,805)
Written-off	(31,314)	(43,370)	(2,737,220)	-	(2,811,904)
Balance as at December 31, 2020	2,626,365	781,956	1,844,477	-	5,252,798

As at December 31, 2020 and 2019, personal loan receivables comprise the following:

(Unit : Thousand Baht)

	2020	2019
Revolving loan receivables	54,782,405	54,726,996
Minimum payment loan receivables	2,837,215	2,216,611
Total	57,619,620	56,943,607

Revolving loans are repayable at any time subject to a minimum monthly payment of 3% of the principal as specified in the loan agreements. The Company classifies the total balance of revolving loan receivables within current assets.

Minimum payment loans are loans which the borrowers have the option to repay in full at any time or by monthly installments of not less than the minimum payment of from 3% to 8% of the total loan amount, as specified in the loan agreements. The Company classifies the total balance of minimum payment loan receivables within current assets.

As at December 31, 2019, the Company had loan receivables which were overdue for over three payment periods of Baht 1,307.22 million on which the Company has continued to recognize income. The Company recognized income on such loan receivables for the year ended December 31, 2019 amounting to Baht 221.32 million of which full allowance for doubtful accounts has been made.

Loan receivables of the Company as at December 31, 2020 and 2019 were denominated entirely in Baht currency.

In 2020 and 2019, the interest rates for the above loan receivables were within defined law set at 15% per annum and not more than 28% per annum (Effective rate) when inclusive of interest and credit usage fee.

Subsequently, on July 31, 2020, the Bank of Thailand has announced the Notification of the Bank of Thailand No. Sor.Nor.Sor. 12/2563 regarding “Regulations, Procedures and Conditions for Undertaking Business of Personal loan under supervision for non-financial institution” effective on August 1, 2020, to decrease the ceiling of interest rate, penalty fee, or any service fee that financial institution or businesses of personal loans under supervision for non-financial institution collect from customers, from 28% per annum to 25% per annum. The Company decreased the ceiling of interest rate and fee following such notification upon its effective date.

Debt restructuring

For the years ended December 31, 2020 and 2019, the Company had recognized interest income on restructured loan receivables totaling Baht 66.63 million and Baht 50.31 million, respectively.

The Company had the outstanding balances of loan receivables as at December 31, 2020 and 2019 as follows:

(Unit : Thousand Baht)

	As at December 31, 2020		As at December 31, 2019	
	Number of Contracts	Amount	Number of Contracts	Amount
Restructured loan receivables	56,018	2,836,977	45,951	2,216,289
Non-restructured loan receivables	2,130,039	54,959,145	2,005,053	54,907,547
Total	2,186,057	57,796,122	2,051,004	57,123,836

As at December 31, 2020 and 2019, the Company had no commitment to provide additional loans to its restructured debtors after debt restructuring.

9. OTHER RECEIVABLES

Other receivables as at December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	2020	2019
Receivables from collection agencies	138,261	131,004
Prepaid expenses	33,358	21,503
Others	32,303	42,018
<u>Less</u> Allowance for doubtful accounts/ Allowance for expected credit losses	(1,282)	(1,414)
Total	202,640	193,111

	2020	2019
Doubtful accounts expenses/ expected credit losses (reversal) for the years ended December 31,	(132)	(985)

10. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment as at December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

As at December 31, 2020	Balance as at January 1, 2020	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2020
Costs:					
Leasehold improvements	379,785	8,955	(18,400)	-	370,340
Furniture, fixtures and office equipment	648,378	30,034	(6,991)	19,418	690,839
Total	1,028,163	38,989	(25,391)	19,418	1,061,179
Accumulated depreciation:					
Leasehold improvements	339,900	18,916	(18,225)	-	340,592
Furniture, fixtures and office equipment	545,152	52,352	(6,968)	-	590,535
Total	885,052	71,268	(25,193)	-	931,127
Assets under installation	992	46,012	-	(19,418)	27,586
Leasehold improvements and equipment	144,103				157,638

(Unit : Thousand Baht)

As at December 31, 2019	Balance as at January 1, 2019	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2019
Costs:					
Leasehold improvements	387,517	5,940	(13,672)	-	379,785
Furniture, fixtures and office equipment	659,534	7,098	(43,084)	24,830	648,378
Total	1,047,051	13,038	(56,756)	24,830	1,028,163
Accumulated depreciation:					
Leasehold improvements	332,765	20,339	(13,204)	-	339,900
Furniture, fixtures and office equipment	533,462	54,721	(43,031)	-	545,152
Total	866,227	75,060	(56,235)	-	885,052
Assets under installation	568	25,254	-	(24,830)	992
Leasehold improvements and equipment	181,392				144,103
Depreciation for the years ended December 31,					
2020					71,268
2019					75,060

As at December 31, 2020 and 2019, the cost of the Company's fully depreciated leasehold improvements and equipment still in use amounted to Baht 672.69 million and Baht 631.46 million, respectively.

11. RIGHT-OF-USE ASSETS

Right-of-use assets as at December 31, 2020 was as follows:

(Unit : Thousand Baht)

As at December 31, 2020	Balance as at January 1, 2020	Initial Application to TFRS 16	Additions	Disposal	Balance as at December 31, 2020
Costs:					
Buildings	-	198,250	111,701	(51,090)	258,861
Equipment	-	39,013	28,855	(11,989)	55,879
Vehicles	-	56,890	32,441	(4,342)	84,989
Total	-	294,153	172,997	(67,421)	399,729
Accumulated depreciation:					
Buildings	-	-	187,126	(51,090)	136,036
Equipment	-	-	37,016	(11,989)	25,027
Vehicles	-	-	28,180	(4,342)	23,838
Total	-	-	252,322	(67,421)	184,901
Right-of-use assets	-				214,828
Depreciation for the year ended December 31,					
2020					237,889

The Company entered into several lease agreements covering buildings, equipment and vehicles for periods from one to five years.

(Unit : Thousand Baht)

	2020
Amounts recognized in profit or loss	
Depreciation on right-of-use assets	237,889
Interest expense on lease liabilities	6,866
Expense relating to short-term leases	27,840
Expense relating to leases of low value assets	1,846
Expense relating to variable lease payments not included in the measurement of the lease liability	4,025
Gain from lease modification	88
Gain on discount received from lease agreement	2,501

For the year ended December 31, 2020, the total cash outflow for leases amount to Baht 234.16 million.

12. INTANGIBLE ASSETS

Intangible assets as at December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

As at December 31, 2020	Balance as at January 1, 2020	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2020
Costs:					
Computer software	359,397	-	-	-	359,397
Trademark	3,710	-	-	-	3,710
Total	363,107	-	-	-	363,107
Accumulated amortization:					
Computer software	297,429	29,179	-	-	326,608
Trademark	1,706	236	-	-	1,942
Total	299,135	29,415	-	-	328,550
Computer software under installation	-	2,553	-	-	2,553
Intangible assets	63,972				37,110

(Unit : Thousand Baht)

As at December 31, 2019	Balance as at January 1, 2019	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2019
Costs:					
Computer software	352,075	520	-	6,802	359,397
Trademark	3,710	-	-	-	3,710
Total	355,785	520	-	6,802	363,107
Accumulated amortization:					
Computer software	253,721	43,708	-	-	297,429
Trademark	1,470	236	-	-	1,706
Total	255,191	43,944	-	-	299,135
Computer software under installation	3,289	3,513	-	(6,802)	-
Intangible assets	103,883				63,972
Amortization for the years ended December 31,					
2020					29,415
2019					43,944

As at December 31, 2020 and 2019, the cost of the Company's fully amortized intangible assets still in use amounted to Baht 247.26 million and Baht 183.71 million, respectively.

13. DEFERRED TAXES

Deferred tax assets as at December 31, 2020 and 2019 consist of:

(Unit : Thousand Baht)

	2020	2019
Deferred tax assets		
Loan receivables (allowance for doubtful accounts / allowance for expected credit losses)	1,050,714	704,842
Loan receivables (bad debt written-off)	148,325	137,020
Provisions for employee benefits	41,919	37,284
Decommissioning obligation for leasehold improvements	12,406	12,303
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	-	55,371
Derivatives	41,006	-
Others	3,361	3,250
Lease liabilities	561	-
Total	1,298,292	950,070
Deferred tax liabilities		
Debentures and borrowings issuance cost	(1,310)	(2,352)
Total	(1,310)	(2,352)
Net	1,296,982	947,718

The movements of deferred tax assets and liabilities for the years ended December 31, 2020 and 2019 consist of tax effects from the following items:

(Unit : Thousand Baht)

	Balance as at December 31, 2019	Impact of adoption of TFRS 9 and TFRS 16	Balance as at January 1, 2020	Item as recognized into profit (loss)	Item as recognized into other comprehensive income (loss)	Balance as at December 31, 2020
Deferred tax assets						
Loan receivables (allowance for doubtful accounts / Allowance for expected credit losses)	704,842	155,251	860,093	190,621	-	1,050,714
Loan receivables (bad debt written-off)	137,020	-	137,020	11,305	-	148,325
Provisions for employee benefits	37,284	-	37,284	3,506	1,129	41,919
Decommissioning obligation for leasehold im- provements	12,303	-	12,303	103	-	12,406
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	55,371	(55,371)	-	-	-	-
Derivatives	-	86,449	86,449	(45,443)	-	41,006
Others	3,250	-	3,250	111	-	3,361
Lease liabilities	-	(524)	(524)	1,085	-	561
	950,070	185,805	1,135,875	161,288	1,129	1,298,292
Deferred tax liabilities						
Debentures and borrowings issuance cost	(2,352)	-	(2,352)	1,042	-	(1,310)
	(2,352)	-	(2,352)	1,042	-	(1,310)
Deferred tax assets	947,718	185,805	1,133,523	162,330	1,129	1,296,982

(Unit : Thousand Baht)

	Balance as at January 1, 2019	Item as recognized into profit (loss)	Item as recognized into other comprehensive income (loss)	Balance as at December 31, 2019
Deferred tax assets				
Loan receivables (allowance for doubtful accounts)	660,958	43,884	-	704,842
Loan receivables (bad debt written-off)	130,509	6,511	-	137,020
Provisions for employee benefits	19,881	9,279	8,124	37,284
Decommissioning obligation for leasehold improvements	12,126	177	-	12,303
Long-term borrowings from financial institutions (including cross currency and interest rate swap)	48,341	7,030	-	55,371
Others	2,008	1,242	-	3,250
	873,823	68,123	8,124	950,070
Deferred tax liabilities				
Debentures and borrowings issuance cost	(5,399)	3,047	-	(2,352)
	(5,399)	3,047	-	(2,352)
Deferred tax assets	868,424	71,170	8,124	947,718

14. INTEREST - BEARING LIABILITIES

(Unit : Thousand Baht)

	As at December 31, 2020				As at December 31, 2019			
	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total	Short-term borrowings from financial institutions	Long-term borrowings from financial institutions	Debentures	Total
Current								
Principal	4,650,000	3,206,204	4,000,000	11,856,204	4,165,100	3,317,610	4,139,600	11,622,310
<u>Less</u> Deferred issuance cost on debentures and borrowings	(1,412)	(67)	(650)	(2,129)	(1,875)	(433)	(2,140)	(4,448)
Net	4,648,588	3,206,137	3,999,350	11,854,075	4,163,225	3,317,177	4,137,460	11,617,862
Non-current								
Principal	-	5,284,094	7,500,000	12,784,094	-	6,349,754	10,000,000	16,349,754
<u>Less</u> Deferred issuance cost on debentures and borrowings	-	-	(5,310)	(5,310)	-	(343)	(8,495)	(8,838)
Net	-	5,284,094	7,494,690	12,778,784	-	6,349,411	9,991,505	16,340,916
Total	4,648,588	8,490,231	11,494,040	24,632,859	4,163,225	9,666,588	14,128,965	27,958,778
- Secured*	-	-	-	-	-	-	1,138,544	1,138,544
- Unsecured	4,648,588	8,490,231	11,494,040	24,632,859	4,163,225	9,666,588	12,990,421	26,820,234
Total	4,648,588	8,490,231	11,494,040	24,632,859	4,163,225	9,666,588	14,128,965	27,958,778

*The Company has letter of guarantees issued by the parent company and a related foreign financial institution for guarantee payment of the Company under the conditions of long-term borrowings and debentures, respectively.

Interest-bearing liabilities as at December 31, 2020 and 2019 classified by currencies are as follows:

(Unit : Thousand Baht)

	2020	2019
Baht Currency	23,726,722	24,637,740
United States Dollars Currency	906,137	3,321,038
Total	24,632,859	27,958,778

In 2020 and 2019, above liabilities bear interest at the rates ranging from 0.71%- 3.72% per annum and 1.45%- 4.10% per annum, respectively.

Cross currency and interest rate swap, interest rate swap and forward foreign exchange agreements

Baht Currency

As at December 31, 2020, the Company has interest rate swap agreements to hedge the volatility of floating interest rate by paying interest in fixed rates as specified in the agreements with a relate local bank and a local bank totaling Baht 4,100 million (as at December 31, 2019: Baht 3,900.00 million). As at December 31, 2020, the Company recognized such agreements as derivative liabilities at fair value totaling Baht 137.85 million.

United States Dollars Currency

As at December 31, 2020, the Company has cross currency and interest rate swap agreements to hedge financial liabilities denominated in foreign currencies and the volatility of floating interest rate. The cross currency and interest rate swap agreements are as follows:

- With local banks totaling USD 8.00 million by swapping to Baht 276.40 million (as at December 31, 2019: totaling USD 59.50 million by swapping to Baht 1,987.07 million) and swapping fixed interest rates in USD monthly, quarterly to fixed rates as specified in the agreements. As at December 31, 2020, the Company recognized such agreements as derivative liabilities at fair value totaling Baht 36.31 million.
- With a local branch of foreign bank totaling USD 22.00 million by swapping to Baht 689.26 million (as at December 31, 2019: totaling USD 41.00 million by swapping to Baht 1,335.80 million) and swapping floating interest rates in USD monthly to fixed rates as specified in the agreements. As at December 31, 2020, the Company recognized such agreements as derivative liabilities at fair value totaling Baht 30.87 million, respectively.

Debentures

Debentures as at December 31, 2020 and 2019 are as follows:

	Issuance Date	Maturity Date	Tranche Number	Secured/Unsecured	Unit	Par Value	2020 (Thousand Baht)	2019 (Thousand Baht)
1	February 24, 2015	February 24, 2020	1 st	Secured	35	USD 1,000,000	-	1,139,600
2	March 12, 2015	March 12, 2020	2 nd	Unsecured	1,000,000	Baht 1,000	-	1,000,000
3	September 30, 2015	September 30, 2020	2 nd	Unsecured	500,000	Baht 1,000	-	500,000
4	February 25, 2016	February 25, 2021	2 nd	Unsecured	2,000,000	Baht 1,000	2,000,000	2,000,000
5	September 15, 2016	September 15, 2023	2 nd	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
6	March 30, 2017	March 30, 2022	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
7	June 7, 2017	June 7, 2024	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
8	November 24, 2017	November 24, 2021	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
9	April 27, 2018	April 27, 2021	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
10	October 22, 2018	October 22, 2020	1 st	Unsecured	1,500,000	Baht 1,000	-	1,500,000
11	April 29, 2019	January 28, 2022	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	1,500,000
12	July 26, 2019	July 22, 2022	1 st	Unsecured	1,000,000	Baht 1,000	1,000,000	1,000,000
13	January 24, 2020	January 24, 2024	1 st	Unsecured	1,500,000	Baht 1,000	1,500,000	-
							11,500,000	14,139,600
<u>Less</u> Debenture deferred issuance cost							(5,960)	(10,635)
							11,494,040	14,128,965
<u>Less</u> Current portion of debentures							(3,999,350)	(4,137,460)
Debentures - net							7,494,690	9,991,505

As at December 31, 2020 and 2019, debentures bear interest at rates ranging from 1.79%-3.37% per annum and 1.99%- 4.10% per annum, respectively.

15. OTHER PAYABLES

Other payables as at December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	2020	2019
Interest and guarantee fees payables		
- Related parties	15,838	28,328
- Other financial institutions	99,843	133,419
Other payables	62,548	64,733
Withholding tax payable	20,902	20,115
Accrued expenses and others	324,442	366,529
Total	523,573	613,124

16. LEASE LIABILITIES

Lease liabilities as at December 31, 2020 consisted of the following:

(Unit : Thousand Baht)

	2020
Maturity analysis:	
Year 1	88,506
Year 2	45,631
Year 3	55,775
Year 4	3,684
Year 5	24,038
Total	217,634
Analyzed as:	
Non-current	88,506
Current	129,128
Total	217,634

17. PROVISIONS FOR EMPLOYEE BENEFITS

The Company has retirement benefits plan in accordance with Labour Protection Act., which is the unfunded defined benefits plan.

Expense recognized in the statement of profit or loss and other comprehensive income for the years ended December 31, 2020 and 2019 are as follows:

	(Unit : Thousand Baht)	
	2020	2019
Current service cost	16,450	12,125
Past service cost	-	30,953
Interest on obligation	3,155	4,531
Total	19,605	47,609

Movements in the present value of the obligation under defined benefits plan for the years ended December 31, 2020 and 2019 are as follows:

	(Unit : Thousand Baht)	
	2020	2019
Defined benefits obligation brought forward	186,423	99,406
Current service cost	16,450	12,125
Past service cost	-	30,953
Interest on obligation	3,155	4,531
(Gain) loss on remeasurements of defined benefits plan		
- from change in financial assumption	(1,746)	38,877
- from experience adjustment	7,391	1,741
Paid to employee	(2,079)	(1,210)
Defined benefits obligation carried forward	209,594	186,423

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, which will be effective after 30 days from the date announced in Royal Gazette. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Company have recorded the effect of such plan amendment and already recognized past service cost as an expense of Baht 30.95 million in the statement of profit or loss and other comprehensive income for the year ended December 31, 2019.

The principal assumptions used for the purpose of the actuarial valuations for calculation of defined benefits obligation as at December 31, 2020 and 2019 are as follows:

	2020	2019
Personnel turnover rate	0%- 22.92%, p.a. Subject to the range of age of employees	0%- 22.92%, p.a. Subject to the range of age of employees
Discount rate	1.80%, p.a	1.75%, p.a
Increase in expected rate of salary	4.00%, p.a	4.00%, p.a

Significant actuarial assumptions for the determination of the defined benefits obligation are expected salary incremental rate and discount rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring, while holding all other assumptions constant which reflects increasing (decreasing) in the obligation if the assumptions change by 1% as at December 31, 2020 and 2019 are as follows:

	(Unit : Thousand Baht)	
	2020	2019
Salary incremental rates- 1% increase	21,118	19,372
Salary incremental rates- 1% decrease	(15,582)	(14,016)
Discount rate- 1% increase	(15,474)	(14,154)
Discount rate- 1% decrease	20,562	19,222

The sensitivity analysis presented above may not be representative of the actual change in the defined benefits obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

18. DECOMMISSIONING OBLIGATION FOR LEASEHOLD IMPROVEMENTS

Decommissioning obligation for leasehold improvements as at December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	2020	2019
Beginning balance	64,107	64,496
Provision made	698	727
Paid for restoration cost of leasehold improvements	(826)	(873)
Provision reversed	(512)	(243)
	63,467	64,107
<u>Less</u> Current portion of Decommissioning obligations for leasehold improvement	(29,530)	(176)
Total	33,937	63,931

19. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments as at December 31, 2020 were as follows :

(Unit : Thousand Baht)

Derivative financial liabilities	
Foreign currency forward contracts	67,178
Interest rate swaps	137,854
Total	205,032

Further details of derivative financial instruments are provided in Note 14.

20. CAPITAL MANAGEMENT

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company has been granted the license to operate as a non-financial institution that provides personal loans from the Minister of Finance, of which the Company must have authorized share capital of at least Baht 50.00 million.

21. LEGAL RESERVE

Section 116 of the Public Companies Act B.E.2535 requires that a public company shall allocate not less than 5% of its annual net profit, less accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

As at December 31, 2020 and 2019, the Company's legal reserve has reached 10% of its registered share capital

22. SEGMENT INFORMATION

The Company's operations are consumer finance business representing personal loans and installment loans as integrated and complementary activities that constitute one line of business. Consequently, management considers that it has only one business segment. Moreover, the Company operates in the domestic market; consequently, management determines that it has only one geographical segment.

23. OTHER INCOME

Other income for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	2020	2019
Recovery of bad debts	1,318,379	1,187,707
Others	117,122	117,355
Total	1,435,501	1,305,062

24. EXPENSES BY NATURE

Net profit for the years ended December 31, 2020 and 2019 have been derived after deducting the following significant expenses:

(Unit : Thousand Baht)

	2020	2019
Personnel expenses	1,657,702	1,658,332
Marketing expenses	214,126	235,858
Commission expenses	260,199	213,666
Depreciation and amortization expenses	338,572	119,004
Rental expenses	33,711	292,100
Special business tax and stamp duties	534,965	543,876
Bad debts and doubtful accounts expenses	-	4,253,263
Expected credit losses	4,542,957	-
Others	786,655	751,812
Total	8,368,887	8,067,911

25. PROVIDENT FUND

The Company has set up a registered provident fund in accordance with the Provident Fund Act B.E. 2530. All employees are members of the Provident Fund, which is managed by BBL Asset Management Company Limited. Under the Fund's regulations, employees contribute to the fund at the rate of 2% to 15% of their basic salary and the Company contributes to the fund at the rate of 2% to 7%.

The Company's contributions which were charged to the statement of profit or loss and other comprehensive income for the years ended December 31, 2020 and 2019 amounted to Baht 34.01 million and Baht 34.12 million, respectively.

26. FINANCE COSTS

Finance costs for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	2020	2019
Interest expense		
- Related parties	98,383	161,071
- Other financial institutions	460,820	631,985
Guarantee fee	85	921
Loss on exchange rate	215,118	-
Gain on measuring derivatives	(147,983)	-
Others	21,230	23,756
Total	647,653	817,733

27. INCOME TAX EXPENSE

Tax expense for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	2020	2019
Current tax expense		
Current year	1,450,111	1,387,251
	1,450,111	1,387,251
Deferred tax expense		
Movements in temporary differences	(162,330)	(71,170)
	(162,330)	(71,170)
Total	1,287,781	1,316,081

Reconciliations of effective tax rates for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	Tax Rate (%)	2020	Tax Rate (%)	2019
Accounting profit before tax expense		6,085,570		6,550,403
Tax expense at domestic tax rate	20.0	1,217,114	20.0	1,310,081
Tax effect of non-deductable expenses		232,997		77,170
Tax expense per income tax return		1,450,111		1,387,251
Adjustment for deferred tax relating to the origination and reversal of temporary differences		(162,330)		(71,170)
Tax expense	21.2	1,287,781	20.1	1,316,081

28. DIVIDEND PAID

- 28.1 At the Annual General Meeting of the Shareholders of the Company held on April 25, 2019**, the shareholders approved the appropriation of dividends of Baht 2.37 per share, amounting to Baht 1,422.00 million. The dividends were paid to the shareholders on May 8, 2019.
- 28.2 At the Annual General Meeting of the Shareholders of the Company held on April 23, 2020**, the shareholders approved the appropriation of dividends of Baht 2.61 per share, amounting to Baht 1,566.00 million. The dividends were paid to the shareholders on May 22, 2020.

29. FINANCIAL INSTRUMENTS

Financial risk management policies

The Company's monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to fully hedge these risk exposures. The use of financial derivatives is governed by the Company's Financial Management Policy approved by the Board of Directors. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Capital management

The Board of Directors' policy is to maintain a strong capital base to maintain credit confidence of all stakeholders and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total equity, and also monitors the level of dividends to ordinary shareholders.

29.1 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due. Management has a credit policy in place and exposure to credit risk is monitored by setting up a credit approval procedure, which requires credit officers to verify information provided by applicants and vendors.

The carrying amount of the assets recorded in the statement of financial position, net of allowance expected credit loss, represents the Company's maximum exposure to credit risk.

The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognized and unrecognized financial instruments. The maximum exposure is shown gross carrying amounts before both the effect of mitigation through use of master netting and collateral arrangements. For financial assets recognized on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amounts before deducting allowance for expected credit loss.

As at December 31, 2020, the maximum exposures to credit risk are as follows:

(Unit : Thousand Baht)

Loan receivables	57,796,122
Unused credit limit	46,957,129
Total maximum exposure to credit risk	104,753,251

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit loss) and loan commitments.

Explanation of 12-month expected credit loss, lifetime expected credit loss- not credit impaired, and lifetime expected credit loss-credit impaired are included in Note 3.3.1 to the financial statements.

(Unit : Thousand Baht)

	December 31, 2020			
	Performing (Stage 1)	Under-Performing (Stage 2)	Non-Performing (Stage 3)	Total
Loan receivables				
Not yet due	53,460,753	494,959	102,995	54,058,707
Overdue 1- 90 days	767,589	905,051	86,482	1,759,122
More than 90 days	-	-	1,978,293	1,978,293
Total	54,228,342	1,400,010	2,167,770	57,796,122
<u>Less</u> Allowance for expected credit loss	(2,626,365)	(781,956)	(1,844,477)	(5,252,798)
Net book value	51,601,977	618,054	323,293	52,543,324

29.2 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching appropriately the maturity profiles of financial assets and liabilities.

As at December 31, 2020, the Company's financial assets and liabilities are classified by remaining maturity as follows:

(Unit : Thousand Baht)

	2020					
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	436,455	-	-	-	-	436,455
Loan receivables	-	52,493,906	49,418	-	-	52,543,324
Total financial assets	436,455	52,493,906	49,418	-	-	52,979,779
Financial liabilities						
Short-term borrowings from financial institutions	1,540,000	3,108,588	-	-	-	4,648,588
Long-term borrowings from financial institutions	-	3,206,137	5,284,094	-	-	8,490,231
Debentures	-	3,999,350	7,494,690	-	-	11,494,040
Derivatives liabilities	-	90,696	114,336	-	-	205,032
Total financial liabilities	1,540,000	10,404,771	12,893,120	-	-	24,837,891

29.3 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk.

29.3.1 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. The Company is primarily exposed to interest rate risk from its borrowing. The Company mitigates this risk by using derivative financial instruments principally interest rate swap to manage exposure to fluctuations in interest rates (see Note 14).

29.3.2 Foreign currency risk

The Company is exposed to foreign currency risk relating to loans which are denominated in foreign currencies. The Company primarily utilizes cross currency swap contracts with the same maturities as the loan agreements to hedge such financial liabilities denominated in foreign currencies (see Note 14).

29.4 Classes and categories of financial instruments

(Unit : Thousand Baht)

December 31, 2020

December 31, 2020	Carrying value				Total
	Financial assets		Financial liabilities		
	FVTPL - mandatorily measured	Amortized cost	FVTPL - mandatorily measured	Amortized cost	
Cash and cash equivalents	-	436,455	-	-	436,455
Loan receivables	-	52,543,324	-	-	52,543,324
Short-term borrowings from financial institutions	-	-	-	4,648,588	4,648,588
Trade payables	-	-	-	5,368	5,368
Other payables	-	-	-	523,573	523,573
Long-term borrowings from financial institutions	-	-	-	8,490,231	8,490,231
Debentures	-	-	-	11,494,040	11,494,040
Derivatives	-	-	205,032	-	205,032

29.5 Fair values

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

The fair values of short-term borrowings are considered to approximate the amount disclosed in the statement of financial position because their maturities on demand within one year.

Fair value of assets and liabilities and their fair value hierarchy level classification are summarized as follows:

(Unit : Thousand Baht)

	As at December 31, 2020		Fair value hierarchy	As at December 31, 2019		Fair value hierarchy	Valuation Technique
	Carrying Amount	Fair Value		Carrying Amount	Fair Value		
Financial assets							
Loan receivables	52,543,324	75,618,710	3	53,600,532	78,059,757	3	Discounting expected future cash flows of the potentially recoverable principal and interest by the risk-free rate.
Derivative assets	-	-	2	-	-	2	Over-the-counter quoted price
Financial liabilities							
Long-term borrowings from financial Institutions	8,490,231	8,520,874	3	9,666,588	9,589,131	3	Discounting expected future cash flows by over-the-counter interest rate as of the last working day of the reporting period.
Debentures	11,494,040	11,579,601	2	14,128,965	14,341,884	2	Discounting expected future cash flows by yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association or over the counter quoted price including transaction cost.
Derivative liabilities	205,032	205,032	2	-	432,247	2	Over-the-counter quoted price

30. COMMITMENTS WITH NON-RELATED PARTIES

Commitments with non-related parties as at December 31, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	2020	2019
Capital commitments		
Software	4,798	-
Furniture & fixture and equipment	59,004	1,983
Total	63,802	1,983
Non-cancellable operating lease commitments		
Within one year	12,742	209,519
After one year but within five years	544	102,671
Total	13,286	312,190

The Company entered into several lease agreements covering office premises, vehicles and computer equipment for periods from one to two years. In consideration thereof, the Company is committed to pay rental fee at various annual rental rates as specified in the agreements.

31. RECLASSIFICATION

Certain reclassification has been made in the financial statements for the year ended December 31, 2019, to conform to the classification used in current period's financial statements. Such reclassification has no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassifications is as follows:

(Unit : Thousand Baht)

Account	Previous presentation	Current presentation	Amount
Decommissioning obligations for leasehold improvement	Decommissioning obligations for leasehold improvement	Current portion of Decommissioning obligations for leasehold improvement	176

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issuing by the Board of Directors of the Company on February 25, 2021.



Address of Branches

Group 1 : Branches (Full Branch / Apply Channel)

1	Amata City	No. 333/129 Moo 3, Borwin, Sriracha, Chonburi 20230
2	Amata Nakorn	No. 700/17 Moo 1, Amata Financial Complex Building, Bangna-Trad K.M. 57 Road, Klong Tamru, Muang, Chonburi 20000
3	Ayutthaya	No. 126 Moo 3, Ayutthaya City Park, 1st Floor Room No.G-83, Asia Road, Klong Suan Plu, Phra Nakorn Sri Ayutthaya, Phra Nakorn Sri Ayutthaya 13000
4	Ayutthaya2	No. 303/8 Rojana Road, Samruan, Bangpa-In, Phra Nakorn Sri Ayutthaya 13160
5	Big C Amnatcharoen ¹⁾	No. 477 Moo 7, Big C Supercenter Amnatcharoen, G Floor Room No.GCN021, Boong, Muang, Amnatcharoen 37000
6	Big C Aomyai ¹⁾	No. 17/17 Moo 8, Big C Supercenter Aomyai, G Floor Room No.GCN040, Aomyai, Sam Phran, Nakhon Pathom 73160
7	Big C Bangphli	No. 89 Moo 9, Big C Supercenter Bangphli, 2nd Floor Room No.2BB001-001/1, Thaeparak Road, Bangphli-Yai, Bangphli, Samutprakarn 10540
8	Big C Buriram	No. 150 Moo 7, Big C Supercenter Buriram, 1st Floor Room No.GCR145, Esan, Muang Buriram, Buriram 31000
9	Big C Chaengwattana	No. 96 Moo 1, Big C Supercenter Chaengwattana, 1st Floor Room No.GCR128/1B, Thungsonghong, Laksi, Bangkok 10210
10	Big C Chachoengsao2	No. 28/73 Big C Supercenter Chachoengsao2, 1st Floor Room.GCR120, New Sri Sotorn Road, Na-Muang, Muang Chachoengsao, Chachoengsao 24000
11	Big C Extra Hatyai	No. 667 Big C Extra Hatyai, 1st Floor Room No.GCR112, Petchkasem Road, Hadyai, Hadyai, Songkhla 90110
12	Big C Hua Mark	No. 177 Big C Supercenter Hua Mark, Room No.G14, Ramkamheang Road, Hua Mark, Bangkok, Bangkok 10240
13	Big C Kalasin	Room No.GCR111 G Floor ,Big C Supercenter Kalasin No. 101/2-3 KalasinTheenanon Road, Kalasin, Muang Kalasin, Kalasin 46000
14	Big C Kamphaengphet	No. 613/1 Big C Supercenter Kamphaengphet, 2nd Floor Room No.2CR208-209, Charoensuk Road, Nai Muang, Muang Kamphaengphet, Kamphaengphet 62000
15	Big C Khonkaen	Room No.2GCR 207, Big C Supercenter Khon Kaen No. 290/1 Moo 17,Nai Muang, Muang, Khon Kaen 40000
16	Big C Lampang	Room No.2CR203/2 2nd Floor,Big C Supercenter Lampang, No. 65 , Highway Lampang-Ngaw Road, Sob-Tui, Muang Lampang, Lampang 52100
17	Big C Lamphun	No. 200 Moo 4, Big C Supercenter Lamphun, 1st Floor Room No.GCR1130, Chiang Mai-Lampang Super Highway Road, Ban Klang, Muang Lamphun, Lamphun 5100
18	Big C Lopburi	No. 2 Moo 1, Big C Supercenter Lopburi, 2nd Floor Room No.2CR228-229, Tha Sala, Muang Lopburi, Lopburi 15000
19	Big C Mahachai	No. 79 Moo 8, Big C Supercenter Mahachai, 1st Floor Room No.GCR148/2, Satthakit 1 Road, Tasai, Muang Samutsakorn, Samutsakorn 74000
20	Big C Nan ¹⁾	No. 708 Moo 4, Big C Supercenter Nan, Room No.GCN056, Chaisathan, Muang Nan, Nan 55000
21	Big C Nakhon Pathom ¹⁾	No. 754 Big C Supercenter Nakhon Pathom, 2nd Floor Room No.2CR207, Petchkasem Road, Huai Chorakhe, Muang, Nakhon Pathom 73000
22	Big C Nakornpanom	No. 9/2 Big C Supercenter Nakornpanom, Room No.GCR117, Soi Ruammit, Nitayo Road, Nongyat, Muang Nakornpanom, Nakornpanom 48000
23	Big C Pattaya	No. 565/41 Moo 10, Big C Supercenter Pattaya, Room No.GCR101/2-3, Nongprue, Bang Lamung, Chonburi 20150

Group 1 : Branches (Full Branch / Apply Channel)

24	Big C Phitsanulok	No. 939 Big C Supercenter Phitsanulok, 2nd Floor Room No.2CR223, Phichaisongkram Road, Nai Muang, Muang Phitsanulok, Phitsanulok 65000
25	Big C Phetchaburi ¹⁾	No. 130 Moo 1, Big C Supercenter Phetchaburi, 2F Floor Room No.2CR209, Tonmamung ,Muang Phetchaburi, Phetchaburi 76000
26	Big C Ranong 1)	No. 666/1 Moo 4, Big C Supercenter Ranong, Room No.GCR110, Bang-Non, Muang, Ranong 85000
27	Big C Roi-Et	No. 320 Moo 10, Big C Supercenter Roi-Et, 1st Floor Room No.GCR112, Nuea Muang, Muang Roi-Et, Roi-Et 45000
28	Big C Sakaew 1)	Room No.GCR113 , Big C Supercenter Srakaew,No. 352 , Suwannasorn Road, Srakaew,Srakaew, Srakaew 27000
29	Big C Samui	No. 129/19 Moo 1, Big C Supercenter Samui, Room. No.2CR209, Bor Phut, Koh Samui, Suratthani 84320
30	Big C Samutprakan	No. 498/1 Big C Supercenter Samutprakan, 2nd Floor Room No.2CR216, Sukumvit Road, Pak Num, Muang Samutprakan, Samutprakan 10270
31	Big C Sukhothai	No. 68 Moo 2, Big C Supercenter Sukhothai, 1st Floor Room No.GCR120, Ban Kluay, Muang Sukhothai, Sukhothai 64000
32	Big C Surat Thani	No. 130 Moo 1 Big C Supercenter Surat Thani,1st Floor Room No.GCR002, Leing Muang Road, Bang Kung, Muang Surat Thani, Surat Thani 84000
33	Big C Tak ¹⁾	No. 18/3 Big C Supercenter Tak, G-IN Floor Room No.GBB003, Phaholyothin Road, Rahang, Muang, Tak 63000
34	Big C Udonthani ¹⁾	No. 415 Moo 3, Big C Supercenter Udonthani, 2nd Floor Room No.2CR217, Nityo Road, Makkheang, Muang, Udon Thani 41000
35	Big C Wongsawang	No. 888 Big C Supercenter Wongsawang, 2nd Floor Room No.A206, Wongsawang Road, Wongsawang, Bangsue, Bangkok 10800
36	Central Bangna 1)	No. 587, 589 Central Plaza Bangna, 4th Floor Room No.K401, Theparat Road, Bangna Nuea, Bangna, Bangkok 10260
37	Central Chaengwattana ¹⁾	No. 99, 99/9 Moo 2, Central Plaza Chaengwattana, 4th Floor Room No.K401, Chaengwattana Road, Bangtalad, Pakkret, Nonthaburi 11120
38	Central Phuket Festival	No. 74-75 Moo 5, Central Phuket Festival, 4nd Floor Room No.K403/1, Vichit , Muang, Phuket 83000
39	Central Khonkaen	No. 99 Central Plaza Khonkaen, 3rd Floor Room No.350, Srijan Road, Nai Muang, Muang Khonkaen, Khonkaen 40000
40	Central Pinklao ¹⁾	No. 7/222 Central Plaza Pinklao, 4th Floor Room No.K410, Baromrajchonnane Road, Arunammarin, Bangkok-Noi, Bangkok 10700
41	Central Rama II ¹⁾	No. 160 Central Plaza Rama 2, G Floor Room No.KG15/1, Rama 2 Road, Samaedam, Bangkhuntean, Bangkok 10150
42	Central Rama III	No. 79 Central Plaza Rama 3, 4th Floor Room No.430/2, Sathupradit Road, Chongnonsee, Yannawa, Bangkok 10120
43	Central Ramindra	No. 109/10 Moo 3, Central Plaza Ramindra, 2nd Floor Room No.202, Ramindra Road, Anusaowari, Bangkok, Bangkok 10220
44	Central Ubonratchatani ¹⁾	No. 311 Moo 7, Central Plaza Ubonratchathani, 3rd Floor Room No.K308, Chaeramae, Muang Ubonratchathani, Ubonratchathani 34000
45	Central Westgate	No. 199,199/1,199/2, Moo 6, Central Westgate, 3rd Floor Room No.332, Saothonghin, Bangyai, Nonthaburi 11140
46	Century The Movie Plaza ¹⁾	No. 15 Century The Movie Plaza, 3rd Floor Room No.306, Phayathai Road, Phayathai, Rajthaewee, Bangkok 10400

Group 1 : Branches (Full Branch / Apply Channel)

47	Chaiyaphum	No. 171/25-26, Sanambin Road, Nai Muang, Muang, Chaiyaphum 36000
48	Chiang Rai	No. 191-2 Thanalai Road, Vieng, Muang Chiang Rai, Chiang Rai 57000
49	Central Festival Chiang Mai	Central Festival Chiang Mai No. 99,99/1,99/2 3rd Floor Room No.K308 Moo4, Super hi way Road, Faham, Muang, Chiang Mai, 50000
50	Chiang Mai Sahasriphum	No. 248/4 Sahasriphum Place, Maneenopparat Road, Sriphum, Muang, Chiang Mai 50200
51	Chumphorn	No. 25/53 Kromaluang Chumphorn Road, Tha Taphao, Muang Chumphorn, Chumphorn 86000
52	Fashion Island	Room No.GSK1015, 1st Floor , Fashion Island, No. 587, 589 , Ramindra Road, Kannayao, Kannayao, Bangkok 10230
53	Future Park Rangsit	No. 94 Future Park Rangsit Branch, 2nd Floor Room No.PLZ.2.SHP022, Phaholyothin Road, Prachatiptat, Thanyaburi, Pathumtani 12130
54	Kanchanaburi	No. 160/19, Sangchootee Road, Ban Nua, Muang Kanchanaburi, Kanchanaburi 71000
55	Loei	No. 25/19 Ruamchai Road, Kudpong, Muang Loei, Loei 42000
56	Lotus Buengkan ¹⁾	No. 461 Moo 1, Testco Lotus Buengkan, 1st Floor Room No.119, Buengkan-Nakompanom Road, Bueangkan, Muang Bueangkan, Buengkan 38000
57	Lotus Krabi	No. 191 Moo 12, Testco Lotus Krabi, 2nd Floor Room No.P09P2057, Petchkasem Road, Krabi Noi, Muang Krabi 81000
58	Lotus Nongbualampu ¹⁾	No. 36 Moo 2, Testco Lotus Nongbualampu, 1st Floor Room No.5109PG22, Lampu, Muang Nongbualampu, Nongbualampu 39000
59	Lotus Phatthalung ¹⁾	No. 155 Moo 2, Testco Lotus Phatthalung, 1st Floor, Petchkasem Road, Khao Chiak , Muang , Phatthalung 93000
60	Lotus Suphanburi ¹⁾	No. 293 Moo 5, Testco Lotus Suphunburi, 1st Floor Room No.007PG002, Suphanburi-Chainat road, Tha Rahat, Muang, Suphanburi 72000
61	Lotus Yasothorn	No. 437 Moo 10, Lotus Yasothorn, 1st Room No.5150PG004, Samran, Muang, Yasothorn 35000
62	Mahasarakham	Seamthai Complex 1st Floor Room No.R148,No. 76/1-7 Nakorn Sawan Road, Talad, Muang Mahasarakham, Mahasarakham 44000
63	Market Village Hua Hin	No. 234/1 Market Village Hua Hin, 3rd Floor Room No.S318, Petchkasem Road, Hua Hin, Hua Hin, Prachuab Khiri Khan 77110
64	Market Village Suvamphumi	No. 99/29 Moo 1, Market Village Suvamphumi, 3rd Floor Room No.S306, Rachatewa, Bangplee, Samutprakarn 10540
65	MRT Sukhumvit ¹⁾	MRT Sukumvit S07 Unit No.25, Klongtoey, Klongtoey, Bangkok 10110
66	Nakhon Si Thammarat	No. 89/201 Robinson Nakhon Si Thammarat, 2nd Floor Room No.213/1, Pattanakarn Koo Khwang Road, Khlang, Muang, Nakorn Sri Thammarat 80000
67	Nakornsawan	No. 313/18 Sawanvitee Road, Pak Nampo, Muang, Nakhon Sawan 60000
68	Nong Kai	No. 305 Moo 10, Asawann Shopping Complex 1 , 1st Floor Room No.Lock O-1, O-2, Mitrapharp Road, Pho Chai, Muang Nong Kai, Nong Kai 43000
69	Phetchabun	No. 2 Ketpanya Road, Nai Muang, Muang, Phetchabun 67000
70	Phrae	No. 6/22 Yantrakij Kosol Road, Nai Viang, Muang Phrae, Phrae 54000
71	Prachinburi	No. 207/3 Moo 10, Tha Toom, Sri Mahapho, Prachinburi 25140
72	Rayong	No. 272/6 Sukhumvit Road, Choengnern, Muang, Rayong 21000
73	Robinson Chanthaburi	No. 22/107 Robinson Chanthaguri, BF Floor Room No.BF-B-29, Phinsarn Road, Chantanimit, Muang, Chanthaburi 22000

Group 1 : Branches (Full Branch / Apply Channel)

74	Robinson Mukdahan ¹⁾	No. 99/11 Robinson Mukdahan, 2F Floor Room No.RMH-2F-SA-228, Chayangkoon Road, Mukdahan, Muang Mukdahan, Mukdahan 49000
75	Robinson Ratchaburi	Robinson Ratchaburi, 1F Floor Room No.105/1 , No. 265, Sri Suriyawong Road, Na-Muang, Muang, Ratchaburi 70000
76	Sakon Nakhon	No. 1898/11 Rathpattana Road, That Choeng Chum, Muang Sakon Nakhon, Sakon Nakhon 47000
77	Saraburi	No. 179/5 Suk Anan Park Department Store, 1st Floor, Room No.PZ12-001/B, Sud Buntad Road, Pak Prew, Muang, Saraburi 18000
78	Seacon Square	No. 55 Seacon Square, 3rd Floor Room No.3057E, Srinakarin Road, Nongbon, Pravej, Bangkok 10250
79	Silom	No. 144/2, Silom Road Soi 10, Surawongse, Bangrak, Bangkok 10500
80	Singburi	Room No.CS4 ,1st Floor, Chaisaeng Department Store, No. 910, Khunsawan Road, Bangphutsa, Muang Singburi, Singburi 16000
81	Sriracha 2	No. 9 Sriracha Nakorn Soi 2 Road, Sriracha, Sriracha, Chonburi 20110
82	Surin	No. 726, Lak Muang Road, Nai Muang, Muang, Surin 32000
83	Terminal 21 Korat	No. 99 Terminal 21 Korat, 2nd Floor Room No.2039, Mitrapharp-Nong Kai Road, Nai Muang, Muang, Nakorn Ratchasima 30000
84	The Mall Bangkae	No. 518,518/1, The Mall Bangkae, 3rd Floor Room No.3S-L7, Petchakasam Road, Bangkae Nuea, Bangkae, Bangkok 10160
85	The Mall Bangkok	No. 3522 The Mall Bangkok, 3rd Floor Room No.3A-C10-11, 3S-C12-13,3S-C9B, Ladprao Road, Klongjan, Bangkok, Bangkok 10240
86	The Mall Korat	3rd Floor Room No.3S-23A, The Mall Korat No. 1242/2 , Mitrapharp Road, Nai Muang, Muang Nakorn Ratchasima, Nakorn Ratchasima 30000
87	The Mall Ngamwongwan	No. 408,410,412,414,416,418,420,422,424,426,428,430,430/1 The Mall Ngamwongwan, 5rd Floor Room No.OP-506 , Ngamwongwan Road, Bangkok, Muang, Nontaburi, 11000
88	The Mall Tha Phra	No. 129 The Mall Tha phra, 3rd Floor Room No.3B-R6, Ratchadapisek (Thaphra-Taksin) Road, Bukkaloo, Thonburi, Bangkok 10600
89	Tops Plaza Phayao	No. 500 Moo 12, Tops Plaza Phayao, 1st Floor Room No.RT-133/2, Thawangthong, Muang, Phayao 56000
90	Tops Plaza Phitchit ¹⁾	No. 332 Moo 3, Tops Plaza Phitchit, 1st Floor Room No.RI116, KhlongKhachen, Muang Phitchit, Phitchit 66000
91	Trang	No. 74/17, Soi 7 Ratsada Road, Tab Thiang, Muang Trang, Trang 92000
92	Ubon Ratchathani	No. 303 Khuen Thani Road, Nai Muang, Muang, Ubon Ratchathani 34000
93	Udon Thani	No. 45/5 UD TOWN Udon Thani, Room No.N101-N102, Thongyai Road, Makkheang, Muang, Udon Thani 41000
94	Uttaradit	No. 1/56-57 Samran Ruen Road, Tha It, Muang Uttaradit, Uttaradit 53000
95	Union Mall ¹⁾	No. 54 Union Mall, F2 Floor Room No.F2S-04, 05, Soi Ladprao 1, Ladprao Road, Chomphol, Chatuchak, Bangkok 10900
96	Yes Bangpli	No. 201 Moo 1, Bangsaothong, Bangsaothong, Samutprakarn 10540

Group 2 : Operation Center

97	Muang Thai-Phatra Complex (Office 1) ²⁾	No. 252/246 Plaza Building, 4th Floor, Muangthai-Phatra Complex, Ratchadapisek Road, Huaykwang, Huaykwang, Bangkok 10310
98	Napalai Place Building The Operation Center-Songkhla (Office 1) ²⁾	No. 123/501,123/502,123/503, F2 Room 201-203 Napalai Place Building Ratyindee Road, Hat Yai, Hat Yai, Songkhla 90110

Group 3 : Sales Office

99	Center Point Bang Yai (Office) ²⁾	No. 1/2 Moo6 Center Point Bangyai, F1 Room No.109, Talingchan-Suphanburi Road, Saothonghin, Bang-Yai, Nonthaburi 11140
100	Jasmine International Tower (Office) ²⁾	No. 200 Moo 4 Jasmine International Tower, 26 Floor Room No.2603B, Chaengwattana Road, Bangtalad, Pakkret, Nonthaburi 11120
101	Jitt-Uthai Ramkhamhang Building (Office) ²⁾	No. 615 Jitt-Uthai Ramkhamhaeng Building, 14rd Floor Room No.E, Ramkhamhaeng Road, Huamak, Bangkok, Bangkok 10240
102	Nakhonratchasima (Office) ²⁾	No. 230/1 Mitrapharp-Nong kai Road, Nai Muang, Muang Nakorn Ratchasima, Nakorn Ratchasima 30000
103	Phuket (Office) ²⁾	No. 16/178 Moo 2,Phuket Villa Kathu Project 3, Kathu Kathu Phuket 83120
104	Napalai Place Building (Office) ²⁾	No. 123/706,123/707, F4 Room 406,407 Napalai Place Building ,Ratyindee Road, Hat Yai, Hat Yai, Songkhla 90110
105	The Bright Rama 2 (Office) ²⁾	No. 15/9 The Bright Rama 2, 3rd Floor Room No.B310, Rama 2 Road, Thakham, Bang Khun Thian Bangkok 10150

Remark:

¹⁾ Not provide a service of payment counter

²⁾ Not provide any services to customers



Fact Sheet

As of 31 December 2020

Company Name

EASY BUY Public Company Limited

Businesses

Consumer Finance
(Revolving Loan Business and
Installment Sales Business)

Establishment

30 September 1996

Registration No.

0107548000251

Fiscal Year End Date

31 December

Number of Registered and Paid - up Shares

Baht 6,000 million
(600,000,000 shares at Baht 10 par value)

Head Office

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