



Annual Report 2019  
Lease IT Public Company Limited

# ONE

of Thailand's  
Top Non-Bank  
Lenders for SMEs



# ONE

of Thailand's  
Top Non-Bank  
Lenders for SMEs

LIT

A leader of non-bank lending business, providing alternative funding source for small and medium enterprises (SMEs), who are government, state enterprise or large private companies' suppliers.

## Our Mission

We strive to offer entrepreneurs, small and medium enterprises (SMEs) access to capital for their businesses by activating alternative funding sources outside the financial sector (Non-Bank), ultimately leading to higher levels of relationships as partners (True Financial Partner).

## Our Vision

To Create Opportunities for ALL



# Grow your SMEs faster with Lease IT

Listed in The Stock Exchange of Thailand - Market for Alternative Investment (mai)



Doing business for **over 13** years

Provided **more than 50,000** million baht in funding

Financial support for **2,500** customers

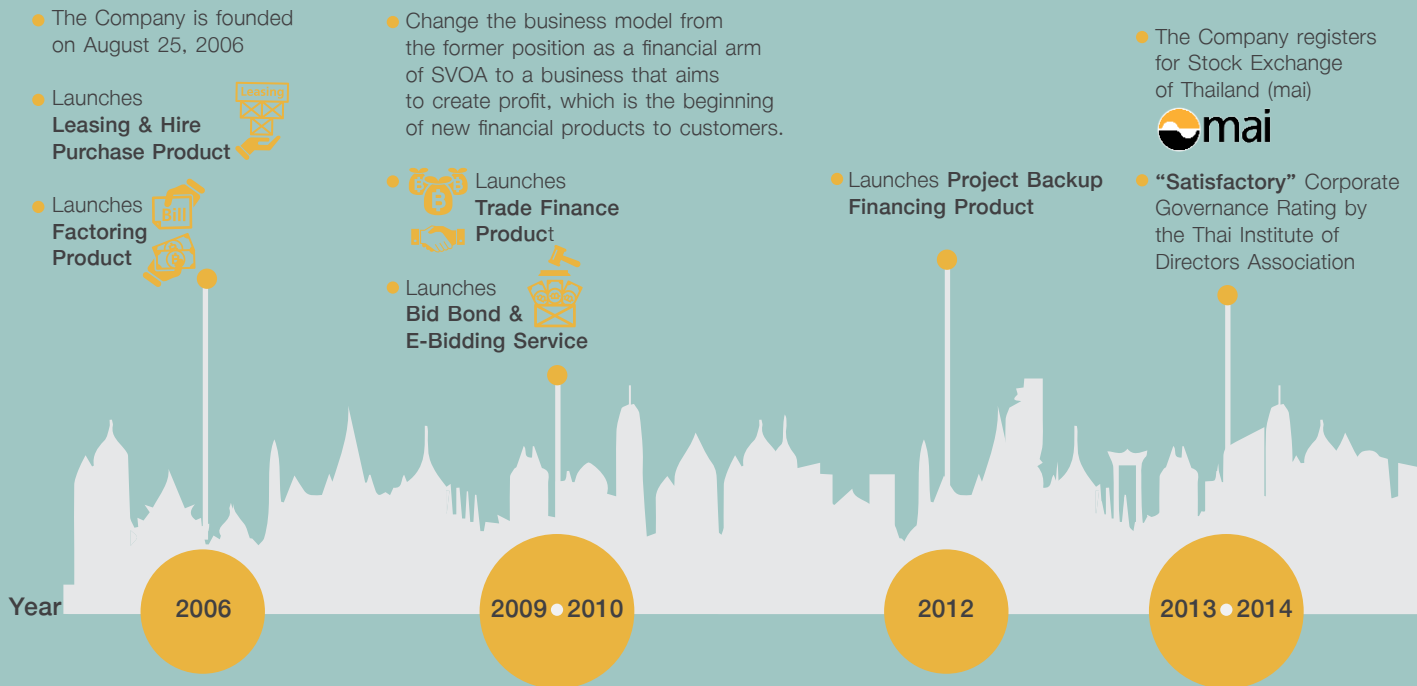
## Our Goals

The Company aims to be a leading non-bank credit service provider, which creates opportunities to access alternative funding sources for Small and Medium Enterprise (SMEs). Lease IT has 6 operation goals to develop sustainable growth of the organization.



# Key Development

Today, we focus to serve and finance SMEs and want them to reach an alternative source of funds. We aim to be the solution for our customers to help them with their business growth and success, ultimately becoming their true financial partner.



## Awards & Recognition

Over the years, we have been honored to receive various awards from leading organizations that represent our accomplishments and success as a company.



### “Best Investor Relations Awards” and “Outstanding Investor Relations Awards”

Among listed companies in the Market for Alternative Investment (mai), organized by SET-The Stock Exchange of Thailand. Lease IT received the “Best Investor Relations Awards” in SET Awards 2017 and received the “Outstanding Investor Relations Awards” in both SET Awards 2017 and 2018.

- The Company Issue and offer to sell warrants "LIT-W1"

- "Excellent" Corporate Governance Rating by the Thai Institute of Directors Association



- "Best Investor Relations Awards" Among listed companies in the Market for Alternative Investment (mai), organized by SET Award 2017



- "Outstanding Investor Relations Awards" Among listed companies in the Market for Alternative Investment (mai), organized by SET Award 2017



- The Company set up a new subsidiary which provides credit analysis, namely LIT Service Management Co., Ltd.



- "Outstanding Investor Relations Awards" Among listed companies in the Market



- for Alternative Investment (mai), organized by SET Award 2018

- Thailand Top Company Awards 2018 "Best Business Alliance of the Year Award"



- "Excellent" Corporate Governance Rating by the Thai Institute of Directors Association



- TRIS Rating assigns the Company Rating at "BBB-" Investment Grade with a "Stable" outlook.



- "Excellent" Corporate Governance Rating by the Thai Institute of Directors Association



- Launches Letter of Credit Service



- Launches Supply Chain Finance Product



2015 • 2016

2017

2018

2019

Moving forward



### "THAILAND TOP COMPANY AWARDS 2018" "BEST BUSINESS ALLIANCE OF THE YEAR AWARD"

By The University of the Thai Chamber of Commerce together with Business+ Magazine.



### "Excellent" Corporate Governance Rating

Certified by the Thai Institute of Directors Association (IOD)

TRIS Rating assigns the Company Rating at "BBB-" Investment Grade with a "Stable" outlook.



Success together

# Board of Directors



**Police General  
Jate Mongkolhutthi**  
Vice Chairman,  
Independent Director and  
Audit Committee Member



**Mr. Prakob Visitkitjakarn**  
Chairman of the Audit  
Committee and  
Independent Director



**Mrs. Duangphorn  
Sucharittanuwat**  
Chairman of the Board,  
Independent Director and  
Audit Committee Member



**Mr. Suthud  
Khancharoensuk**  
Independent Director and  
Audit Committee Member



**Associate Professor  
Dr. Suda Suwannapirom**  
Independent Director and  
Audit Committee Member



**Ms. Parichatara  
Laotheerasirivong**  
Senior Executive Director



**Mr. Sompon Aketerajit**  
Director and  
Managing Director



**Ms. Sitaphat  
Nirojthanarat**  
Director & Assistant  
Managing Director

# Executives



**Ms. Sitaphat  
Nirojthanarat**  
Assistant Managing Director  
Support Functions



**Mr. Sompon Aketerajit**  
Managing Director & CEO



**Mrs. Rungnapa Ogas**  
Assistant Managing Director  
Operation



**Mrs. Chonticha  
Supaluxmetha**  
Chief Financial Officer (CFO) &  
Managing Director of subsidiary



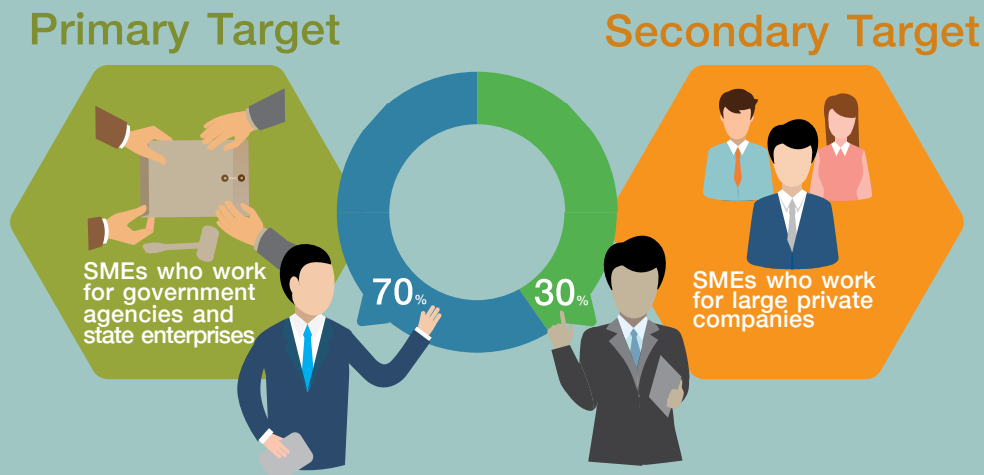
**Ms. Piyanan Mongkol**  
Company Secretary &  
General Manager  
Corporate Sustainability



**Ms. Prapapan Raktham**  
General Manager  
General Administration

# Our Target Customers

(As at 31 December 2019)



Account Receivable portfolio of the Company can be divided into 2 groups as follows;

1. Government agencies and state enterprises  
(The proportion of debtors who work for government agencies and state enterprises are at **70%** of the account receivable portfolio.)
2. Large private company (The proportion of debtors who work for large private companies is at **30%** of the account receivable portfolio.)

## Our Financial Services

We focus on developing a wide range of financial services for our customers. Lease IT deliver comprehensive services specifically designed to support Small and Medium Enterprises (SMEs). Our services are divided into several categories to offer entrepreneurs assistance from the beginning to end of a project. These services include Leasing, Hire Purchase, Factoring, Bid Bond, Project Backup Financing, Letter of Credit (L/C), and Supplier Finance Program.

## 1 Increase Competitiveness

### Bid Bond

Lease IT enhances SMEs competitiveness by offering credit, according to value of bid bond, to support the issuance of a bank guarantee to those customers who want to bid on government or state enterprise projects.



### Letter of Credit (L/C)

The Company offers financial service in form of Letter of Credit (L/C) to SMEs customers who want to import goods. Customers who use our L/C service are offered to use Project Backup Financing for payment of imported goods as well.



## Letter of Guarantee



# Competitive Advantage



## 2 Provide Capital



### Project Backup Financing

Let Lease IT be a part of your success by offering you Project Backup Finance, which offer you loan for your business or government project.

## 3 Increase Cash Flow

### Leasing & Hire Purchase

The Company offers Leasing and Hire Purchase for entrepreneurs who want to buy and lease assets such as IT device, software and computer, machine, vehicle or any other equipment, on the condition that those assets must have leasing agreement with government, the state enterprises or large private enterprises.



### Factoring

The Company provides factoring service, which is the purchase of receivables. Approximately we offer 70-90 percent of value of invoice. Factoring allows SME to receiving immediate cash payment without waiting for credit term due. The Company typically purchases receivables without having collateral but there is the assignment of accounts receivable of customers to the Company.



### Supply Chain Finance

Similar to Factoring, Supplier Finance program allows the SME suppliers of the Company who joins Supplier Finance program to receive immediate cash payment without waiting for credit term due of the seller. By doing this, supplier can improve their cash flow while the seller company, who joined the program, can improve their supply chain.



Pre-Finance

Post-Finance

Grow together



## Message to Shareholders



2019 was the year when the global and Thai economies experienced extreme turbulence. The Company had faced obstacles and challenges in conducting business arising from financial disruption and the increasing occurrences of NPLs prompting banks/financial institutions to adopt cautious lending approach. Another issue was the delay of budget disbursement which impedes economic growth and eventually negatively affected consumer spending. The GDP had declined to 2.4% in 2019.

The Company remained focused on achieving continuous growth of quality assets by increasing the proportion of low risk lending. Furthermore, the Company was rated BBB- with “Stable” outlook by TRIS Rating, considered investment grade in order to enhance its creditworthiness in the eyes of investors. Moreover, the Company was invited by the SET to join Process Innovation Coaching 2019 program conducted by advisors from Thailand Productivity Institute, to help the Company apply the Credit Scoring model to enhance its existing credit approval process system.

The Company has goals to develop the organization to grow sustainably and to meet the expectation of all stakeholder, which consists of 1) to stably generate robust income 2) develop effective lending process 3) develop effective operation process 4) enhance customers’ satisfaction 5) trustworthiness and organizational image and 6) achieve sustainable growth. In addition, the Company is determined to play a role in reducing impact on the environment and announced its intention to join the project “Talad Toon Thammapi Barn” on the occasion of the King’s royal coronation rite to practice ‘Sufficiency Economy’ philosophy by managing the business with responsibility, always conscious of social and the environment benefit that will lead to sustainable benefit of the Company, concerned parties, the society and population at large in line with the global community’s Sustainable Development Goal (SDGs). On social front, the Company gives importance to human resource by promoting to develop knowledge and experience to enable employees to perform their work effectively, pay compensation and welfare benefits fairly, respect human rights, pay attention to working environment and occupational health. This year, the Company added a channel to communicate financial knowledge and the knowhow in operating SME business to interested parties digitally i.e. via Facebook, which is another channel for customers or prospects to follow and access information at all times.

Ultimately, the Company will operate the business amidst current economic, social and environment conditions under good corporate governance and in response to stakeholders’ expectation for sustainable growth.

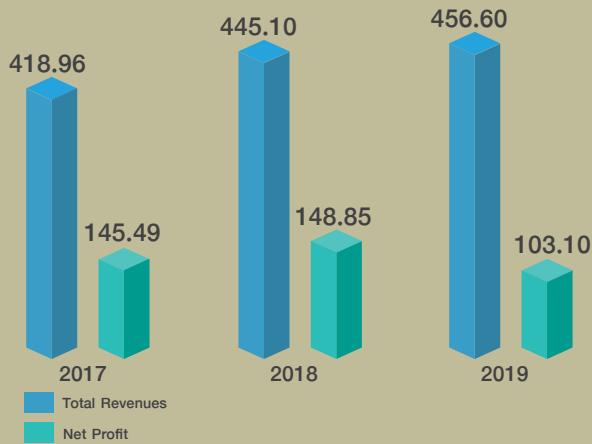
**Mrs. Duangphorn Sucharittanuwat**  
Chairman of the Board

**Mr. Sompon Aketerajit**  
Managing Director & CEO

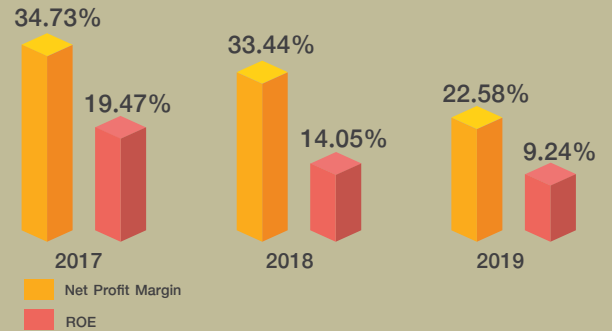
# Financial Highlights

(Unit : MB)

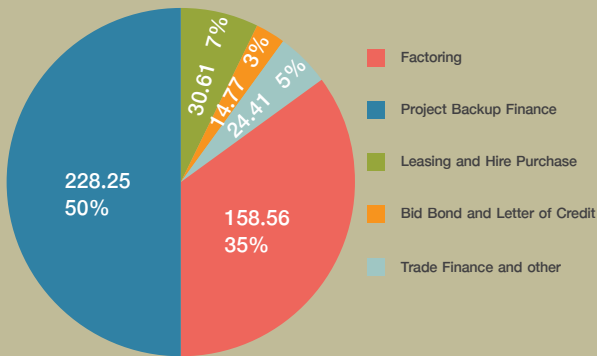
### Total Revenues & Net Profit



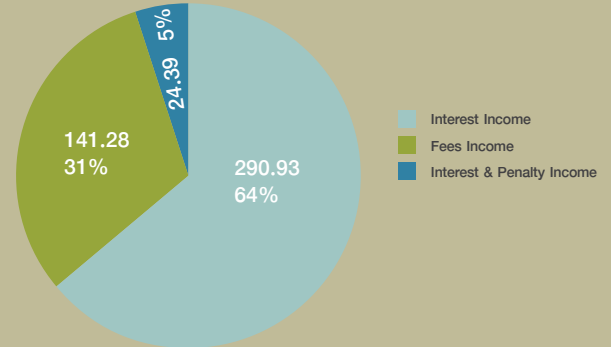
### Net Profit Margin & ROE



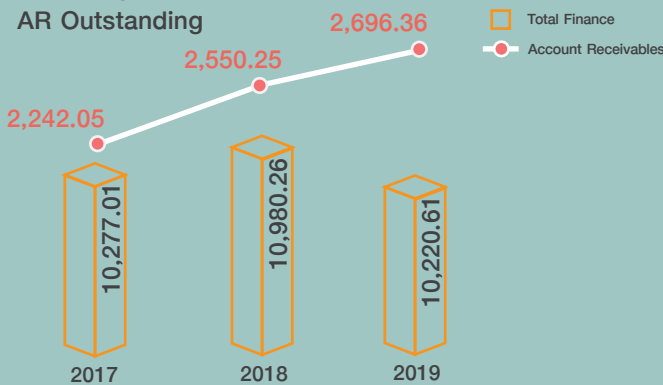
### Product Contribution



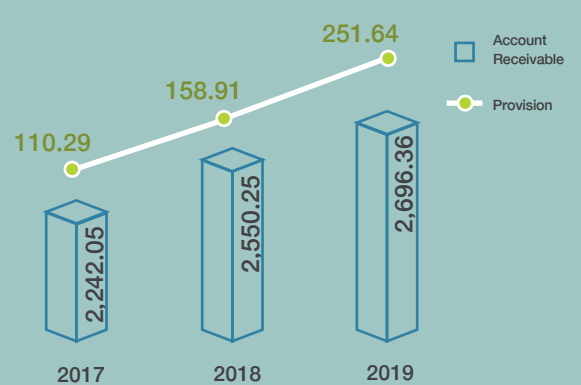
### Revenue Contribution



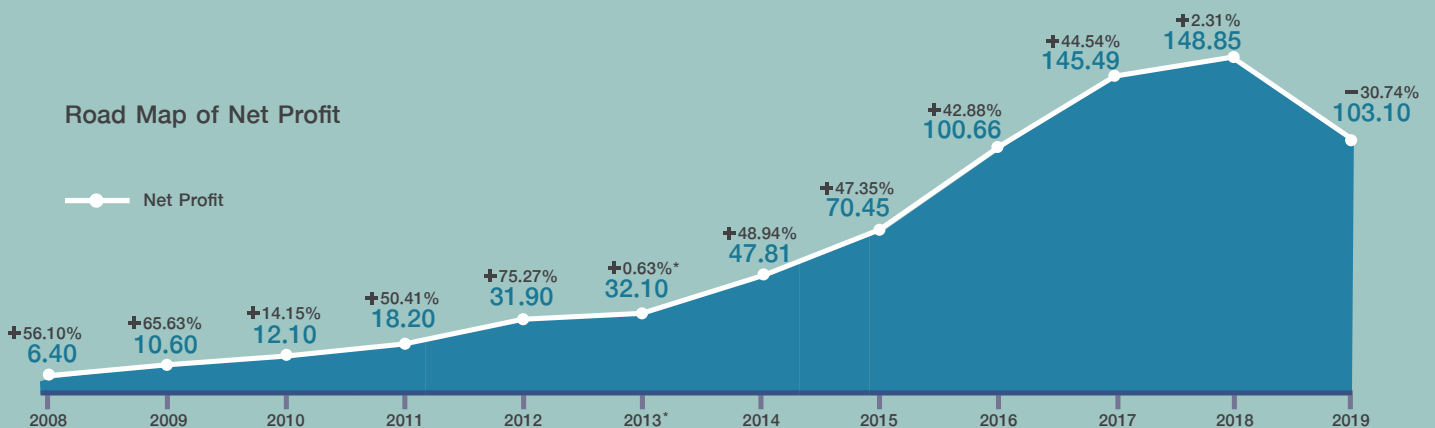
### Financing Amount & AR Outstanding



### AR Outstanding & Provision

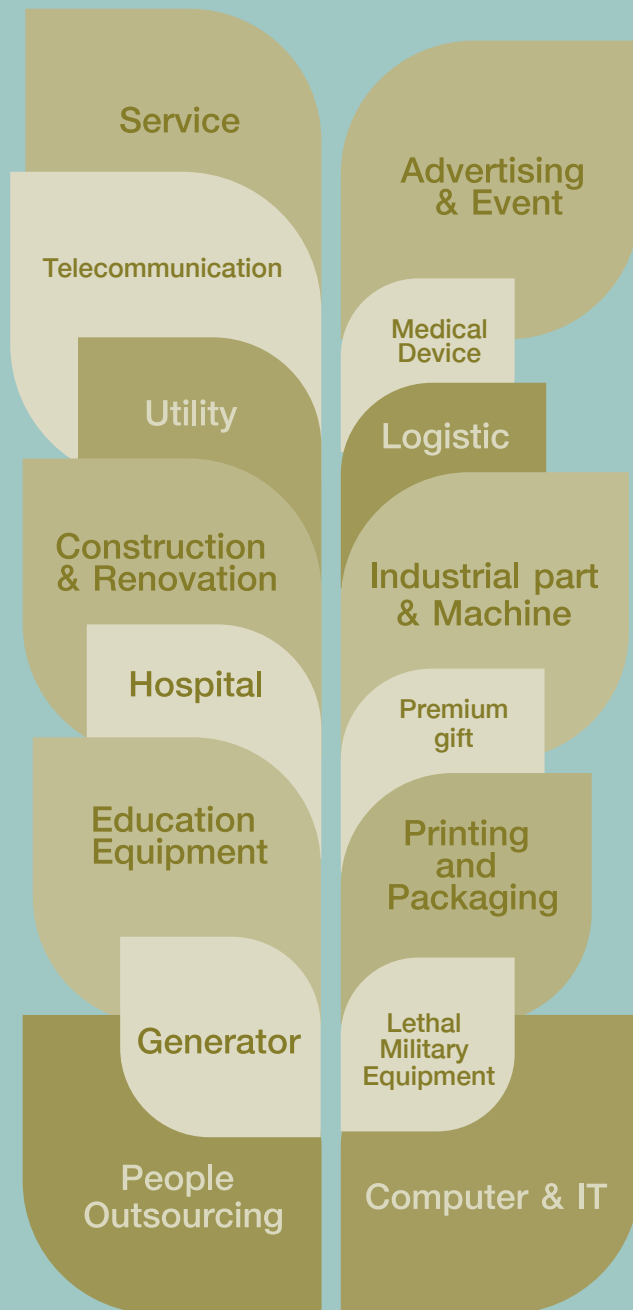


### Road Map of Net Profit



\* Changing in accounting policy for revenue recognition

Customer's  
sectors that  
**Lease IT**  
provides  
financial  
services.



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# 01

## Policies and Overall Business Operations

### History

Lease IT Company Limited (the “Company”) was incorporated on the 25<sup>th</sup> of August 2006 with a registered capital of 200 million Baht, with a paid up capital of 60 million Baht. The SVOA Public Company Limited is the majority shareholder with 99.99 percent of the stake in the business. Initially, the business objective was to support the trade of the SVOA group. The Company was a financial company (Financial Arm) of SVOA that provided loan, financial leases (Leasing) and loan purchase agreements (Hire Purchase) by targeting at those customers who were previously suppliers to the group of SVOA. The customers who were using the SVOA’s products had the privilege to use accounts receivable (Factoring) financing in case they need working capital prior to the maturity of account receivable.

The significant growth of the information technology in businesses (“Information Technology” or “IT”) made the IT products to be so versatile and diverse in terms of different products in different markets. Meanwhile, due to the fact that SVOA was originally focused on some market products, the Company turned to financing of goods outside the SVOA group as well as expanding credit facility beyond IT products in order to manage and compete with the same type of business competitors more effectively.

After the business model changed, as discussed above, the Company emphasized more on growth and business competitiveness by developing a model of financial products so as to continue doing business in order to satisfy customer needs and to offer credit to serve every industry, not only serve in IT sector. To do so, the Company added more variety of credit facilities such as Bid Bond, Project Backup Financing including Trade Finance.

On the 16<sup>th</sup> of May 2013, the Company has become a public company, therefore changed its name to Lease IT Public Company Limited.



## Key Development

### 2007 - 2014

- Registered capital has increased from 60 million Baht to 100 million Baht and fully paid up.
- Starting a business service supplier (Trade Finance) for those customers that were using existing financial products, whether loan financial leases, hire purchase loans, or transfer right of claims.
- Starting Bid Bond facility by acting as an intermediary between the bank (guarantees) and those customers who were entrepreneurs.
- Starting a set of business operations to support Project Backup Financing for customers of the Company who have good records in terms of skills and capabilities toward the work on that project but there were some restrictions on working capital. The debtors who facilitate the government projects was emphasized.
- Reducing the share capital from 200,000,000 Baht to 100,000,000 Baht by reducing the par value of shares from 10.00 Baht per share to 5.00 Baht per share, resulting in an authorized capital of 100,000,000 Baht consisting of 20,000,000 shares at 5.00 Baht and paid in full amount.
- Converting to a public company limited.
- Changing the par value of shares from 5.00 Baht per share to 1.00 Baht per share.
- Increasing the registered capital 16,000,000 Baht from the existing registered capital 100,000,000 Baht. The total registered capital is 116,000,000 Baht through issuing 16,000,000 new ordinary shares at par value of Baht 1.00 per share allocated to Dr.Prasit Kanjanasakchai. This was a private placement offered Baht 1.50 per share.
- Increasing the registered capital 84,000,000 Baht from the existing registered capital 116,000,000 Baht. The total registered capital is 200,000,000 Baht through issuing 84,000,000 new ordinary shares at par value of Baht 1.00 per share. The details of the allocation is listed as follows :
  - (1) Allocation of ordinary shares of 33,600,000 common shares to shareholders of the SVOA. Quantity of the shares depended on the shareholders in SVOA. (i.e., shareholders had the privilege of pre-emptive right)
  - (2) Allocation of ordinary shares of 46,200,000 common shares to the public.
  - (3) Allocation of ordinary shares of 4,200,000 shares to directors and employees of the Company.

In case of the remaining share from the reserved shares of SVOA's shareholders according to (1) an offer to sell such shares to the public in (2) would have been taken place.
- During 12-14 March 2014, the Company has offered to sell ordinary shares to the shareholders and holders of preferred shares SVOA in the proportion of shares held by the shareholders in SVOA, the total amount of 33.6 million common shares with a par value of THB 1.00 per share in the offering price per share of 1.80 Baht.
- During 17-19 March 2014, the Company has offered to sell ordinary shares to the public, directors and employees of the total 50.4 million common shares with a par value of THB 1 per share in the offering price per share of 1.80 Baht. Company registered the issued and paid up capital from 116,000,000 Baht (ordinary shares of 116,000,000 common shares at par value of Baht 1.00 per share) to 200,000,000 Baht (ordinary shares of 200,000,000 common shares at par value of Baht 1.00 per share) with the Ministry of Commerce on March 20, 2014. The Stock Exchange of Thailand approved ordinary shares and began trading on 25 March 2014. The expenses related to the sale of such shares in the amount of 4.5 million Baht (THB 1.1 million net of tax). The Company treated as a deduction from share premium.

## 2015

- 15 January 2015, Board of Directors has approved the issuance and offering of Bill of Exchange, not over 270 days, with the total face value limit of 600 million Baht in form of general offering or limited to institutional investors and/or high net worth investors or limited face value at 10 bills at a time. The filing and prospectus to offer Bill of Exchange has been approved by The Office of the Securities and Exchange Commission on 23 January 2015. This resulted that the Company is able to reduce financial cost significantly.
- 16 February 2015, Board of Directors has approved the issuance and offering of debenture with the limit of 500 million Baht, which proposed to the Annual General Meeting No.2/2015 on 10 April 2015, and the meeting had consensus voted to issue and offer debenture of the Company with the limit of 500 million Baht.
- 9 July 2015, Issuance the Name-Registered Non-Subordinated Unsecured, Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 200,000 units, Face value per Unit 1,000 Baht, total issue amount 200,000,000.00 Baht, the redemption date in year 2017, rate 5.30% "Debenture of Lease IT Public Company Limited No.2/2558 (2015) due B.E. 2560 (2017)", paid in July 11, 2017
- 16 October 2015, the Company launch new financial product, which is Letter of Credit (L/C) with the cooperation with Krungthai Bank PCL.

## 2016

- 5 November 2016, Board of Directors has approved the issuance and offering of Bill of Exchange, not over 270 days, with the total face value limit of 900 million Baht in form of general offering or limited to institutional investors and/or high net worth investors or limited face value at 10 bills at a time. The filing and prospectus to offer Bill of Exchange has been approved by the Office of the Securities and Exchange Commission on 2 December 2016 for working capital.

## 2017

- 14 February 2017, Board of Directors has approved the issuance and offering of debenture with the limit of 1,000 million Baht, which proposed to the Annual General Meeting No.4/2017 on 20 March 2017, and the meeting had consensus voted to issue and offer debenture of the Company with the limit of 1,000 million Baht.
- 15 February 2017, Board of Directors has approved the issuance of not more than 160,000,000 units of warrants to purchase ordinary shares in the Company to the Company's existing shareholders by way of rights issue at the ratio of 5 ordinary shares to 4 unit of Warrants with the offering price at Baht 2.5, which proposed to the Annual General Meeting No.4/2017 on 20 March 2017, and the meeting had consensus voted to issue of not more than 160,000,000 units of warrants to purchase ordinary shares in the Company (LIT-W1).
- 3 April 2017, the Company has amended to the Company's Memorandum of Association so as to increase the Company's registered capital for another Baht 100,000,000, divided into 100,000,000 shares at the par value of Baht 1 each, from the existing registered capital of Baht 200,000,000, to be new registered capital Baht 300,000,000, divided into 300,000,000 shares at the par value of Baht 1 each. The allotment are the follows :
  - 1.) 20,000,000 new shares be allotted to reserve for the distribution of stock dividend; and
  - 2.) 80,000,000 new shares be allotted to reserve for the exercise of the Warrants (LIT-W1), which are issued and offered to the existing shareholders by way of rights issue. Any new shares remaining due to non-exercise of the Warrants will be subject to the consideration of the shareholders' meeting.
- During 17-21 April 2017, the Company has offered to sell the warrant (LIT-W1) to the Company's existing shareholders by way of rights, in total amount of 160 million unit of warrants with the offering price at Baht 2.5. And the Stock Exchange of Thailand approved the warrant (LIT-W1) and began trading on 3 July 2017.



- 19 April 2017, the Company has distributed the dividend to the Company's shareholders in form of cash and stock dividend as follows :
  - a.) stock dividend in total amount of 19,999,532 ordinary shares with the par value of Baht 1.
  - b.) cash dividend at the rate of 0.0112 Baht per share.
- 2 May 2017, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 85,000 units. Face value per Unit 1,000 Baht, total issue amount 85,000,000 Baht, the redemption date in year 2020, rate 5.75%, name that "Debentures of Lease IT Public Company Limited No.1/2560 (2017) due B.E. 2563 (2020)".
- The warrants (LIT-W1) were exercised as detail follows :

(No.) Date	No. of Warrants (Units)	No. of Ordinary Share (Shares)	Paid Up Capital (Shares)
(1) 25/7/2017	150,248	75,124	220,074,656
(2) 25/10/2017	2,800	1,400	220,076,056

- 22 August 2017, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 300,000 units. Face value per Unit 1,000 Baht, total issue amount 300,000,000 Baht, the redemption date in year 2020, rate 6.00%, name that "Debentures of Lease IT Public Company Limited No.2/2560 (2017) due B.E. 2563 (2020)"

## 2018

- 1 February 2018, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 315,000 units. Face value per Unit 1,000 Baht, total issue amount 300,000,000 Baht, the redemption date in year 2020, rate 6.00%, name that "Debentures of Lease IT Public Company Limited No.1/2561 (2018) due B.E. 2563 (2020)".
- 9 February 2018, Board of Directors has approved the issuance and offering of debenture with the limit of 2,000 million Baht, which proposed to the Annual General Meeting No.5/2018 on 29 March 2018, and the meeting had consensus voted to issue and offer debenture of the Company with the limit of 2,000 million Baht.
- 8 March 2018, Board of Directors has approved the Employee Joint Investment Program No.2 (EJIP No.2) which Phillip Securities (Thailand) Public Company Limited is the program management agent. The program lasts for 3 years (April 2018 – March 2021). During the program, if employee is not eligible for joining but is going to be eligible before the program ends, the employee can show the intention to joining on every 1 April each year. The back office employee who want to join the program will be deducted 10% of base salary and front office employee will be deducted 10% of the sum of base salary and incentive maximum 100,000 Baht. (Note : Base salary is not including position allowance, living allowance, fuel/gasoline/mileage allowance and other income). The Company will give payment at the same amount of that salary deduction of employee to the program
- 10 May 2018, the meeting of the Company's Board of Directors No.5/2018 approved to establish a new subsidiary company "LIT Service Management Co., Ltd" with registered share capital of Baht 5 million, holding 100% interest and appointment Mrs. Chonticha Supaluxmetha as Chief Executive Officer. The principal business operations of the subsidiary are providing the data information and credit analysis include the project management. The subsidiary was registered with the Ministry of Commerce on 23 May 2018 and the Company had fully paid its share on 15 June 2018.
- 27 June 2018, Mr. Thienchai Srivichit has resigned from the Director and the Vice President of Board Director and appointment Ms. Parichatara Laotheerasirivong to be the Director in replacement of Mr. Thienchai Srivichit, who resign before the end of term, effective date on June 28, 2018.

- The warrants (LIT-W1) were exercised as detail follows :

(No.) Date	No. of Warrants (Units)	No. of Ordinary Share (Shares)	Paid Up Capital (Shares)
(1) 25/1/2018	4,000	2,000	220,078,056
(2) 25/4/2018	1,145,000	572,500	220,650,556
(3) 25/7/2018	130,000	65,000	220,715,556
(4) 25/10/2018	6,700	3,350	220,718,906

## 2019

- 20 March 2019, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 200,000 units. Face value per Unit 1,000 Baht, total issue amount 200,000,000 Baht, the redemption date in year 2021, rate 6.25%, name that "Debentures of Lease IT Public Company Limited No.1/2562 (2019) due B.E. 2564 (2021)".

- The warrants (LIT-W1) were exercised as detail follows :

(No.) Date	No. of Warrants (Units)	No. of Ordinary Share (Shares)	Paid Up Capital (Shares)
(1) 25/4/2019	1,458,700	729,350	221,448,256
(2) 25/10/2019	2,400	1,200	221,449,456

- 9 April 2019, Relocate the new office to MS Siam Tower, 29<sup>th</sup> floor, Rama 3, Chongnonsi, Yannawa, Bangkok
- Announcement of intention to participate in the celebration of the promotion of the capital market, good governance to strengthen the capital market for His Majesty the King Rama X. By operating business responsibly Taking into account the benefits to society. And the environment Which will bring lasting benefits for the business Benefits of related parties And the benefits of society and the general public In line with the Sustainable Development Goals (SDGs) of the world community.
- TRIS Rating assigns the Lease IT 's Company Rating at "BBB-" Investment Grade with a "Stable" outlook.
- 29 October 2019, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Short-Term Debenture Certificate with no debenture holders' representative divided into 150,000 units. Face value per Unit 1,000 Baht, total issue amount 150,000,000 Baht, the redemption date in year 2019, rate 5.00%, name that "Debentures of Lease IT Public Company Limited No.2/2562 (2019) due B.E. October 29, 2563 (2020)".
- 19 October 2019, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Medium-Term Debenture Certificate with no debenture holders' representative divided into 520,600 units. Face value per Unit 1,000 Baht, total issue amount 520,600,000 Baht, the redemption date in year 2021, rate 5.25%, name that "Debentures of Lease IT Public Company Limited No.3/2562 (2019) Set 1 due B.E. 2564 (2021)".
- 19 October 2019, Issuance the Name-Registered Non-Subordinated Unsecured Non-Convertible Medium-Term Debenture Certificate with no debenture holders' representative divided into 393,000 units. Face value per Unit 1,000 Baht, total issue amount 393,000,000 Baht, the redemption date in year 2022, rate 5.50%, name that "Debentures of Lease IT Public Company Limited No.3/2562 (2019) Set 2 due B.E. 2565 (2022)".

## Overview of the Business

The Company provides credit services to customers who are Small and Medium Enterprises (SMEs) who face limitations in having loans from financial institutions. Such services were divided into 8 main categories :

1. **Leasing** : credit service in the form of financial lease or contract within a term of more than 3 years, typically dealing with the government agencies, state enterprises, or large private enterprises.
2. **Hire Purchase** : credit service in the form of an installment contract within a term of less than 3 years, including lease agreements with government agencies, state enterprises, or large private enterprises.
3. **Factoring** : The transfer of right of claims primarily through a purchase accounts receivable from a group of business operators owed by government agencies, state enterprises, or large private enterprises. The Company purchases the accounts receivable at a discounted price approximately 30-100 percent of the face value.
4. **Bid Bond** : credit facility in the form of a tender guarantee for individual entrepreneurs who want to bid for government agencies' and state enterprises' projects. Currently the Company also offers Bid Bond product in form of E-Bidding in order to response to government policy which using Electronics Government Procurement.
5. **Project Backup Financing** : provides funding for the procurement and/or preparing the pre-finance products prior to delivery of products to government agencies, state enterprises, or large private enterprises.
6. **Trade Finance** : provides products to a group of customer/entrepreneur who lacks of funds in the procurement process of products delivered to government agencies, state enterprises, or large private enterprises.
7. **Letter of Credit (L/C)** : the Company offers financial credit in form of Letter of Credit to guarantee the payment of buyer. By using Letter of Credit, the seller will receive payment after delivering goods and the buyer will pay after receiving goods.
8. **Supplier Finance** : allows the suppliers of the Company who joins Supplier Finance program to receive immediate cash payment without waiting for credit term due of the seller. By doing this, supplier can improve their cash flow while the seller company, who joined the program, can improve their supply chain

The Company offers a full range of credit facilities, which allows SMEs to perform operations starting bidding from products procuring, or lending money for procuring products. Customers can handover products to the counterparty. After delivering and being approved, the transaction will be financed in the form of financial leasing, hire purchase or factoring.

## Revenue Structure

Type of Income	Consolidated Financial Statement				Separate Financial Statement					
	2019		2018		2019		2018		2017	
	MB	%	MB	%	MB	%	MB	%	MB	%
<b>Interest Income</b>										
Financial lease contracts	13.61	2.98	17.31	3.89	13.61	3.53	17.31	4.18	25.17	6.01
Hire-purchase contracts	16.72	3.66	10.25	2.30	16.72	4.34	10.25	2.48	13.56	3.24
Factoring contracts	117.30	25.69	95.58	21.47	117.30	30.44	95.58	23.10	109.27	26.08
Loan contracts	143.30	31.38	134.09	30.13	143.30	37.18	134.09	32.41	117.58	28.06
<b>Total Interest Income</b>	<b>290.93</b>	<b>63.72</b>	<b>257.23</b>	<b>57.79</b>	<b>290.93</b>	<b>75.49</b>	<b>257.23</b>	<b>62.17</b>	<b>265.57</b>	<b>63.39</b>
<b>Fees and service income<sup>1)</sup></b>										
Financial lease contracts	0.23	0.05	2.48	0.56	0.23	0.06	2.48	0.60	0.19	0.05
Hire Purchase contracts	0.05	0.01	0.08	0.02	0.05	0.01	0.08	0.02	0.12	0.03
Factoring contract	41.26	9.04	40.39	9.07	32.48	8.43	33.61	8.12	44.53	10.63
Loan contracts	84.95	18.60	91.44	20.54	7.73	2.01	66.91	16.17	78.06	18.63
Bid Bond contracts	13.52	2.96	20.70	4.65	13.52	3.51	20.70	5.01	15.29	3.65
Letter of Credit contracts	1.25	0.27	1.36	0.31	1.25	0.32	1.36	0.33	1.40	0.33
Other	0.02	-	0.02	-	0.02	0.01	0.02	-	0.20	0.05
<b>Total fee and service income</b>	<b>141.28</b>	<b>30.94</b>	<b>156.47</b>	<b>35.15</b>	<b>55.28</b>	<b>14.34</b>	<b>125.16</b>	<b>30.25</b>	<b>139.79</b>	<b>33.37</b>
<b>Other income :</b>										
Trade Finance	0.78	3.19	-	-	0.78	0.20	-	-	0.83	0.20
Dividend Income	-	-	-	-	15.00	3.89	-	-	-	-
Interest Income	-	-	0.71	0.16	-	-	0.68	0.16	0.55	0.13
Other Income <sup>2)</sup>	23.61	96.81	30.69	6.90	23.39	6.07	30.69	7.42	12.22	2.92
<b>Total other income</b>	<b>24.39</b>	<b>5.34</b>	<b>31.40</b>	<b>7.06</b>	<b>39.17</b>	<b>10.17</b>	<b>31.37</b>	<b>7.58</b>	<b>13.60</b>	<b>3.25</b>
<b>Total income</b>	<b>456.60</b>	<b>100.00</b>	<b>445.10</b>	<b>100.00</b>	<b>385.38</b>	<b>100.00</b>	<b>413.76</b>	<b>100.00</b>	<b>418.96</b>	<b>100.00</b>

Remarks : 1) Description of fee income and service

- Leasing and Hire Purchase refers to a series of fees mentioned in the contract and transfer of right.
- Buying claims refers to the amount of fees and service charges.
- Factoring may refer to the service fee.

2) Other incomes, such as interest income from late payment and Bank's interest income.

3) Preparation of the consolidated financial statements in 2018 due to the establishment of a subsidiary (LIT Service Management Co., Ltd.)

## Business Goals

The Company aims to be a non-financial source of alternative fund for Small and Medium Enterprises (SMEs) which cannot access to source of funds, encountering restrictions on collateral or duration of the operating business less than 3 years, not being supported by financial institutions even through executives and staffs have good experience and skill in doing business and have potential to grow. Such businesses normally require funding outside the system (loan shark) which is a barrier to expand their business. Thus, the Company considers developing a variety of financial products/services to provide total financial solutions for entrepreneurs. The goals are as follow :

1. Be the principal operator (Non-financial institution) that provides credit support for financial lease and hire purchase contracts in order to provide equipment for education to the government education sectors.
2. Be the principal operator (no financial institutions as shareholders) that support factoring by emphasizing on buying debt reduction of government trade sector.
3. Developing the various types of product (Tailor Made) in order to serve customers for choosing the service's options to increase the competitiveness against their competitors with increasing in the number of sales revenue, for example, Project Backup Financing, Trade Finance and Bid Bond, which the Company developed financial service in form of E-Bidding in order to support Electronics bidding system from Government Procurement and Letter of Credit in order to enhance the efficiency of our customer's supply chain.

**ONE**  
of Thailand's  
Top Non-Bank  
Lenders for SMEs

## Product and Service of Lease IT Public Company Limited

The Company is engaged in the business of providing financial service to customers who are small and medium enterprises (SMEs) with limited sources of fund from financial institutions. Our products can be divided into 8 categories :

### 1. Leasing

- **Assignment of Right of Claims**

process the assignment of right of claims to receive installment from the debtors of the customer to the Company. The Company will give notice of the transfer of assignment of right of claims receiving installment to the debtors of the customer (government agencies, state enterprises, or large private enterprises) by transferring the absolute rights. Sales and marketing departments will take transferred right documents to the debtor to sign for acknowledgment even though debtors of customer will make installment to the Company directly. However, the date for making a contract, customers must provide for post dated checks in advance according to installments. If the debtor of the customer does not pay the installment in due time, the Company will give the customer's cheque for payment to the Company instead. Later, if the debtor of the customer has made a payment, the company will make a full refund of the payment to the customer immediately.

- **Without Assignment of Right of Claims**

process to receive the installment from the customer directly without assignment of right of claims in receiving installment from the debtor of the customer. Customer will give the post dated cheque on the date that makes a contract. Cheque must be post dated.

### 2. Hire Purchase

The Company provides hire purchase to SMEs, who want to buy assets such as computer devices, software, IT devices, appliances, including the

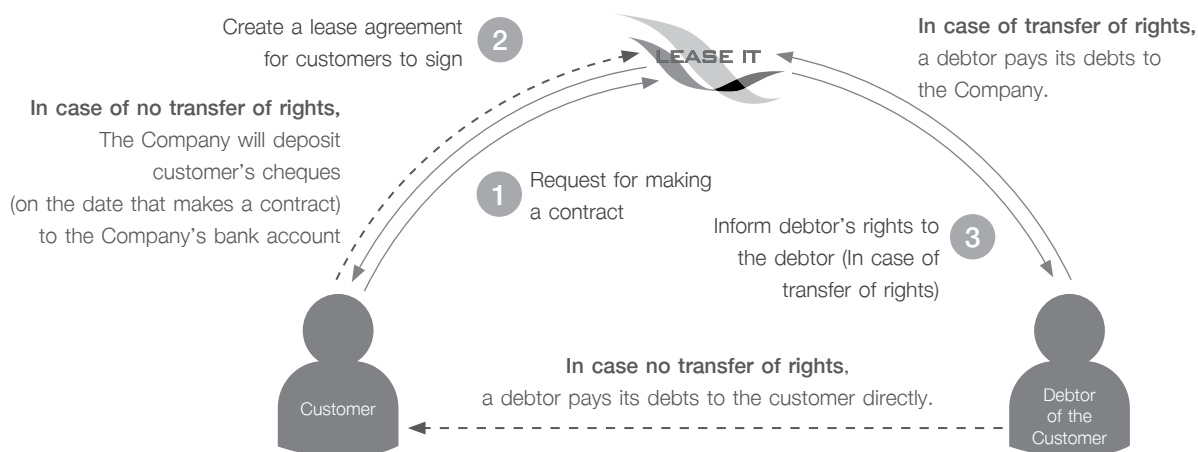
equipment for education that has a lease agreement with the state enterprises or large private enterprises. The Company will buy assets from customers and arrange hire purchase with customers. In some cases, the Company may obtain the assets from the vendor (supplier) according to the needs of customers and arrange hire purchase with customers. The ownership of the assets belongs to the Company. When installment is fully made, the customer will acquire ownership of the assets. The Company must provide credit to customers at the rate of 70-100 of the product value with a fixed interest rate loan. Installment contracts provided by the Company will last no more than 3 years. Installment contracts will be made in the same manner as financial lease.

- **Assignment of Right of Claims**

process the assignment of right of claims to receive installment from the debtors of the customer to the Company. The Company will give notice of the transfer of assignment of right of claims for receiving installment to the debtors of the customer (government sector, state enterprises, or large private enterprises). Customer will give the post dated cheque on the date that makes a contract. Cheque must be post dated.

- **No assignment of claims**

process to receive the rent payment from the customer directly without assignment of claims in receiving installment payment from the debtor of the customer. Customer will give the post dated cheque on the date that makes a contract. Cheque must be dated prior to the due date of the contract.



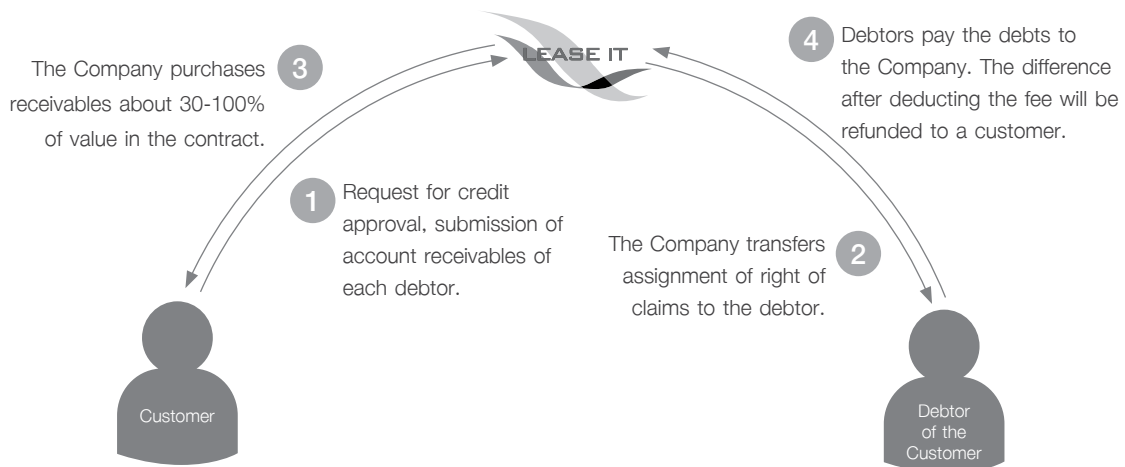
### The differences between “Leasing” and “Hire Purchase” agreement

Feature	Leasing	Hire Purchase
The purpose of lease	Long-term assets, or nearly throughout its lifetime	To asset owners
Proprietary	Belong to the lessor until the end of the lease agreement  At the end of the financial lease agreement, the lessee has the right to purchase the property.	Belong to the Company until he or she has paid installment and vested in full compliance with the terms of the lease. The right will belong to the high purchaser.
Term loans	More than 3 years	Less than 3 years

### 3. Factoring

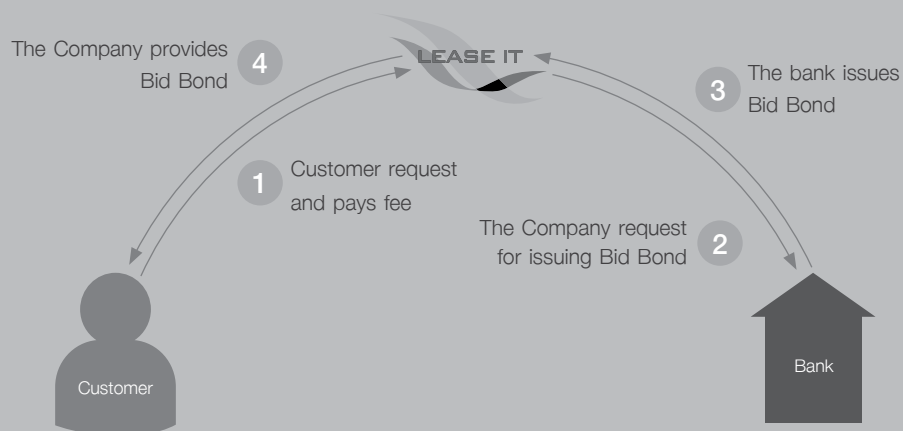
The Company provides factoring (short-term credit) for working capital for SMEs. The Company typically purchases receivables without having collateral but there is a transfer of commercial debt claims on customers to the Company. Transfer of rights (with recourse) means that the Company would have right to claim the customer. In case the debtor does not pay on time. The Company will focus on providing service to SMEs who need cash to current operations and business of trading goods and services without complexity in the context of the accounts receivable. For example, purchasing and selling in general, commodities or maintenance services of IT equipment, general office equipment. The Company usually avoids buying commercial debts by way of complex delivery terms because the goods and services might contain complicated

disputes in terms of the integrity of commercial debt (i.e., such as trade debt which results from the development of an IT system, or debt trades in the construction sector). As a result of that, the Company would focus on the purchase of accounts receivable mainly from the government agencies and state enterprises including large private enterprises. In most cases, the Company would purchase receivables less than 90 days all the way through the accounts receivable of approximately 30-100 percent of face value of the document. When payment is due, the Company would bill the amount directly to the debtor. After deducting interest and fees, the Company would refund the difference to customers. Interest rates would depend on the size of the business, financial position of customers, including the quality of the trade receivables.



#### 4. Bid Bond

The Company started its business of providing Bid Bond in year 2010. The main goal was to support the issuance of a bank guarantee to SMEs who wish to bid in projects of the government agencies and state enterprises. The Company provides loans credit in accordance with the Bid Bond. Customers must present a bank guarantee or collateral returned to the Company on the agreed date. The Company will receive service payment in terms of fee. The Company will utilize credit facilities provided by the bank for issuing Bid Bond.

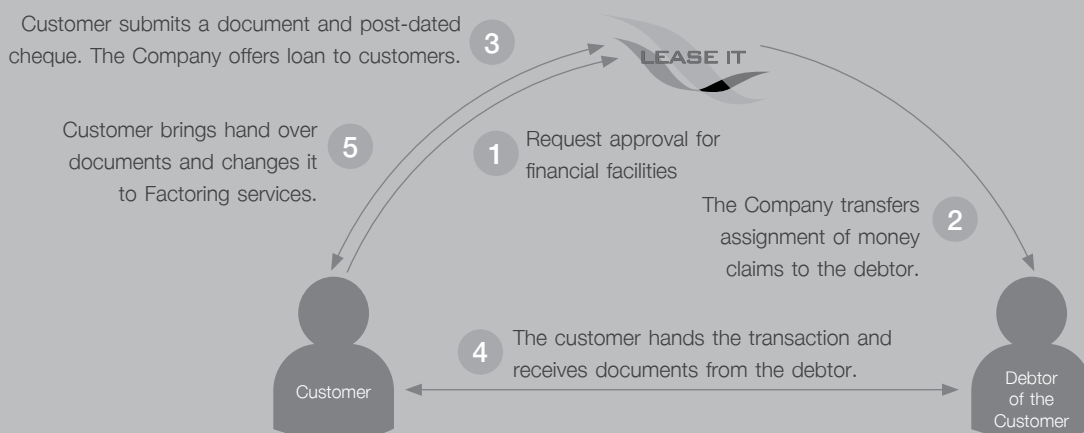




## 5. Project Backup Financing

The Company provides credit to SMEs who need capital for the procurement of goods to be delivered to the government agencies, state enterprises, or large private enterprises. The applicants need a contract to deliver goods and services between the customer and the Company's trade receivables for consideration. The loans take place in term of supporting projects for clients to supply or deliver goods and services are considered as high risk. Almost all customers have had business dealing records with the Company already and have a good payment record. In order to reduce such risks of

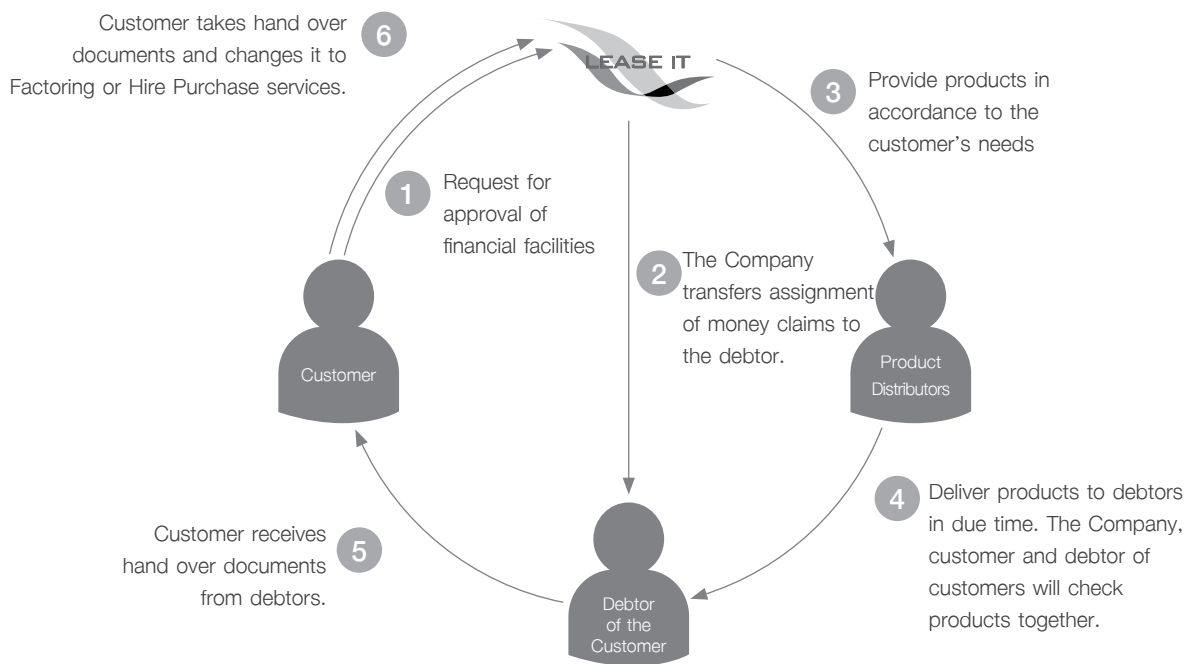
integrity, it also requires the transfer of right of claims in payment of amounts through the Company. Once the customer has delivered the goods to the debtor and received the approval document. Most customers request for the factoring services with the Company, their intention is primarily to make a loan payment. However, in cases the debtor of the customer has delayed in hand over of transaction, and then the customer cannot hand over documents to the Company to receive factoring services within the due date. They will have to pay for the interest and penalty to the Company.



## 6. Trade Finance

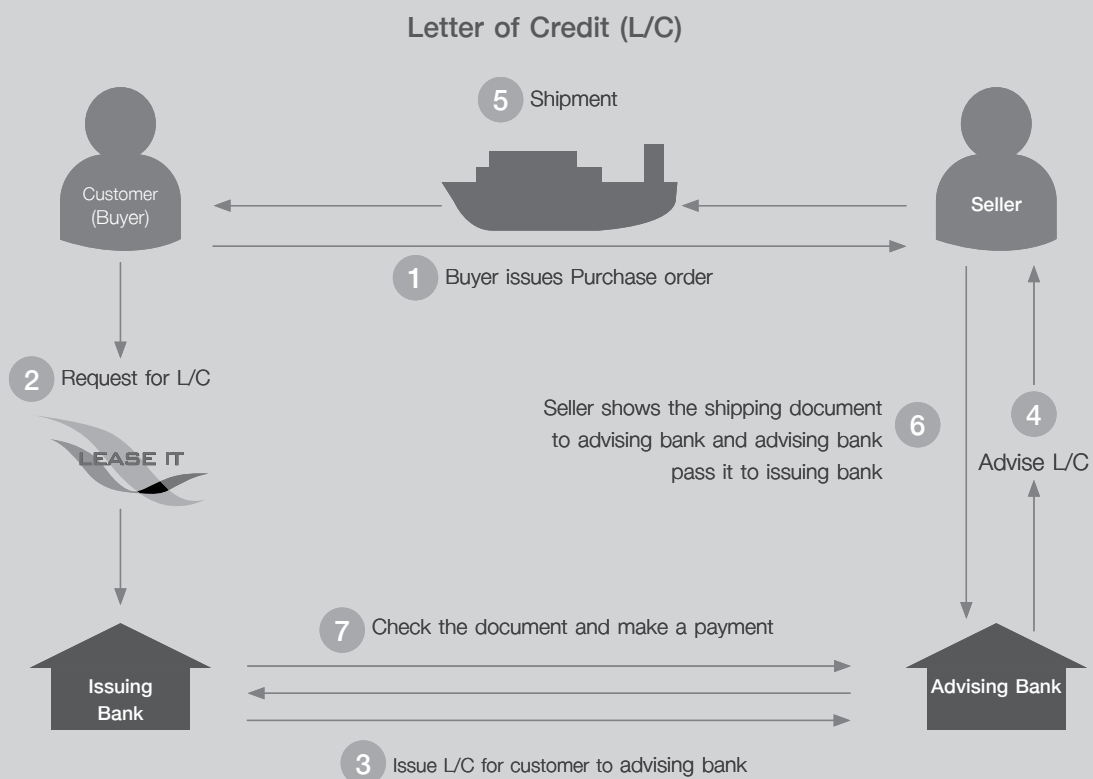
The Company arranges products for SMEs who lack of funds in order to supply the products to government agencies, state enterprises, or large private enterprises. The Company aims to continue to provide products from suppliers in accordance the customer needs and take the difference between cost price and sale price (sale price minus cost price). The Company will check the products together with the customer and the debtor on site. Trade finance is considered high risk; therefore, almost all customers are those customers who have previously had any business dealing records with the Company already and had a good payment record in the system. To reduce such risk, it also requires the transfer of right of claims in payment

of amounts supported by the Company or having a written authorization from the Company. In most of the case, after the Company has provided products for the customer and the customer has delivered them to the debtor and also received the approval document, the customer may request for factoring services, leasing services, or hire purchases services with the Company in order to assure the repayment of such loans. However, in cases the debtor of the customer has delayed in hand over transaction, that causes the customer cannot take hand over documents to the Company to receive loan within the due date. They will have to pay for the interest and penalty to the Company.



## 7. Letter of Credit (L/C)

The Company offers financial credit in form of Letter of Credit (L/C) to customers. The Letter of Credit is the document used to guarantee the payment of the buyer. By using a Letter of Credit, the seller will receive payment after delivering goods, and the buyer will pay after receiving goods.



### 8. Supplier Finance

Supplier Finance program allows the SMEs suppliers of the Company who joins Supplier Finance program to receive immediate cash payment without waiting for credit term due of the seller. By doing this, supplier can improve their cash flow while the seller company, who joined the program, can improve their supply chain.



#### Product and Service of LIT Service Management Co., Ltd.

Providing data information and credit analysis for customers who request credit with Lease IT Public Company Limited and outsiders. By using Information Technology to make credit analysis as well as credit project management including contract document, debt follow-up, and other services related to the credit process.



### 1. Credit Risk

The Company offers credit without guarantee. Especially, in cases of leasing and hire purchase services, the credit risk depends on the quality of the account receivables, the quality of the customer, including the quality of products and services delivered by the customer to the debtor. For the factoring services, the credit risk mainly depends on the quality of the debtor. For the bid bond, project backup financing, and trade finance services, the credit risk mainly depends on the quality of the customers. The nature of the Company's credit will not emphasize the importance of the collateral due to the transaction is deal with the government and state enterprises (debtor) thus reducing the risk to the initial level.

However, the Company has credit management policies by setting rules and defining procedures to check both customers and debtors carefully before approving any types of loans. According to the policies, the Company relies on the quality of customers, account receivable including products and services to be delivered. In addition, the Company focuses more on transactions with account receivables relating to the government agencies or state enterprises in order to reduce risk at a certain level. In year 2017, 2018 and year 2019, the Company's allowance for bad debts were 110.29 million Baht, 158.91 million Baht and 251.64 million Baht respectively, which accounted for 4.92 percent, 6.24 percent and 9.33 percent of total loans outstanding by the end of year 2017, 2018 and 2019.

### 2. Risk of Interest Rate Fluctuations

Typically, the lending interest rate is a major cost of the Company that varies according to the market interest rate. It affects interest rate valuation for the customer. The change of interest rate valuation may affect the operation performance of the Company.

The Company has policies and risk management guidelines from interest rate fluctuations because they are a major cost of the Company. In most cases, they are short-term loans in factoring, bid bond, project backup financing, and trade finance services. The Company is able to adjust the interest rates or fees based on the fluctuations in its financial costs. For the leasing and hire purchase services, the Company's interest rates are fixed for customers, however, the difference between the cost of funds and interest rates will be added to compensate the risk of interest rate fluctuations in the future.

However, the Company has managed to find a source of funds for a period corresponding to each loan type (Matching Source) to reduce the risk of fluctuations in interest rates by another way.

### 3. Liquidity Risk

As of December 31, 2019, the Company has many financial institutions that give financial support, the total amount of 1,155 million Baht. Main financial amount (short-term financial amount) was 1,055 million Baht that consisted of overdraft account (O/D) and promissory note (P/N) which were at the risk of being called for repayment the money before the time due or in case of financial institutions did not renew a promissory note.

However, the Company had managed the liquidity to hedge the risk by trying to allocate funding resources (Used of Fund) to comply with the sources of funds (Source of Fund) including the financing of new financial instruments which is the result of the Company was listed on the Stock Exchange. Such as Bill of Exchange (B.E). This will enable the Company to better manage liquidity including enhanced ability to find a source of funds for lending in the future. As of December 31, 2017, the Company's ratio of debt to equity was equal to 1.30 times. As at 31 December 2018, the Company's ratio of debt to equity share was 1.42 times. As of December 31, 2019, the Company has debt to equity ratio of 2.13 times.

### 4. Risk Competitive

The Company has at risk to compete with financial institutions or lenders who have stakeholders being financial institutions. However, the target customer of the Company is different from the target customer of other financial institution. Most of them are small and medium enterprises with limited authorized capital and collateral which they are not supported by their financial institution. Meanwhile, there might be delays in the process of financial institutions and most financial institutions did not focus on the debtor as government agencies or state enterprises because the timing of payments was not clearly identified as large private enterprises. The specific group of SMEs prefers to use loan services from non-financial institutions.

Most competitors of the Company are non-financial institutions of loan servicing. They focus more on different types of loan services while our company provides a complete and integrated credit facilities i.e., pre-finance services such as bid bond (allow customers to conduct business from bidding), project backup financing and trade finance services (allow customers to provide products after finishing the bidding process). After that the Company will provide Post-Finance services such as leasing, hire purchase, or factoring services. The important marketing strategies of the Company include a full service, quick and efficient processes, good relationship with customers, clear cut price, flexibility in lending, as well as expertise in the IT industry. Currently, government agencies, state enterprises, or large private enterprises are investing on the development of IT so that the Company is able to compete with other companies effectively.

## 5. The Risk of Reliance on Personnel

Within the business model of the Company, employees are the key personnel, especially in sales and marketing, because they are the people who reach out and connect with customers. The personnel are considered an important resource in the business of the Company. Therefore, the lack of personnel may affect the Company's business. However, the Company has set up the policy in relation to reduce the risk of loss of such personnel by focusing on the development and promotion of the proper personnel involved in the operation and growth. The Company has paid compensation at market rates in order to attract very experienced and professional personnel who can work with the Company for longer time. The Company has allocated 4,200,000 shares of common stock to its directors and employees at IPO price. To enhance moral support and motivation for the personnel to work in the Company for longer term. Furthermore, the Company has a policy to develop its ability through working via a team (teamwork) rather than being attached to each individual effort or performance. This reduces the risk of dependence on an individual particularly. Accordingly, based on past records of the Company, the turnover of the personnel in key positions has been very low, which reflects the loyalty of employees to the organization. This can bring great confidence toward the potential of the organization success. In 2015, the Company launched the Employee Joint Investment Program (EJIP) which Phillip Securities (Thailand) Public Company Limited is the program management agent. The program lasts for 3 years (April 2015-April 2018). The objective of the program are to keep company's executives and employees to work for the Company in long run by promoting the employees' sense of ownership, to enhance employees' motivation to compete with competitors and encourage employees to have self-discipline for savings.

In 2018, the Board of Directors Resolved to approve the Company to continue the Employee Joint Investment Program (EJIP). The program lasts for 3 years (April 2018 - March 2021). Also, the Company has increased the rate of remittance to join the EJIP program which the Company will deduct those who

have rights to join the EJIP program at the rate of 10 percent from the base salary, maximum not more than 100,000 Baht per month. The Company will pay the same rate as same as employees throughout the project.

## 6. Risk of Influence in the Management of Major Shareholders

As at 14 June 2013, the SVOA Limited Company (Inc.) ("SVOA") was the shareholder of the 86.21 percent of shares sold by the Company. The SVOA sold 6,000,000 shares to the public. By selling those shares to the public at the same price, the allocation of the SVOA was reduced to 47.00 percent. Year 2017, SVOA has a policy to reduce its shareholding to 35% and 30%, respectively. The major shareholders have stipulated in the loan agreement in terms of legal provision and policies. They must receive the vote not less than 3 out of 4 from the shareholders who come to the meeting and have the right for voting. Due to the fact that 25 percent of the major shareholders able to have the right to oppose to resolutions. It results that the other stakeholders cannot take equilibrium the resolutions of the major stakeholders.

However, the major shareholders are demanding the Company to run the business with freedom. It is different from the SVOA's business. Although the SVOA is still a major shareholder but it is realized that this kind of business requires expertise in the administration. It will be seen that the executives of the Company most have experience in financial business. Meanwhile, the Company has appointed 5 independent committee members to the Board of Directors (from a total of 7 members). All of them have great experience in financial business or have specialized knowledge that will benefit to the Company. Their duties includes to advise on business operations, examining, considering, and screening in order to avoid items that might cause a conflict of interest in the future. To ensure transparency in the operations of the Company, the structure of directors and executives are still the same after selling shares to increase capital of the Company.

## 7. The Risk of Information Technology and Communication

The Company has the risk of Information Technology and communication due to the Company has outsourced the software development for the Information System Management and provide database administration services, without a knowledgeable IT specialist to be responsible for database maintenance. However, the Company's information system has a quality and adequacy of decision making on financial information and other. The Company has also adopted a generally accounting policy. The Company has an efficiency information system including an access control system, data loss prevention, restore data, the copyright infringement controlling, reproduction, modification and capable of keeping confidential information.

The Company focused to develop the Information Systems to emphasize in the Information System proficiency of SVOA. Year 2019-2020, the Company continues to develop software for its information management system to better serve its customers, the development of management decision information and supporting the growth of business. And the Company has provided IT officer, who expert in information technology infrastructure and database structure, for providing the reliable data analysis.

## 8. Information Disclosure risk

On 16 May 2013, the Company changed its business status to public company limited hence must follow the Public Limited Companies Act, B.E. 2535 (1992) and the Securities and Exchange Act B.E. 2535 in disclosing information as required by such laws including those considered important for the decision making of investors. The Company could be exposed to the risk on information disclosure under the Securities and Exchange Act B.E. 2535 or related laws. Nevertheless, the Company strictly adheres to the guidelines on disclosure and safeguarding of

information of the Securities Exchange Commission and Stock Exchange of Thailand which could impact securities prices. The Company has the policy to completely and transparently disclose correct information to stakeholders. Such information must be factual, timely and be equitable for all investors in compliance with the laws including prohibiting staffs, management or concerned personnel from misusing information to disadvantage investors, an act considered illegal.

## 9. Risk on corruption

The Company is engaged in lending business under several product lines catering to different markets. The Company's customers may have some limitations on various issues, for example, on providing collateral, on working capitals etc. In this connection, the Company may face the risk of employee fraud which can be from within or outside the organization.

The Company is conscious of the corruption possibility and has put in place internal control system including the use of IT support to enhance its anti-corruption activities. The Company also gives importance to cultivating the conscience of integrity via the Employee Joint Investment Program (EJIP) to encourage employees to save and enjoy long term investment returns plus becoming joint owners of the Company (to instill the sense of ownership), provide channels to report clues (whistle blowers), complaints and give suggestions via the Company's website. The Company has in place approval process based on the line of duty, credit control system prior to loan disbursement by verifying the existence of debt, preparing documents to transfer the rights to make payments by requiring customers to transfer their rights to receive monies to the Company etc. Note that the Company has in place formal guidelines to manage corruption risk by incorporating anti-corruption policy which specifies the duty, responsibility, procedure and guidelines on various issues concerning corruption.

## 10. Corporate Image and Reputational Risks

Risk to the reputation and image of an organization is important for every company as it is the reflection of the view by stakeholders on a company. Moreover, now a day, social network is an important communication channel to exchange information and news quickly and extensively. Consequently, if there is any negative news or incident appearing in social media which may be just fabricated rumors, inaccurate spreading of information on the Company via public relation activity or via the Company's website or social network including via advertisement in various documents or arising from a mistake in managing the business or simply ignorance which can affect the Company's image and reputation in positive or negative light.

In this connection, the Company has set up the Business Development Department to oversee and be responsible for using information in public relation activities so that it is factual and appropriate. Their responsibility include monitoring any material news of the Company, whether directly and indirectly, including consistently looking after and follow up on news and information appearing on the Company's website and social network in order to prevent or reduce misunderstanding that can affect the Company's image and reputation to the bare minimum.

## 11. Emerging risk

Emerging risk is the risk of losses which may result from unknown occurrence that has never taken place before or lacking of experience in facing such risk up to the present. In the future, there could be changes that take place as a result of various circumstances regardless of whether politically driven, legally driven, socially driven, technology driven or environmentally driven. In certain situation, it may not be possible to assess the impact or be unable to specify the risk. For example, risk arising from nanotechnology, risk from modifying heredity or the risk arising from changes in weather conditions etc.

Emerging risk which may impact the Company could take the form of technological change i.e. Fintech, digital transformation, cyber attack and internet burglary.

### Approach to risk management

- Collect information from reports or events which may turn out to be emerging risk from various sources, for example, World Economic Forum, state agency etc. in order to understand and find ways to eliminate the impact on the organization appropriately.
- The Company is in the process of developing IT system to enable quick response to customers' requirements for prompt, correct and accurate information.





## Business Continuity Management (BCM)

Business continuity planning is the preparation of roadmap for managing business uninterruptedly without pause when the business is in the state of turmoil which could be the result of external or internal threats obstructing business operations.

### 1. Factor on losing the Company's prominent person

The Company realizes the importance of readying new & upcoming management team to replace the existing one upon the expiry of their tenure by preparing succession planning at the managing director level or the chief financial officer position. Furthermore, the Company has arranged trainings for management at lower level including team head to witness the decision making process in loan approval via observing risks from all aspects.

### 2. Factor on losing the Company's critical information

The Company has information backup system both inside and outside the organization including disaster & recovery sites (DR Site) to support BCM's requirements, support storage and operation system backup including software and computer applications and related data so they can be retrieved and be ready for use at all times. As part of the process, the information will also be stored and back up at the disaster recovery sites on ongoing basis.

Upon the occurrence of crisis situation, the managing director has the authority to make decisions and give orders to resolve various emergency incidents together with other senior management members. All the Company's officer and customers shall be informed accordingly via LINE, email, the Company's website or other appropriate channels.

## Building risk culture in the organization

The Company realizes that organizational culture is an important component for the success of risk management. In this connection, the Company mandates that the management communicate the importance of risk management and act as the role model in risk management including applying risk management concept to the Company's operations. There is to be the transfer of risk management mindset from the management down to the officer level and to make risk management course be mandatory for manager level and up. Arrange to exchange risk management experience via strategy meetings and each member of the staff to become risk agent with the responsibility to report risk issues to his/her supervisor. If an employee discovers risk in the work process he/she has to report to the supervisor in order to find ways to prevent or minimize such risk.

### Identifying the Company's material issues

On identifying material issues, the Company shall consider both internal and external factors. Internal factors consist of operational strategy, risk and opportunity, operational framework and assessment of the Company's sustainable operations. For external factors, the Company shall consider from the survey of the stakeholders' expectations throughout the supply chain and the changing global trend. The information gleaned from internal and external factors shall be assessed for critical importance to the Company in formulating operational plan.

# 04

## Stock Information, Shareholder and Dividend Policy

### Securities of the Company

As of 31 December 2019, the authorized capital and paid up capital of the Company was as follows :

Authorized Capital	:	300,000,000 Baht
Paid-up Capital	:	221,449,456 Baht
Listed Share	:	221,449,456 shares
Par value per share	:	1 Baht

The Company listed its common shares in the Stock Exchange of Thailand on 25<sup>th</sup> March 2014.

### Top Ten Major Shareholders

As of March 12, 2020

No.	Shareholder Names	Share	Percent
1	SVOA Public Company Limited	79,280,601	35.80
2	Mr. Prayuth Ueawattana	6,134,300	2.77
3	Mr. Pairoj Sittimonamnuay	5,348,000	2.41
4	Mr. Somchai Padphai	4,606,100	2.08
5	Mr. Min Intanate	4,102,660	1.85
6	Mr. Sompon Aketerajit	3,712,319	1.68
7	Mr. Sahatchai Rakmanut	2,950,000	1.33
8	Mrs. Sunee Aketerajit	2,772,430	1.25
9	Thai NDVR Co., Ltd.	2,294,003	1.04
10	Mr. Suthud Khancharoensuk	2,035,000	0.92
	Other Investors	108,214,043	48.87
<b>Total Shares</b>		<b>221,449,456</b>	<b>100.00</b>

**Note :** The 6<sup>th</sup> and 8<sup>th</sup> of Mr. Sompon Aketerajit and sponge have 6,484,749 total shares, representing 2.93%

### Dividend Policy

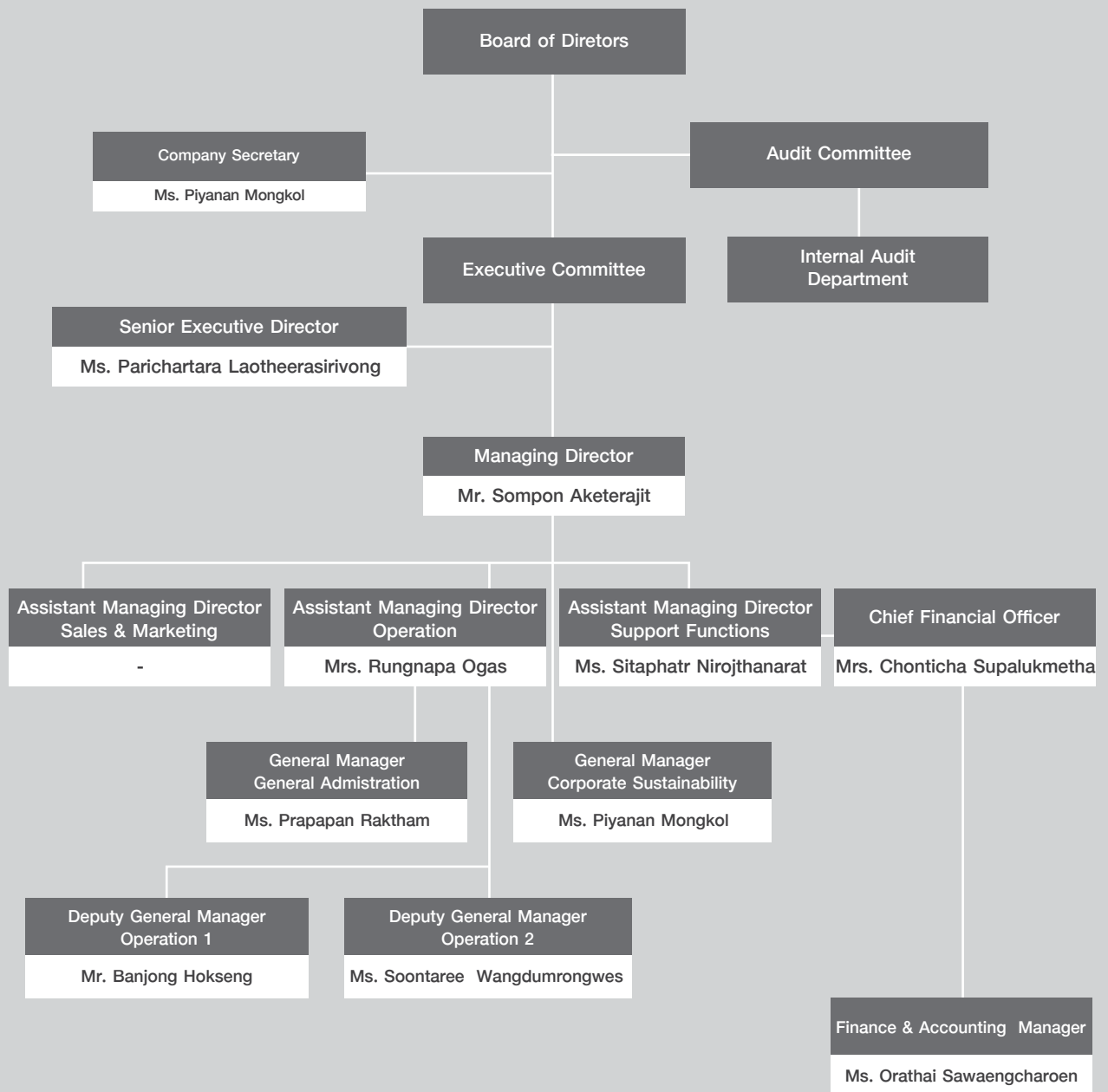
The Company has a policy to pay a dividend of not less than 50.00 percent of the net profit of the Company after deducting corporate income tax and allotment of reserved fund according to legal each year. However, the Company may pay dividends at different rates compatible with defined policies or approve the omission of the dividend payment of the Company. It depends on turnover, liquidity, economy and the need of net working capital for the Company's management and business expansion.

# 05

## Management Structure

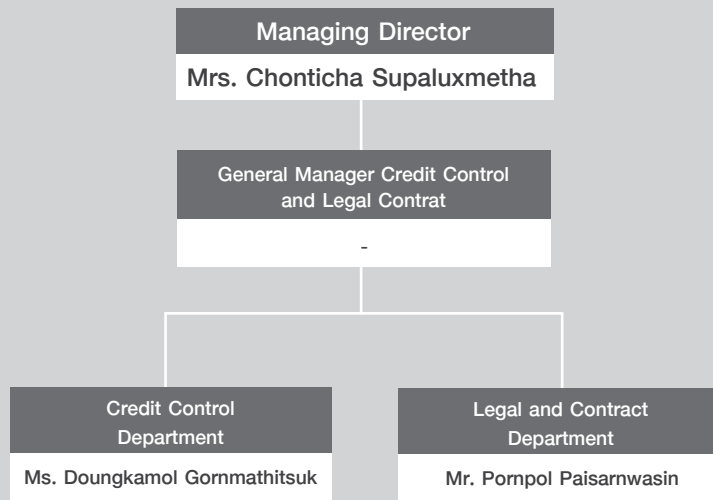
As of 1 January 2020

### Organizational Structure Lease IT Public Company Limited



## Organizational Structure

LIT Service Management Company Limited



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### Board of Directors

In general, the management structure of the Company consists of the board of directors and a sub-committee member as the Audit Committee (Due to the Company is a small organization, the Audit Committee also in charge of the Remuneration and Nomination Committee and the Corporate Governance Committee

as well. The board of the Company is made up of a group of audit executives and directors whose qualification is compatible with Section 68 of the Companies' Act 2535, and Notification of the Capital Market Act. More details about the management structure of the Company are demonstrated as follows :

The board of directors consists of 8 persons.

Name	Position
1. Mrs. Duangphorn Sucharittanuwat	Chairman of the Board & Independent Director
2. Police General Jate Mongkolhutthi	Vice Chairman & Independent Director
3. Mr. Prakob Visitkitjakarn	Chairman of the Audit Committee & Independent Director
4. Mr. Suthud Khancharoensuk	Independent Director
5. Associate Professor Dr.Suda Suwannapirom	Independent Director
6. Ms. Parichatara Laotheerasirivong	Senior Executive Director
7. Mr. Sompon Aketerajit	Director & Managing Director
8. Ms. Sitaphatr Nirojthanarat	Director & Assistant Managing Director

#### Committee members with signing authority

Committee members with signing authority of the Company are Mr. Sompon Aketerajit, Ms. Parichatara Laotheerasirivong and Ms. Sitaphatr Nirojthanarat sign and seal of the Company.

## The Audit Committee

The audit committee of the Company is comprised of 5 persons.

Name	Position	Appointment Date	Duration of Appointment (Years)
1. Mr. Prakob Visitkitjakarn	Chairman of the Audit Committee	15 Nov 2012	7 Years, 1 Month
2. Mrs. Duangporn Sucharittanuwat	Audit Committee Member	15 Nov 2012	7 Years, 1 Month
3. Police General Jate Mongkolhutthi	Audit Committee Member	15 Nov 2012	7 Years, 1 Month
4. Mr. Suthud Khancharoensuk	Audit Committee Member	29 April 2013	6 Years, 8 Months
5. Associate Professor Dr.Suda Suwannapirom	Audit Committee Member	14 Oct 2016	3 Years, 2 Months

Whereby Ms. Wichuda Kaewsaitan, Internal Audit Department Acting as the secretary of the audit committee.

The Audit Committee has the knowledge and experience sufficient to be able to review the reliability of the financial statements. Mr. Prakob Visitkitjakarn graduated with a master's degree, majoring in Finance and Treasury also have experience in finance from Banks. Mrs. Duangporn Sucharitanut is a Certified Public Accountant (CPA) and having financial experience from many financial institutions.

## The Executive Committee

The Executive committee of the Company is comprised of 4 persons.

Name	Position
1. Ms. Parichatara Laotheerasirivong	Chairman of the Executive Committee
2. Mr. Sompon Aketeerajit	Executive Committee
3. Ms. Sitaphatr Nirojthanarat	Executive Committee
4. Mrs. Rungnapa Ogas	Executive Committee

Whereby Ms. Piyanan Mongkol Company Secretary as the secretary of the Executive Committee.

## Nomination and Remuneration Committee and Corporate Governance Committee

The Audit Committee has been assigned to look after the nomination and remuneration committee and corporate governance committee.

## Company Secretary

Based on the board meeting on 30 April 2019 (4/2562), the board committee appointed Ms. Piyanan Mongkol as the Company Secretary in order to comply with Section 89/15 of the Securities Exchange Act of 2535 and amendments of Securities and Exchange Act (No.4) BE 2551. Ms. Piyanan Mongkol was attended the CSP program during 16 - 17 May 2019.

## Executives

The Company's executive management consists of 10 persons.

Name	Position
1. Mr. Sompon Aketerajit	Managing Director
2. Ms. Parichatara Laotheerasirivong	Senior Executive Director
3. Ms. Sitaphatr Nirojthanasarat	Assistant Managing Director - Support Functions
4. Mrs. Rungnapa Ogas	Assistant Managing Director - Operation
5. Mrs. Chonticha Supaluxmetha	Chief Financial Officer & Managing Director LIT Service Management Co., Ltd.
6. Ms. Piyanan Mongkol	Company Secretary and General Manager Corporate Sustainability
7. Ms. Prapapan Raktham	General Manager General Administration
8. Mr. Banjong Hokseng	Deputy General Manager, Operation Team 1
9. Ms. Soontaree Wangdumrongwes	Deputy General Manager, Operation Team 2
10. Ms. Orathai Sawaengcharoen	Finance & Accounting Manager

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## Remuneration of Directors and Executives

### Monetary compensation

#### Remuneration Committee

Directors' remuneration for the year 2019 are detailed as below :

(Unit : Baht)

Name	Numbers in attending the meeting/ Total meetings 2019	Board of Directors Remuneration	Sub-Committee Remuneration	Meeting Allowance	Total
1. Mrs. Duangphorn Sucharittanuwat	12/13	1,680,000	120,000	65,000	1,865,000
2. Police General Jate Mongkolhutthi	13/13	480,000	120,000	70,000	670,000
3. Mr. Prakob Visitkitjakarn	13/13	480,000	420,000	70,000	970,000
4. Mr. Suthud Khancharoensuk	13/13	480,000	120,000	70,000	670,000
5. Associate Professor Dr.Suda Suwannapirom	13/13	480,000	120,000	70,000	670,000
6. Ms. Parichatara Laotheerasirivong*	12/13	-	-	-	-
7. Mr. Sompon Aketerajit*	13/13	-	-	-	-
8. Ms. Sitaphatr Nirojthanarat*	13/13	-	-	-	-
<b>Total</b>					<b>4,845,000.00**</b>

**Remarks :** \* Ms. Parichatara Laotheerasirivong Mr. Sompon Aketerajit and Ms. Sitaphatr Nirojthanarat receive a monthly salary as Executive of the Company.

\*\* The Board of Directors' Meeting No.2/2019 held on February 18, 2019, resolved to approve the proposed of bonus in the amount of 900,000 Baht (except Executive Director) from the result of year 2018 to the Annual General Meeting of Shareholders No.6/2019 on April 19, 2019. However, such bonuses are not included in remuneration for 2018 above.

### Executive Compensation

In 2019, the Company and its subsidiary have paid remuneration to executives as 19.84 million Baht. Such a compensation amount included salary, bonus, and any other contribution to provident fund.

Year	Number of Executives	Amount of Compensation (Baht)
2019	10	19,845,677



The Company considers governance as an important mechanism leading to the efficient management transparency and accountability. Therefore, the main focus of the Company is Good Corporate Governance. This will help the Company to build trust and confidence among its stakeholders, investors, shareholders and all the concerned parties. Moreover, having Good Corporate Governance can be assumed as a tool to add value, create competitiveness, and promote sustainable growth of the Company in the long term. Nevertheless, the Company requires a policy of Good Corporate Governance. As defined by the SET, the Board of Directors had a meeting on 15<sup>th</sup> of July 2013 (3/2013) to discuss and cover 5 main categories as follows:

### Section 1 : The Rights of Shareholders

The Company recognizes the importance of fundamental rights of shareholders as the following :

(a) the right to sell or transfer shares. (b) the right to receive a share of Company profits. (c) the right to receive adequate information of the Company. (d) the right to attend and vote at a meeting by the shareholders to appoint or remove directors. (e) the right to appoint an auditor and make a decision about the matters affecting the Company such as dividend payments. (f) the right to determine or modify regulations and the memorandum and articles of association as well. (g) the right to reduce or increase the Company's capital and so on.

Apart from the above-mentioned rights and empowerments, the Company has worked on various matters in order to promote and facilitate the exercise of shareholders as the following :

1. Informing the shareholders to attend a meeting at least seven days in advance, specifying the date, time, place and agenda while handling the documents related to the matter entirety.
2. If the shareholder is unable to attend the meeting, the Company allows shareholders to delegate an independent director or any other person instead. Those attending the meeting as a proxy will be informed via invitation letter as well.

3. The Company also provides registration channels at the meeting venue specifically for individual shareholders and institutional investors and also arranges the computer system for registration and vote counting to expedite the registration and vote computation process.
4. Providing opportunity for shareholders to ask questions fully and freely.
5. Eventually at the end of the meeting, the Company will prepare a report with details correctly. Subsequently, that report can be verified by shareholders.

The Company held the 2019 Annual General Meeting of Shareholders on 19 April 2019 at Master meeting room, MS Siam Tower 31<sup>st</sup> floor, Bangkok, Thailand. There were 10 directors and management attending the 2019 Annual General Meeting of shareholders.

The Company engaged the Thailand Securities Depository Co., Ltd., its registrar, to send the invitation notice to the meeting, together with the supporting documents on its website at [www.leaseit.co.th](http://www.leaseit.co.th) at least 21 days prior to the meeting in order to facilitate the shareholders with an easy and prompt access to the information relating to the meeting.

The Company provided opportunities for the shareholders to submit questions relevant to the meeting agenda in advance of the 2019 Annual General Meeting of shareholders during 14 November - 31 December 2018. However, no question was submitted.

The Company must state the opinion of the Board of Directors in the notice of AGM. Within period required by the SEC or Securities Exchange so that shareholder can study the information before meeting. Typically, the shareholders will receive information through the electronic email, Company's official website, and newspapers according to public companies limited act. The public Company limited has a policy to invite the shareholders and board of directors simultaneously including the president of committees

(i.e. Chairman of the Audit Committee, etc). Doing this jointly clarify and respond to inquiries by the shareholders attending the meeting.

Before the meeting began, the Company explained to all shareholders the criteria and the procedures for vote casting. There was also an external legal advisor who supervised the meeting and the voting process to ensure that they were conducted in accordance with applicable laws and the Articles of Association of the Company. At the meeting, the chairman of the meeting provided opportunities for the shareholders to express their opinions and to make inquiries relevant to the Company and the meeting agenda.

On the next day after the conclusion of the meeting, the Company informed the resolution of each agenda of the 2019 Annual General Meeting of shareholders by indicating the votes as "approved", "disapproved" or "abstained from voting" to the Stock Exchange of Thailand including the Company's website.

Board of Directors of the Company held 4.65 Percent of shares the Company issued. (As of 31 December 2019)

## Section 2 : The Equitable Treatment of Shareholders

The Board of Directors places importance on fair and equitable treatment to all shareholders; including both shareholder executive and non-executive shareholders. No matter shareholders are Thai or foreigner. Similarly, doesn't matter shareholders are in majority or minority. The following actions have been implemented :

The Company has a policy to protect the rights of all shareholders. At the Annual General Meeting of shareholders, the chairman of the meeting conducted the meeting in accordance with the agenda as set forth in the invitation notice to the meeting. No agenda was added without prior notification to the shareholders. All shareholders were entitled to vote base on the amount of shares held by each shareholder whereby one share was equal to one vote.

During 14 November - 31 December 2018, the Company provided opportunities for the shareholders to propose matters that they considered necessary for inclusion in the agenda of the 2019 Annual General Meeting of Shareholders and to nominate candidates for election as directors. The Company also posted the criteria and procedures in relation thereto in the form of a newsletter to the Stock Exchange of Thailand and on its website at [www.leaseit.co.th](http://www.leaseit.co.th). However, no shareholders proposed matters for inclusion in the agenda of the meeting nor nominated any candidates for election as directors.

The Company gave authority to Thailand Securities Depository Co., Ltd. (TSD) as the registrar of the Company to send invitation letter and attached document for Annual General Meeting 21 days in advance of the meeting. The Company also posted invitation letter and attached document for Annual General Meeting on Company's website at [www.leaseit.co.th](http://www.leaseit.co.th) 30 days in advance of the meeting so that the shareholders can reach the information regarding the meeting conveniently.

The shareholders who could not attend the meeting in person were entitled to appoint an independent director of the Company or any other person to attend the meeting and vote on their behalf. The Company prepared proxy forms as prescribed by the Ministry of Commerce, whereby the shareholders may give their proxies voting instruction. The proxy forms were delivered to the shareholders together with the invitation notice to the meeting. Additionally, the shareholders could download the proxy forms the Company's website at [www.leaseit.co.th](http://www.leaseit.co.th)

The meeting will be in accordance with the regulations of the Company. The details of the agenda will be informed via the invitation letter entirety. Nevertheless, some unnecessary details about the agenda not added in notification letter of shareholders. The agenda itself is important due to the fact that shareholders have to take time to study it before making any decision whether attend or not.

The Board of Directors have approve a policy on reporting the purchase / sale of securities of the Company to the Board of Directors which covered the use of inside information illegally (Insider Trading) with respect to those individuals involved, including directors, executives and employees as well as spouses and minor children of all persons involved. For instance, the provided information includes the penalties imposed on the Company, or any disclosure of the information which show adopting policies in order to prevent exploitation of inside information by the Company for their own benefit. Obviously, accomplishing such a great task need to educate directors and management level of the Company

regarding the obligation to report full details about their spouses and underage children as well as the change of holding the Securities and Exchange Commission under Section 59 and penalty provisions under the Securities and Exchange Act of Year 1992. However, The Board of Directors and executives have to report the purchase / sale of securities of the Company to the Board meeting by quarter.

The Company prepared the minutes of the Annual General Meeting of shareholders, and posted the minutes of the meeting on the Company's website at [www.leaseit.co.th](http://www.leaseit.co.th)

The Company has a policy in the involved transaction is deemed to be approved by shareholders in accordance with the requirements of the Stock Exchange of Thailand prior to the transaction. The Company will disclose the name and the relationship of the related parties, pricing, the value, including the comment of the Board of Directors on the transaction for shareholders to be clear in the Annual General Meeting.

The Company prohibits the transaction in a manner that provides financial assistance such as lending and credit guarantees.

The Company has transactions with affiliated Company which was done at a fair and at arm's length.

## Section 3 : The Role of Stakeholders

### a) The rights of stakeholders

The Company realizes the rights of all groups of stakeholders, whether inside or outside Company, and has undertaken to ensure that such rights are well protected and treated, in order to create good understanding and co-operation between the Company and its stakeholders, which will be advantageous to the operation of the Company, create confidence and stability for the Company and its stakeholder and increase the ability of the Company to complete in the long term as the following :

#### **1. Rights of Employees:**

The main focus of the Company is on the personnel selection. The Company seeks to hire those kinds of employees who are appropriate to the position having the relevant experience compatible with the nature of the Company. The Company has always regarded its employees as valuable resources, whose roles are fundamental to the success of the Company. Accordingly, the Company aspires to increase the potential of its employees throughout their career path by improving skills, knowledge and aptitude of its employees, as well as providing every employee with an opportunity to improve its career path on an equitable basis and offering incentives in remuneration so as to be reasonable compared with other leading companies in market as well as the quality of life for all employees equally. The Company has a policy to pay compensation in accordance with the results of operations of the Company in the short term, including the ability to make a profit each year in the form of incentives and bonus. The Company used the form of performance measures based on the Balanced Scorecard by using Key Performance Indicators (KPIs) as a tool to assist in the management strategy into action. By measurement or evaluation that helps organizations achieve consistency in unison. And focus on the things that are important to the success of the organization.

Moreover, The Company has set up an Employee Joint Investment Program (EJIP) to provide long-term savings and being the Company's shareholder to its employees since 2015 and will be completed in March 2018. In 2018, the Company continue the Employee Joint Investment Program (EJIP). The program lasts for 3 years (April 2018 - April 2021

The Company places importance on the welfare and safety of its employees. The Company provides fundamental welfare and benefits as required by law, such as working hours, holidays, annual leaves, and any other types of leave, as well as social security, compensation fund and provident fund, and constantly communicates all benefits to its employees. In addition to those as prescribed by law, the Company also provides other welfare to its employees, such as health insurance, which covers outpatient and inpatient treatment, life insurance, personal accident insurance, annual health check-up, as well as providing healthcare measure, such as communication of preventive measures for epidemics and provision of protective masks and alcohol-based hand gel for its employees and visitors. In addition, the Company also provides financial aid to its employees in various cases, such as wedding, childbirth, ordination, death of close relatives and natural disasters, etc.

According to the record of accident and leaving of employees, zero of accident and leaving occurred from working in the year 2019.

#### **Human Resources Management Policy**

The Company has realized that employee are the highest value asset for operating the business, so that developing personnel's guideline should be long-term investment by developing work skill and knowledge. There are 2 methods for developing personnel, for example coaching & knowledge sharing and project assignment to make employee can apply to their job which can enhance the Company's strength and support sustainable growth. Thus, the Company has initiated developing personnel's project covering in each position, which reveal in Annual Registration Statements 2019 (Form 56-1).

In 2019, the Company has organized 28 training courses which are In-house 15 course and 13 Public Training course. There are 57 trained personnel. The number of personnel who take course can divided into 3 level :

Level	Amount
Directors	2 persons
Executives	6 persons
Employees	49 persons

In 2019, the number of hours of training for employees and executives as below

	Public Training : 13 Courses	In-house Training : 15 Courses
The average number of training (Hour / Person)	Executive Level : 21.33 hours Manager Level : 23.44 hours Employee Level : 0.38 hours	Executive Level : 1.33 hours Manager Level : 11.67 hours Employee Level : 5.42 hours

## 2. Rights of Business Partners :

The Company has set policy on fair practice and responsible for all business partners based on trade agreements which specify conditions and guidelines to practice everything clearly and fairly. Moreover, the agreement cooperate the involved partners in such a way that brings benefit for two parties.

**2.1 Customers :** The Company sets policies and guidelines for customers. All the conditions are clearly stated and fair. In addition, the Company is committed to providing customer service, as well as assisting and advising clients with courtesy while listening to their problems (and finally providing solutions to customers) without revealing on the clients' personal information. The Company has clearly defined customer selection criteria. It is based on the following criteria.

- The presence of the customer.
- The ability to repay customers and debtors.
- Ability to complete work projects.

The Credit Committee is responsible for considering the above criteria.

**2.2 Creditors :** Company aspires to maintain sustainable relationship with its creditors. The Company has a policy to treat its creditors equitably and fairly by providing correct, transparent and verifiable information to its creditors, and to strictly honour the terms and conditions of the contracts it has with its creditors whether in relation to the repayment of principal, interest and fees, maintenance of financial ratio or other conditions, etc. The Company will immediately inform its creditors in case the Company fails to comply with any condition in order to jointly find solutions. In the past year, the Company had no event of default obligation.

## 3. Competitors :

Though there are many competitors in the market, the Company is committed to operate in such a way compatible with morality, ethics and high standard of service. Similarly, the rivals of the Company are considered and treated based on the moral and ethical issues. The first priority of the Company is to treat competitors with tightening a mutual understanding and cooperation between providing financial and quality standards to customers as well.

#### **4. Society, Communities and the Environment :**

The Board of director has a policy to focuses on the practical conduct with regard to their responsibilities to society and the nation. The Company offered various types of activities with co-operation from several public and private organizations to support community, society and environment.

The Board of Directors has adopted a policy on the environment and promote the efficient use of resources. The Company has set guidelines that can be implemented within the Company such as energy saving, water saving, Recycle paper, a campaign of the waste, including waste water treatment prior to discharge into the sewer.

In additional, the Board of Directors of the Company encourages employee education and training with regard to environment matters. The Company has a policy to protect the environment which will be implemented to promote responsibility towards the environment, and develop and use more environmental friendly technologies. The Company has continuously taken actions to reduce environmental impact and control activities that may have environmental impact, including management of waste from the Company's operation.

The Detail regarding Corporate Social and Environment activity can be found under Section "Corporate Social Responsibility to Sustainability"

#### **b) International Human Rights Principles**

The Company supports internationally declared human rights which include declarations and treaties of the United Nations on human rights. Directors, executives and employees of the Company and other persons acting on behalf of the Company shall respect personal dignity, privacy and individual rights of each person they are in contact with in the course of their duties, and shall not take any action which results in or supports the violation of any human rights as prescribed in the code of conduct "Corporate Ethics-Good Governance of the Company".

The Company respects and is in line with the law on human rights, including preventing and avoiding human rights violation of its employee, partners, and communities under the legal provisions defined by the Thai law with the following practices :

- Child Labor : The Company shall be in line with the law on minimum age for employment and shall not allow child labor to perform any task which is harmful to health and growth process, including not to effect on compulsory education.
- Forced Labor : The Company shall not conduct or support any kinds of forced labor and shall not charge or forfeit any identity documents of its employee unless such implementation is not against any laws.

- Non-discrimination : The Company shall respect difference and treat its employee equally without facilitate or derogate its employee's rights unfairly caused from origin, nationality, race, color, ancestor, religion, social status, gender, age, disability or infirmity, political idea, as well as marital status. Moreover, it shall assign protection problem-solving measures in regard to sexual abuse.
- Compensation : The Company shall settle wage, compensation, and any forms of profit in accordance with the labor law and on due and shall not deduct its employee's wage unless such deduction is not against any laws.
- Working hours : The Company shall set its normal working hours not exceeded the one defined by the law and maintain its employee's working hours and overtime to be in line with what defined by the law.
- Freedom of association and collective bargaining : The Company shall respect its employee's rights in association or any kinds of grouping which is not against any laws, including participating collective bargaining according to the law process.

- Occupational health, safety, environment and facilities: The Company shall constantly promote, support, and improve safe working environment, preventing impact on health of its employee or related individuals from happening, as well as focusing on maintaining, preventing, and reducing environmental impact caused by the Company and related individuals' activities by being in line with the law. Furthermore, the Company shall provide

hygienic and clean lavatories and drinking water, appropriate first aid requisites, clean dining area and food storage in accordance with the sanitation sufficiently and conveniently.

The Company is open for the opportunity to inform any clue of action which is a human rights violation via the complaint channel.

### c) Anti-corruption and Bribery Policy

The Board of Directors is determined to reject all kinds of corruptions and briberies in every level, whether in the transactions with government sector or private sectors. The Company has developed the anti-corruption policy in year 2015, and make a procedure document to prevent and monitor the risk of fraud. The code of conduct imposes restriction on directors, executives, employees and other persons acting on behalf of the Company in engaging in giving or receiving illegal or inappropriate gifts, whether in cash or in kind, in order to achieve business advantages or relationship with business partners, and requires for a risk assessment in relation to such anti-corruption regularly.

In 2016, the Company has assigned a unit which is no conflict of interest, to review back to all customers who open new financial amount in order to collect information on corruption and bribery. The results found that no corruption and bribery.

In 2017, the Company announced its intention to cooperate with the Thai private sector in the fight against corruption (Collective Action Coalition) on June 9, 2016. The Company will provide as following

- Assessing the risks associated with corporate fraud including the adoption of anti-corruption policy, compliance management plans and provide guidelines for conducting business for management and staff.
- Disclosing and sharing internal policies, experiences, good practices and promoting a key succession of business transactions guideline for accurate and transparent in Thailand.
- Collaborate with companies in the same industry, partners, and other stakeholders by creating an operational alignment and participating in anti-corruption activities.

## **The evaluation and follow up of Anti-corruption and Bribery policy and process of risk assessment from Corruption and Bribery**

The Company executives organized the internal control for effective operation and risk reduction from nature of business. The internal control mentioned consists of Preventive control and Detective control which helps lower the chance and motivation in bribery and corruption by using duty allocation to allocate role and duty among employees and arrange the evaluation process of anti-corruption policy. The executives can receive report of defect and doubted behavior of employees in time, so that they can improve the internal control and the audit can be a part of follow up and assessment process of anti-corruption policy

annually and reports the result to Board of Directors of the Company. The directors, executives and all employees are obliged to report the breach of such anti-corruption policy. In this regard, the Company has arranged appropriate protection measures for the reporters. Each year, the Company has arranged trainings for employees who are interested in, or working in relevant departments, to acknowledge the importance of, and have understanding on, the anti-corruption policy and procedures, as well as the risk assessment on corruption actions.

### **d) The Infringement of intellectual property and license policy**

The Company set the policy and guideline of The Infringement of intellectual property and license as followings :

- The Company's employees must give respect and not to infringe the intellectual property and license of others. If the employees see the behavior of Infringement of intellectual property and license, they must report to their supervisors.
- Check the intellectual property or license of things before receiving or using internally in order to reduce Infringement of intellectual property.
- The employees have to report to supervisors when facing the breach of such infringement of intellectual property

- In working process, the employees must protect the intellectual property of the Company, such as data, program and process and not to reveal to others outside the Company without the Company's permission.

#### **Caution**

- 1) To copy adapt or apply any electronically equipment, data, or Information Technology without reasonable cause.
- 2) To use confidential data without owner's permission.
- 3) To make a decision on receiving, using and right protecting of intellectual property without the clear and accurate understanding.



### e) Measures on Whistle blowing and Protection for Whistle blowers

The Company has set up a communication channel through its website at [www.leaseit.co.th](http://www.leaseit.co.th) to provide opportunities for shareholders and interested persons to opinion or complain directly to the Board of directors of the Company in case there is an unfair treatment or a trouble arising from the action of the Company or shareholders can contact Board of directors directly via ;

1. Email to Investor Relation Team : [IR@leaseit.co.th](mailto:IR@leaseit.co.th)
- 2 Post :
  - To The Audit Committee
  - Lease IT Public Company Limited
  - 1023 MS Siam Tower 29<sup>th</sup> floor,
  - Rama 3 Road, Chongnonsi, Yannawa
  - Bangkok 10120

Furthermore, all employees must report an event or a behavior which is unlawful or suspected to be unlawful or violates the good governance of the Company or any rules or laws to their supervisors. The Company has also provided a channel for employees to consult or report directly to the assistant managing director upon becoming aware of or suspecting any conduct which is unlawful or violates the policy and has or may have impact on employees, other stakeholders and the Company.

**Process after receiving Whistle Blowing :** The Internal Audit team is assigned to examine facts, summarize details of such event to report to the Audit Committee for consideration and recommendation to take remedial or legal action towards such offence. The information of the whistle blower and other details received by the Internal Audit team will be kept confidential for the confidence of the whistle blower or employees.

The Company specified the following procedure upon receiving complaints.

1. Accept complaints.
2. Investigate the truth and prepare summary of the event.
3. Report the matter to the Audit Committee for their consideration and recommendation. Come up with solutions or take legal actions in case an offence is committed.
4. Inform the outcome to the Company's board of directors including informing the complainant for acknowledgement.

#### **Measures to protect complainants, whistle blowers or persons providing cooperation.**

1. Complainants, whistle blowers, affected persons or persons providing cooperation in good faith who are involved in all steps of the investigation shall be protected or are guaranteed non-retaliation.
2. The Company shall not divulge information on complainants, whistle blowers or involved persons. The matter shall be treated confidentially.
3. Complainants or affected persons shall be remedied and redressed in line with the Company's appropriate action steps.

In order to avoid the repeat of ethically-related misconducts, the Company clearly outlined punishment for those who committed such misconducts and required the employee to pass the business ethic test.

During 2019, there was no complaint lodged on any action deemed illegal or ethically wrong, infringement of rights, report of improper financial transaction, corruption or faulty internal control system via this channel.

## Section 4 : Disclosure of Information and Transparency

One of the major concerns of the Board of Directors is to establish a very complete and accurate disclosure in transparency of the financial reporting, as well as providing general compliance with the rules of the Securities and Exchange Commission. Financial reports include important information that may affect the price and securities of the Company, which eventually affects the decision making process of the related investors. The Company decided to distribute the Company's information (equally and transparently) to shareholders and public via the media disclosure and the Company's website at [www.leaseit.co.th](http://www.leaseit.co.th). The Company also holds an analyst briefing in each quarter to announce its quarterly operating results to shareholders, investor, analysts, fund managers, and other interested persons. The analyst briefing is attended by the management of the Company who will clarify and answer inquiries raised by attending persons.

The Board of Directors have approve a policy on reporting the purchase / sale of securities of the Company to the Board of Directors which covered the use of inside information illegally (Insider Trading) with respect to those individuals involved, including directors, executives and employees as well as spouses and minor children of all persons involved. For instance, the provided information includes the penalties imposed on the Company, or any disclosure of the information which show adopting policies in order to prevent exploitation of inside information by the Company for their own benefit. Obviously, accomplishing such a great task need to educate directors and management level of the Company regarding the obligation to report full details about their spouses and underage children as well as the change of holding the Securities and Exchange Commission under Section 59 and penalty provisions under the Securities and Exchange Act of Year 1992. However, The Board of Directors and executives have to report the purchase / sale of securities of the Company to the Board meeting by quarter.

Board of Directors was well aware of the crucial responsibility towards the financial statements, therefore their main emphasis was to provide accurate and complete information which are true and reasonable. Accordingly, the financial statements of the Company were prepared in accordance with generally accepted accounting standards. By choosing the appropriate accounting policies and practices regularly (and implementing cautious discretions including adequate disclosure in the financial statements notes), the Board has managed to establish and maintain an effective internal control system in the financial office. All these transitions, let the Company to ensure reasonably that the accounting records are maintained property (with accurate, complete, and sufficient information) leading to identify weaknesses and flaws in order to prevent fraud or abnormal operation significantly. The appointed audit committee consisted of non-executive directors to serve on the audit of financial reports. Finally, the audit committee will report transactions and internal audits to the Board of Directors in terms of reports and surveys.

The Company has assigned a third party to conduct customer satisfaction surveys. With the objective to understand customer satisfaction To determine the needs and expectations for satisfaction and loyalty. And to identify strengths and critical areas for improvement. Number of respondents is 136 case, which are current customers using the amount of 122 customers. Not used in the past 6 months 13 cases, and opening the credit limit but never using 1 case.

The Company's satisfaction target must not be less than 80% or at a very satisfied level

The results of the overall service satisfaction survey of the Company at a very satisfied level (82%)

The Company places importance on the disclosure of important information such as business strategy, performance indicators of the Company both financial information and non-financial, such as market share, customer satisfaction which was disclosed to investors and those interested in company information.

For the year 2018, the Factoring Chain International (FCI) has revealed the information about the purchase of accounts receivable in Thailand as following

**Number of Company :** 6 Companies

**Total Financing Amount :** 5,877 million of EUR or 205,107 Baht (Exchange rate 34.90 Baht per EUR)

**Average Growth Rate :** 5%

The Company has total 7,373.45 million Baht of total loans, calculating 3.59% of the market share.

**Whistle Blowing policy :** Board of directors give the opportunity to stakeholders both internal and external to give information, clues, opinion and recommendations (Whistle Blower) in unlawful, unethical issues, incorrect financial report or fault internal control through Audit Committee in order to examine and arrange the protection of whistle blowers policy.

The Company has established an investor relations department to efficiently and regularly communicate with its shareholders and general investors, to ensure that significant information is disclosed accurately, promptly and transparently. Any interested person can obtain the Company's information from the Investor Relations Section at telephone number +66 2163 4259 or email address IR@leaseit.co.th. Nevertheless, the investor relation section of the Company has not been established so far, due to the fact that activities of the specialized agencies are still not much to be considered for investigation. Instead, it is the Chief Executive Officer and Assistant Managing Manager that acts as a direct information provider in regard to shareholders, analyst and related agencies.



## Section 5 : Responsibilities of the Board of Directors

### 1. Structure of the Board

At present, the structure of the Board of Directors is comprised of independent directors, more than one in three of the committee. The Company currently has a total of 8 persons consisting of 3 executive directors and 5 non-executive directors which are also audit committees. Four directors are female. The Board of Directors appoints the audit committee in order to assist in the governance of the Company. The Audit committee has rights and duties to acknowledge and investigate the authority of other sections. At least one of the audit committee members must have knowledge and experience in accounting sufficient to verify the reliability of the financial statements of the Company. The term of the independent director should not exceed 6 years from the date of the Company's registration of becoming Public Company Limited on 16 May 2013. In addition, the Company has no independent director who has held the position of Independent Director for more than 6 years from the date of the Company's registration of becoming Public Company Limited. There are no directorships in more than 5 listed companies without exception. (excluding advisory positions in listed companies).

The Company has no policy for the Managing Director of the Company be appointed as a director in another Company and more than 2 other listed companies (excluding affiliated companies), and may not be directors of the same type of business or business that may cause conflict of interest. Unless approved by the Board of Directors. And the Company does not have executive directors appointed as a director in another company more than 2 listed companies.

The Company has an independency policy that a chairman and the president will not be the same person in order to prevent any arbitrary of one subject in voting process. Therefore, the scope of authority of each position is clearly defined in the operation model of the Company. Board of Directors is supposed to be determined based on the elements of authority, and all the other directors also are appointed in the same way. The Chairman has been elected by the directors of the Company and acts as the chairman of the meeting. The chairman has the responsibility to ensure that the meetings of the Board of Directors of the Company proceed in accordance with the agenda, encourage all directors to participate in the meeting (such as asking questions or making observation notes), give advice and recommendation to the management and support the business operation of the Company. However, the Chairman will not interfere with the work of the management of the Company.

The Board of Directors of the Company is composed of directors who possess qualifications, knowledge, expertise and experiences in various areas, including finance and accounting, business administration, law and telecommunications business. The independent directors possess higher qualifications than those required by the Securities and Exchange Commission and The Stock Exchange of Thailand, details of which can be found under section "Corporate Governance - Independent Directors".

The managing director or chief executive of the Company, not as an employee or partner of the external auditors since the Company was established.

Similarly, the Board of Directors is supposed to appoint the duties and responsibilities of the Company's secretary under the Act of Securities and Exchange.

## 2. Role, Duties and Responsibilities of the Board of Directors

The Company assigns the duties to the Board to follow the Code of Best Practices according to guidelines provided by the Stock Exchange of Thailand. The Board of Directors of the Company approves the vision, missions, strategies, business direction and operational policy, business plan and annual budget of the Company, and directs the management to perform in compliance with the established policies and business plans in accordance with applicable laws, objectives and Articles of Association of the Company, and resolutions of the Board of Directors' and shareholders' meetings, taking into account the utmost benefits of the Company and the stakeholders, in order to build sustainable growth of the Company and increase long-term value for the shareholders. The Board of Directors will review and approve the vision, mission, strategies, business direction and operational policy on an annual basis in order to adapt to the changing situation and business conditions. The Board of Director necessarily must understand and be aware of their assigned roles as well as responsibilities. Similarly, the Board must act according to objectives, laws and regulations of the Company. They have to handle the decisions (made in shareholders' meetings) with integrity and take it into account all the interests of the Company and major shareholders.

The Board of Directors has the succession plan of the organization's top executives as a policy, which the top executives including Assistant Managing Director, Chief Financial Officer. The guidelines are clearly defined. The Board of Directors of the Company is responsible for selection, track the implementation of the succession plan. and consider the selection of Managing Director. The Managing Director is responsible for the selection, track the implementation of the succession plan and consider the selection of Assistant Managing Director and Chief Financial Officer. The details are shown in the Annual Registration Statements (Form 56-1).

### Policy on conflicts of interest

The Company has taken some measures in order to prevent the conflicts of the interests that may arise (within the transaction process) of the Company and those persons who may create inconsistency. Due to the fact that the stakeholders in any subject will not be able to take part in the transaction, therefore it is the Board of Directors to oversee whether the Company complies with the laws and regulations of the Securities and Exchange Commission announcements (as well as requirements of the Capital Market Supervisory Board and Exchange) or not. In addition, the Board of Directors have to monitor all the disclosure requirements relating to the transactions (and acquisition or disposition of assets) of the Company. Their job is to strictly investigate the compliance (of transactions and assets) with the accounting standards set by the Association of Accountants.

In addition, the Company may assign the Audit Committee or independents experts to examine and comment on the appropriateness of the price strategies as well as reasonableness of the transactions. The results of the investigations will be disclosed in the form of financial statement notes in Annual Registration Statements (Form 56-1) and Annual Report (Form 56-2). These forms have been audited or reviewed by the auditors of the Company.



## Internal control

The Company focus more on the importance of internal control system for both management and operational levels, and it has the power to determine the scope and authority of the internal processes. Implementation of such control property will benefit the Company the most. Some of the benefits of the internal control includes: the separation of the approved responsibilities, recording transactions and data information, and storing and evaluating the assets separately. To achieve a balance between the validity and integrity of the system, financial department of the Company provides financial reports to the managing director in charge. On the other hand, the Internal Audit Department is responsible for monitoring the internal control system, as well as providing reports directly to the audit committee. The Company appointed Ms. Wichuda Kaewsaitien to act as the secretary of the Audit Committee.

The Company is aimed to target all the business operations clearly in terms of measurable operational tasks. To do this, management level compares the actual performance (of the sections) with the defined goals on a monthly basis. Moreover, there will be an assessment of the risk factors, both externally and internally, within the operational tasks. The Company also determines, analyzes, and tracks all the risk factors including measures to reduce risk as well. Sometimes the Company may hire and assign the relevant agencies to identify the risks by making progress reports to the Board at the end.

The Board of Directors conducts an evaluation on the performance of the Board of Directors and an individual director self-assessment on an annual basis in order to provide an opportunity for each directors to express his or her view on the performance of the Board of Directors as a whole and to consider and review the results, problems and obstacles on its performance over the previous year.

The Board of Directors holds a Board of Directors' meeting without the presence of the executive director or member of the management at least once a year. The meeting provides the directors with the opportunity to review the performance of the Board of Director, the management and the Company as well as to consider and discuss management issues or other issues which are of the interest of the Board of Directors. The resolutions of the meeting would be notified to the Chief Executive Officer for acknowledgement and consideration for further improvement. In the year 2019, non-executive directors (Independent Directors) held a meeting without management on December 16, 2019. The meeting was a general discussion of the synergy between the directors and the management and was of the opinion that the collaboration between the directors and The management went well. And has recommendations and stressed the Company's risks. By requesting the management to be more cautious, prudent, and more careful in granting credit which is the Company's business. By focusing more on customers in the government sector.

The Board of Directors has a policy to evaluate the annual performance of the Chief Executive Officer/ Managing Director every year. The Criteria for Annual Performance Assessment of the Managing Director was approved on 9 February 2018. The Criteria have been clarified and acknowledged by the Managing Director (CEO). The performance evaluation has been conducted since 2018. The evaluation result will be disclosed in Annual Registration Statements (Form 56-1)

### 3. Meeting of the Board

A meeting of the Board of Directors of the Company is held at least once for every quarter. The Company inform the directors of the dates and time of the meetings in advance every year so that the directors can manage their schedule to attend the meetings accordingly. There are clear agenda for each meeting. The Company sends the meeting invitation, together with the supporting documents, to the directors at least five days in advance to allow the directors having sufficient time to study the information prior to the meeting. The senior management of the Company will join the meeting in order to clarify and answer the Board of Directors' queries. The chairman will allow every director to express his/her opinion before proceeding with the vote and concluding a

resolution of the meeting in each agenda. In addition, the Company has a policy that requires a minimum number of quorum at the time of the commission will vote on all must be present for at least 2 out of 3 of its members. The Company record the minutes of the meetings in writing and kept the originals with the meeting invitation notices and the relevant supporting documents and are also maintained to facilitate the directors and relevant persons for the purpose of examination.

In 2019, the Company held 13 Board of Directors' Meeting; (excluding the Board of Directors' meeting without the executive committee and executive managements attended) the attendance of each director is as follows :

List of Committee Names	Position	Numbers of attending the meeting/ Total meetings 2019
1. Mrs. Duangphorn Sucharittanuwat	Chairman of Board & Independent director	12/13
2. Police General Jate Mongkolhutthi	Vice Chairman & Independent Director	13/13
3. Mr. Prakob Visitkitjakarn	Independent Director	13/13
4. Mr. Suthud Khancharoensuk	Independent Director	13/13
5. Associate Professor Dr.Suda Suwannapirom	Independent Director	13/13
6. Ms. Parichatara Laotheerasirivong	Senior Executive Director	12/13
7. Mr. Sompon Aketerajit	Director and Managing Director	13/13
8. Ms. Sitaphatr Nirojthanarat	Director and Assistant Managing Director	13/13



### ***Audit Committee***

The Audit Committee consists of five independent directors and is responsible for reviewing the financial reporting process of the Company, the internal control system and internal audit system, compliance with laws relating to the business of the Company, considering and selecting the Company's auditors and reviewing connected transactions, transactions of interested persons or transactions which may give rise to conflicts of interest, etc.

In carrying out its duty on the selection of the auditors of the Company, the Audit Committee will consider the selection of auditors pursuant to the Company's assessment criteria, which consist of the auditors' experience, performance, understanding of the financial business and expertise on auditing, as well as their independence in performing their works during the past year, in order to propose the appointment of the auditors to the Board of Directors and the shareholders' meeting for consideration. At the 2019 Annual General Meeting of shareholders, which was held on 19 April 2019, Ms. Somjai Khunpasut, certified public accountant No.4499, Ms. Rachada Yongsawadvanich, certified public accountant No.4951 or Miss Siriwan Suratepin certified public accountant No.4604 all from EY Office Limited were appointed as the auditors of the Company.

A meeting of the Audit Committee is held approximately every quarter, In 2019, the Company held 5 Audit Committee meetings as the follows ;

<b>List of Audit Committee Names</b>	<b>Position</b>	<b>Numbers of attending the meeting/ Total meetings 2019</b>
1. Mr. Prakob Visitkitjakarn	Chairman of Audit Committee	5/5
2. Police General Jate Mongkolhutthi	Audit Committee	5/5
3. Mrs. Duangphorn Sucharittanuwat	Audit Committee	5/5
4. Mr. Suthud Khancharoensuk	Audit Committee	5/5
5. Associate Professor Dr.Suda Suwannapirom	Audit Committee	5/5

### ***Remuneration Committee***

The Audit Committee has been assigned to perform the duties of the Nomination and Remuneration Committee. Responsible for considering and giving recommendation on remuneration of the chairman and other directors, considering and approving remuneration of the Chief Executive Officer and considering the correctness and appropriateness of the remuneration policy, etc.

#### **Remuneration of Directors and Executives**

The Company has determined remuneration for the directors and executives at an appropriate level, which is sufficient to retain competent directors and executives. While it avoids paying excessive remuneration, it remains the rate at the level comparable to companies in the same group of industry. Factors to be considered include experience, obligations, appraisal and scope of roles and responsibilities. The remuneration payment of the directors must be approved by the Company's shareholders. For remuneration of executives, it will be in accordance with principles and policies as determined by the Company's Board of Directors in which the consideration will be made based on duties, responsibilities, performance of each executive, and operational performance of the Company.



At the 2019 Annual General Meeting of shareholders, the meeting approved the remuneration of the Board of Directors and the subcommittees as follows :

Position	Monthly Allowance (Baht/Month)	Meeting Allowance (Baht/Month)
Chairman of the Boards and Independent Directors	140,000	5,000
Director & Independent Director	40,000	5,000
Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Corporate Governance Committee and Chairman of the Risk Management Committee	35,000	5,000
Member of the Audit Committee, Member of the Nomination and Remuneration Committee, Member of Corporate Governance Committee and Member of the Risk Management Committee.	10,000	5,000

**Remark :** If there are several meetings on the same day, the Company would pay only once.

In determining the remuneration of the Chief Executive Office, the Remuneration Committee will consider the performance of the Chief Executive Officer during the previous year pursuant to the specified key performance indicators (KPIs), each of which has different weighted scores. Also in 2015, the Company is prepared to grant to management to buy securities. This is the long-term incentive compensation that is consistent with the Company's portfolio and benefits given to shareholders.

#### ***Nomination Committee***

The Audit Committee has been assigned to perform the duties of The Nomination. Responsible for selection of qualified candidates to be nominated for election as directors of the Company and its key subsidiaries. Additionally, the nomination committee has considered and nominated a qualified candidate for appointment as the Chief Executive Officer of the Company to the Annual General Meeting.

#### ***Corporate Governance Committee***

The Audit Committee has been assigned to perform the duties of The Corporate Governance Committee. Responsible for developing and promoting a good corporate governance so as to be in compliance with the international standard and acceptable to shareholders, investors, regulators, and other stakeholders.

#### ***Risk Management Committee***

The Audit Committee has been assigned to perform the duties of The Risk Management Committee. Responsible for managing risk that may affect the objective of the organization which includes safety and Hygiene risk of employees, society and community, together with environment to be in compliance with the international standard.

#### 4. Development of Directors and Executives

Board of Directors has set a policy to promote and facilitate the training and education of the personnel involved in the governance of the Company, including the committee, audit committee, management and the Company's secretary. The main objective of the Company was to provide continuous operational improvements especially the course that organized by Thai Institute of Directors (IOD), Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC) and Federation of Accounting Professions of Thailand. The Company has provided training to directors and executives as follow :

1. Mr. Sompon Aketerajit participated in Reverse the debt collection Plan
2. Ms. Sitarphatr Nirojthanarat participated in Government Marketing.
3. Mrs. Chonticha Supalukmetha participated in How important of Employee Benefit Actuarial Valuation, The CFO's role in stakeholder communications, TFRSs / TFRS for NPAsEs, Retail Credit Scoring Model Development and Application and Adjust the Strategy of Issuing Debt to the current situation.
4. Ms. Piyanan Mongkol participated in Company Secretary, Reporting greenhouse gas emissions, Business and human rights For the business sector in the Thai capital market, Process Innovation Coaching 2019
5. Ms. Prapapan Raktham participated in Process Innovation Coaching 2019
6. Mr. Banjong Hokseng participated in Mind Map, Process Innovation Coaching 2019
7. Ms. Soontaree Wangdamrongves participated in Mind Map, Leader as Coach and Process Innovation Coaching 2019

#### 5. Monitoring the Use of Internal information

- The directors, management and employees of the Company are prohibited to reveal the confidential and/or private data about the Company. The reason is to stop the personnel to disclose or seek benefits for themselves or for the benefit of any other person, whether directly or indirectly and whether they received benefits or not.
- The directors, management, employees, spouse, and children of the staff of the Company are prohibited to use some internal data (not publish to the public yet) because it may affect the price of the securities of the Company. Knowing such kind of information has potential risk to let the people take advantage of buying, selling, offering, or persuading others to do business with the securities of the Company, whether directly or indirectly, or whether such action is done for the benefit of themselves or others, or to allow others to do so by their benefits. Obviously, the risk is only when the data have been made public yet. Any violation of such terms will be punished by disciplinary measures of the Company.
- The Company has informed the executives about the securities report of the Company and also identified to their spouses and underage children. More details about the conditions and possibilities of violation of the personal/sensitive information are discussed in Section 59 of the Securities and Exchange Commission.
- The Company has defined the rules in not allowing the board, committee, employees, spouse and children of staffs sell or buy securities during the period of 1 month prior to the public disclosure of financial statements.

The Company will inform the executive, officers and employees of the Company to know about the above requirements

## 6. Personnel

Number of employees as of 31 December 2019 (exclude management team 10 persons)

The detailed as below :

Department	Number of Employees
1. Sales and Marketing	18
2. Financial & Accounting	7
3. Administration	6
4. Operation	19
5. Internal Audit	2
6. Business Development	3
7. Information Technology	4
8. Credit Control and Legal Contract (LIT Service Management Co.,Ltd)	10
<b>Total</b>	<b>69</b>

### Labor dispute

- N/A

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# 08

## Director & Executive Profile



### Mrs. Duangphorn Sucharittanuwat

Chairman of the Board,  
Independent Director and  
Audit Committee Member ● Age 68 years

#### Qualifications

- Master of Business Administration, Thammasat University
- Bachelor of Accountancy, Chulalongkorn University (Second Class Honors)
- Certified Public Accountant
- Director Certification Program (DCP) 8/2001
- Refresher Course DCP (DCP Re) 3/2006
- Role of the Chairman Program (RCP) 19/2008
- Audit Committee Program (ACP) 38/2012
- Director Certification Program Update2 (DCPU2/2014), IOD
- Capital Market Academy (CMA8)
- Top Executive Program in Commerce and Trade (TEPCoT3)
- Advanced Security Management Program (ASMP2)
- ASEAN Economic Community Program (AEC2)

Relationship with the Executive Management none

#### Working Experience for the last 5 Years

- 2012-present Chairman of the Board, Independent Director and Audit Committee Member, Lease IT PCL.
- 2012-present Independent Director and Audit Committee Member, I.C.C. International PCL.
- 2014-present Independent Director and Audit Committee Member, Sena Development PCL.
- 2015-present Director, Aspiration One Co., Ltd.
- 2013-present Director, The Foundation of The 50<sup>th</sup> Anniversary Mahavajiralongkorn Hospital
- 1997-2014 Director, Thailand Management Association
- 2002-2012 President, CIMB Thai Bank PCL.

Shareholding : none



### Police General Jate Mongkolhutti

Vice Chairman, Independent Director and  
Audit Committee Member ● Age 68 years

#### Qualifications

- Master Degree, Faculty of Law, Chulalongkorn University
- Director Accreditation Program (DAP) 8/2004
- Audit Committee Program (ACP) 14/2006
- Finance for Non-Finance Directors (FND) 30/2006
- Directors Certification Program (DCP) 117/2009

Relationship with the Executive Management none

#### Working Experience for the last 5 Years

- 2012-present Vice Chairman, Independent Director and Audit Committee Member, Lease IT PCL.
- 1999-present Independent Director and Audit Committee Member, Sino-Thai Engineering & Construction PCL.
- 1999-present Independent Director and Audit Committee Member, STP & I PCL.
- 2018-present Independent Director and The Chairman of Risk Management Committee, Thai Group Holdings PCL.
- 2013-present Consultant, SVOA PCL.
- 2013-present Consultant, Data One Asia (Thailand) Co.,Ltd.
- 2011-present Legal Consultant, National Credit Bureau Co.,Ltd.

Shareholding : 1/1/2019 165,000 shares  
Changing during year : buy - shares  
sell - shares  
Shareholding : 31/12/2019 165,000 shares



### Mr. Prakob Visitkitjakarn

The Chairman of Audit Committee  
and Independent Director ● Age 80 years

#### Qualifications

- Master of Business Administration (Finance), Indiana University, USA
- Chartered Director Class (R-CDC) 3/2008
- Directors Certification Program (DCP) 33/2003
- Role of the Chairman Program (RCP) 5/2001
- Monitoring Fraud Risk Management (MFM) 1/2009
- Monitoring of the Quality of Financial Reporting (MFR) 8/2009
- Audit Committee Program (ACP) 27/2009

Relationship with the Executive Management none

#### Working Experience for the last 5 Years

- 2012-present The Chairman of Audit Committee and Independent Director, Lease IT PCL.
- 2009-present The Chairman of Audit Committee and Independent Director, ARIP PCL.
- 2019-present The Chairman of The Board and The Chairman of Audit Committee, Sri Trang Gloves (Thailand) PCL.
- 1997-2019 Vice Chairman, Independent Director and The Chairman of Audit Committee Sri Trang Agro-Industry
- 1999-2011 The Chairman of Audit Committee and Independent Director, Siam City Cement PCL.

Shareholding : 1/1/2019 16,500 shares  
Changing during year : buy - shares  
sell - shares  
Shareholding : 31/12/2019 16,500 shares



## Mr. Suthud Khancharoensuk

Independent Director and  
Audit Committee Member ● Age 61 years

### Qualifications

- Master of Business Administration, Thammasat University
- Director Accreditation Program (DAP) 15/2004
- Board Performance Evaluation 2/2007

**Relationship with the Executive Management** none

### Working Experience for the last 5 Years

2013-present Independent Director and  
Audit Committee Member, Lease IT PCL.

1996-present Director, RPOG PCL.

1991-present Director, Petro Instrument Co.,Ltd.

**Shareholding** : 1/1/2019 2,035,000 shares

Changing during year : buy - shares  
sell - shares

Shareholding : 31/12/2019 2,035,000 shares



## Ms. Parichatara Laotheerasirivong

Senior Executive Director  
(Authorized Director to be tied to the Company)  
● Age 64 years

### Qualifications

- Master of Executive MBA, Kasetsart University
- Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Public Economic Management for Senior Executives (Advanced Diploma) Class 12, King Prajadhipok's Institute
- Top Level of Industrial Management Class 9, Ministry of Industry
- Thammasat Leadership Program for Society Class 2
- Director Certification Program (DCP) 75/2013, IOD
- Seminar Bourse Game (Foreign Exchange Trading), Citibank Bangkok THAILAND
- Seminar for International Banker Chase Manhattan Bank, NY USA.

**Relationship with the Executive Management** none

### Working Experience for the last 5 Years

2018-present Senior Executive Director, Lease IT PCL.

2018-present Independent Director and Audit Committee,  
Fortune Parts Industry PCL.

2015-present Director, Private Teacher Aid Fund,  
Ministry of Education

2016-2017 Senior Executive Vice President,  
TCC Land and Asset World Corporation

2007-2016 Deputy Managing Director, Small and Medium  
Enterprise Development Bank of Thailand

2013-2014 Acting Managing Director, Small and Medium  
Enterprise Development Bank of Thailand

2013-2014 Risk Management Committee,  
National Credit Bureau Co., Ltd.

**Shareholding** : 1/1/2019 20,000 shares

Changing during year : buy - shares  
sell - shares

Shareholding : 31/12/2019 20,000 shares



## Associate Professor Dr. Suda Suwannapirom

Independent Director and  
Audit Committee Member ● Age 61 years

### Qualifications

- DBA, Doctor of Business, Burapha University
- Master of Commerce, Chulalongkorn University
- Master of Business Practice University of South Australia
- Bachelor of Science in Business Administration, Kasetsart University
- Diploma, National Defence College, The joint State-Private Sector Course Class 20
- Certificate in Personnel Management Practice Asian Productivity Organization

**Relationship with the Executive Management** none

### Working Experience for the last 5 Years

2016-Present Independent Director, Audit Committee Member,  
Lease IT PCL.

2018-present Consultant, Apply Precision Co.,Ltd.

2018-present Director, Graduate School,  
Suan Sunandha Rajabhat University

2005-present Subcommittee The Land Bank Administration  
Institute (Public Organization)

2005-present Director of Academic Work Reading,  
Ministry of Higher Education, Science, Research  
and Innovation

2016-present Associate Professor and Vice Chancellor,  
Nakhon Phanom University

**Shareholding** : none

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## Mr. Sompon Aketerajit

Director and Managing Director  
(Authorized Director to be tied to  
the Company) ● Age 59 years

### Qualifications

- Master of Science in Accounting, Thammasat University
- BA, Accounting (Costing), Chulalongkorn University
- Director Accreditation Program (DAP) 15/2004
- IFRS 9, IFRS 7 and IAS 32 The Stock Exchange of Thailand
- Senior Executive Class 27, Capital Market Academy

**Relationship with the Executive Management** none

### Working Experience for the last 5 Years

2006-present Director and Managing Director, Lease IT PCL.

2007-2012 Director, SVOA PCL.

<b>Shareholding</b> : 1/1/2019		3,372,918 shares
	spouse	2,472,430 shares
Changing during year :	buy	86,441* shares
	spouse	300,000 shares
	sell	- shares
	spouse	- shares
Shareholding : 31/12/2019		3,459,359 shares
	spouse	2,772,430 shares



## Ms. Sitaphatr Nirojthanarat

Director and Assistant MD - Support  
(Authorized Director to be tied to  
the Company) ● Age 37 years

### Qualifications

- MSc in Marketing Management Aston Business School, Aston University, UK
- Bachelor of Arts, English major (2<sup>nd</sup> class honors), Chulalongkorn University
- Director Accreditation Program (DAP) 131/2016
- Fraud Risk Management and Internal Auditing of Financial Institution 7/2016

**Relationship with the Executive Management** none

### Working Experience for the last 5 Years

2015-present Director and Assistant MD -Support Functions, Lease IT PCL.

2006-2015 Marketing Department Manager, Corporate Marketing, Charoen Pokphand Foods PCL.

<b>Shareholding</b> : 1/1/2019		140,369 shares
	spouse	1,650,000 shares
Changing during year :	buy	38,052* shares
	spouse	- shares
	sell	- shares
	spouse	- shares
Shareholding : 31/12/2019		178,421 shares
	spouse	1,650,000 shares



## Mrs. Rungnapa Ogas

Assistant MD - Operation  
● Age 57 years

### Qualifications

- Master Degree, Business Administration, Ramkhamhaeng University

**Relationship with the Executive Management** none

### Working Experience for the last 5 Years

2007-present Assistant MD - Operation, Lease IT PCL.

<b>Shareholding</b> : 1/1/2019		33,133 shares
Changing during year :	buy	9,616* shares
	sell	- shares
Shareholding : 31/12/2019		42,749 shares



## Mrs. Chonticha Supaluxmetha

Chief Financial Officer  
● Age 48 years

### Qualifications

- Bachelor Degree, Accounting, Faculty of Account, Siam University
- Bachelor Degree, Statistics, Faculty of Science, Silpakorn University
- IRCA Lead Assessor (ISO9001:2008)
- IFRS 9, IFRS 7 and IAS 32, The Stock Exchange of Thailand
- Strategic CFO in Capital Markets 2/2016, The Stock Exchange of Thailand
- The CFO's role in Stakeholder Communication

**Relationship with the Executive Management** none

### Working Experience for the last 5 Years

2014-present Chief Financial Officer, Lease IT PCL.

2018-present Managing Director, LIT Service Management Co., Ltd.

2000-2014 ISO Consultant & Trainer, Quality System Development International (Thailand) Co.,Ltd.

2011-2014 Independent Accountant

<b>Shareholding</b> : 1/1/2019		26,135 shares
Changing during year :	buy	9,482* shares
	sell	- shares
Shareholding : 31/12/2019		35,617 shares



### Ms. Piyanan Mongkol

Company Secretary and General Manager,  
Sustainability Development

● Age 48 years

#### Qualifications

- Master Degree, Industrial Economics, School of Development Economics, National Institute of Development Administration (NIDA)

**Relationship with the Executive Management** none

#### Working Experience for the last 5 Years

2019-present Company Secretary and General Manager, Sustainability Development, Lease IT PCL.

2006-2018 General Manager, Credit and Legal Contract, Lease IT PCL.

**Shareholding** : 1/1/2019 18,892 shares  
 Changing during year : buy 68,763\* shares  
 sell - shares  
 Shareholding : 31/12/2019 87,655 shares



### Ms. Prapapan Raktham

General Manager

General Administration ● Age 52 years

#### Qualifications

- Bachelor Degree, Accounting, Faculty of Account, Sripatum University

**Relationship with the Executive Management** none

#### Working Experience for the last 5 Years

2006-present General Manager

General Administration, Lease IT PCL.

**Shareholding** : 1/1/2019 50 shares  
 Changing during year : buy 5,793\* shares  
 sell 5,800\* shares  
 Shareholding : 31/12/2019 43 shares

\*Include number of shares transferred can be sold from the EJIP program or sold.

## Detail of the tenure of the management in related companies As at 31 December 2019

Name	Position	Related Company			
		1	2	3	4
Mrs. Duangphorn Sucharittanuwat	X,AC,//				
Police General Jate Mongkolhutti	V,AC,//				
Mr. Prakob Visitkitjakarn	AAC,//			AAC,//	
Mr. Suthud Khancharoensuk	AC,//				
Associate Professor Dr.Suda Suwannapirom	AC,//				
Ms. Paritchartara Laotheerasirivong	/				
Mr. Sompon Aketerajit	/,*				
Ms. Sitaphatr Nirojthanasat	/,**		/(spouse)		
Mrs. Rungnapa Ogas	**				
Mrs. Chonticha Supaluxmetha	**				
Ms. Piyanan Mongkol	***				
Ms. Prapapan Raktham	***				

**Remarks** : X = The Chairman of The Board

AAC = The Chairman of Audit Committee

/ = Director

\* = Managing Director

\*\* = General Manager

V = Vice Chairman

AC = Audit Committee

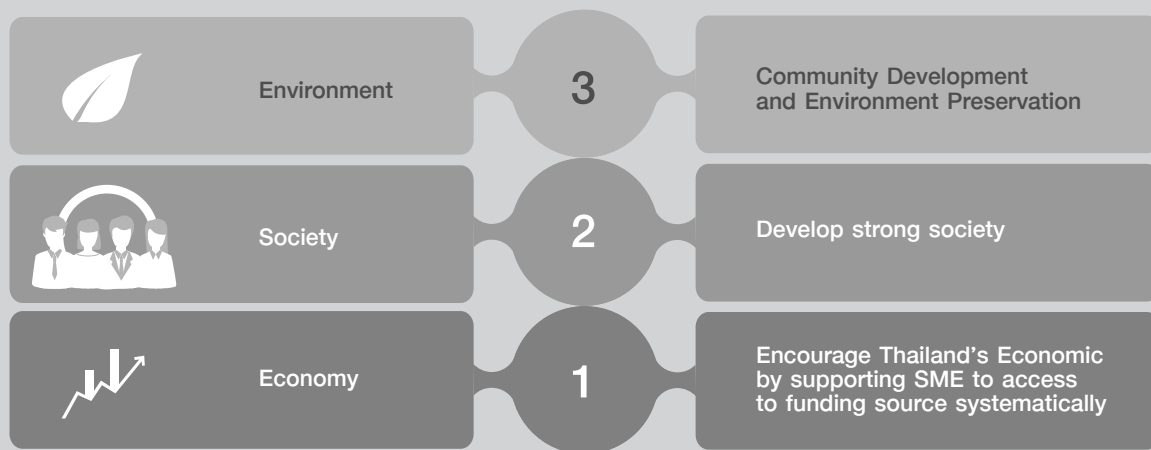
// = Independent Director

\*\* = Assistant Managing Director/Executive Director

#### Related Company

1. SVPA PCL.
2. IT CITY PCL.
3. ARIP PCL.
4. Advance Research Group Co.,Ltd.

Lease IT Public Company Limited has determined strategic directions for Sustainability under 3 core aspects which are followings :



## 1. Economy

### Encourage Thailand's Economic by supporting SMEs to access source of fund systematically

The Company aims to be a non-financial source of alternative fund for Small and Medium Enterprises (SME) which cannot access to source of funds, not being supported by financial institutions even that those SMEs have potential to grow. Such businesses normally require funding outside the system (loan shark) which is a barrier to succeed the Company's goals in long term.

#### ● Product Innovation for SMEs

The Company considers developing a variety of financial services to provide total financial solutions especially for SMEs in order that SMEs can grow in accordance with their true capability.

#### ● True Financial Partner

The Company always supports SMEs side by side and gives them financial advice on funding source in accordance with our core mission to enhance the relationship between the Company and SMEs customers as "True Financial Partner".





## 2. Social

### Develop strong society

The Company gives importance to developing strong society according to good governance guideline so that the Company sets clear guidelines for executives and employees to conform as followings :

- **Anti-corruption and Bribery Policy**

The Company is committed to conduct its business with transparency. Anti-bribery and anti-corruption are defined as the main policy, or better said “Code of Conduct” of the Company. A code of conduct is a set of rules outlining the responsibilities of or proper practices for an individual, party or organization. Related concepts include ethical, honor and moral codes. Accordingly, directors, management and employees are required to comply with the Code of Conduct. Every single transaction through the Company is exempted from being involved in paying or offering bribes to other parties (or other agencies in all forms), whether the deviation from the Code of Construct is conducted directly or indirectly. On the contrary, the Company is highly encouraged to join the practices that will benefit all parties, or profit the operations of the Company legally and safely. In the past and up to this point, the Company has never ever faced any reports or complaints concerning bribery and corruption violations. To show commitment, the Company registered to be a member of PACT Network in year 2015.

In 2016, the Company has assigned a unit which is no conflict of interest, to review back to all customers who open new financial amount in order to collect information on corruption and bribery. The results found that no corruption and bribery.

In 2017, the Company declared its intention to join the Thailand’s Private Sector Collective Action against Corruption (CAC) on 9 June 2017.

- **Respect for Human Rights Principles**

Moreover, the Company aims to expand basic human rights in terms of promoting respect for the rights and freedom of every individual through non-discrimination and anti-racist values. The concept of non-discrimination includes equality with respect to gender, social class, religion, or political

beliefs of people. The Company freely accepts and tolerates those who think and believe in different ways. However, the Company does not merely focus on the promotion and protection of human rights. But it also emphasizes on the moral and ethical policies for all the employees involved with the Company. The rights for freedom of speech and expression of ideas also are fully considered under the Company’s policy. As an instance, it is important for the Company to respect the all rights of stakeholders equally. Beyond of that, the Company takes social and ethical responsibility towards all its business operations in addition to different groups of people including customers, employees, investors, shareholders, stakeholders, board of directors, management, corporate governance team, and even the environment.

### Tax operations

The Company requires its employee to strictly abide by the followings to prevent tax risk which may lead to any losses of the Company :

- **Taxation:** The Company avoids any fraudulent or incorrect or complication taxation for initial tax benefit and tax evasion.
- **Tax system for corporate sustainability:** The Company has its responsibility to the shareholders by being a company with excellent financial status and a tax system that sustainably increases value to the shareholders.
- **Tax incentives:** The Company aims to legally and sufficiently apply the tax incentives under consideration for sustainable and appropriate business operation in accordance with the efficiency principle of the tax system as defined objectives. The tax incentives include tax exemption measure at certain times, accelerated asset allowances or other incentives, which all of these are under national or local tax policy and used with any business that has its qualification met related criteria. However, such incentives may impact on consideration process for the Company’s business operations, but it will only consider economic factors.

## ● **Equitable Labor Treatment**

All personnel of the Company are the most essential parts in operating its business. The Company shall give priority to them without discrimination. The Company promotes its employee to be harmonious, rely on each other, not distinguish, treat to each other politely, and respect others' human dignity. The Company protects its staff from internal and external safety threats by providing good and safe working environment, appropriate wage and compensation, good welfare for its employee, and allowing its employee to grow under justified consideration process. For structure modification and corporate collocation, it shall responsibly implement them under the policy framework, including be strictly complied with laws and regulations related to labor. It shall provide innovation and technology to support the business operations to reward its employee who performs their job with maximum ability, speed, discretion, diligence, enthusiasm, consciousness, and rationality based on their knowledge without being taken over by emotions and seeking for knowledge.

### **Good Practices of the Company**

1. The Company equally treats its employee without discrimination for origin, race, gender, color, religion, disability, family lineage, educational institution or other statuses not directly related to working performance.
2. The Company gives opportunity to every employee to fully show their abilities with providing appropriate reward and motivates the working performance with salary, bonus, incentive, and appropriate working performance expense in accordance with the Company's rule.
3. The Company's employee shall perform their duties with maximum ability, good conscience, honesty, equity, virtue and ethics, and being responsible.

In 2019, there were 57 executives and employee to be trained, and there were 26 of them who had obtained the annual preferment.

## **Health and Safety for Working Environment**

A part which creates happiness to its employee whom is like a family member is providing a good working environment that supports the staff's health and enhancing safety management, occupational health, and working environment by fundamentally adhering to legal operations, furthering development and applying international measures related to safety expectation of its workers, customers, as well as those who are related to the Company's activities and operational areas due to that there is nothing which can be replaced or compensated such unwanted losses.

In 2019, there is no information about any injury or death or event related to safety for working environment. The staff's absence rate (AR) was 0.65 in 2019, which reflects that the Company's working environment and safety are under good criteria, and provide knowledge if building fires, using fire extinguisher equipment and protection while evading fire.

## ● **Justified and Responsible Business Operations to Partners**

The Company focuses on providing services in such good ways that result in the utmost satisfaction of the clients. To achieve such goal, customers need to receive detailed product risk-return terms correctly and appropriately. Similarly, the Company must be sincere to handle the customer complaints including trying to fix the defects that probably are caused by the service

Partners and competitors are the outsiders whom the Company shall compete with according to the way of *laissez-faire* capitalism in running its business. The competition shall rightly be implemented, not distort information, not be fraudulent or use any other methods which are not incorrect and in line with good competition, maintain any confidentiality under related criteria and laws, as well as not illegitimately and unjustly seek for any information of its partners and competitors.

### Good Practices of the Company

- The Company shall operate its business by taking justified competition into consideration, not incriminating and attacking its competitors without any reasonable information.
- The Company's personnel shall be careful in contacting any competitors and its personnel in any event, do not expose or neglect that the Company's confidentiality is its competitors' hands.

### • Breaches

The Company has assigned ethics as a guideline to be followed by every executive and staff. Breach of the Company's ethics and legal policies in any event shall be recorded and notified to the audit and corporate governance committees whom examine breach of ethics reports that are submitted through the complaint channel. The Company shall expose any information of number and cases of breach of ethics, morality, anti-corruption, and public bribery. In addition, the Company shall expose any information to the Stock Exchange of Thailand in case of any breaches which significantly impact on the Company.

In 2019, there was no case of breach.

### • Supply Chain Management

Apart from focusing on its operations, the Company also aims to supply chain management with good governance, considering impact on environment and society to prevent any risks which may effect on the Company's image and operations both in direct and indirect ways. The Company follows up some of its partners' operations from news. If any breach matter is found, the Company shall review such partners.

Year 2019, the Company focuses on partners who provide property insurance services. By assessing the importance of reducing impacts of social, environment, service quality, duration, conditions, having a convenient means of contact. The Company targets at 80 percent and the assessment results is 90 percent. Which is higher than the target.

The Company has its procurement policy which is transparent, justified, and verifiable, as well as strictly complying with related laws, treating every partner with impartiality, non-exploitation, equally providing full, correct, clear, and adequate information, non-discrimination, available anti-corruption policy followed strictly, and being against every kind of anti-corruption both in direct and indirect ways. However, infraction and non-compliance to the anti-corruption policy may lead its partners and contractors to be prosecuted.



### 3. Environment :



The Company is aware of current environmental problems which tend to be more serious. Currently, there are organizations, government and private sectors, including non-profit organizations which are watchful and care more about environment. Therefore, to be a part of relieving or reducing any impact arose from human direct and indirect actions, the Company aims to implement in regard of environment to produce mutual benefit for the Company's every employee level and to reflect the responsibility for society, community, environment, and stakeholders according to the following approaches :

1. Implementation of activities of the Company and its subsidiaries shall strictly comply with related environmental laws and regulations.
2. Creating conscience for world saving to employee in order for them to be aware of the impact from doing or not doing things with a belief that many small parts can become a group and power that will reduce or relieve pollutions to forward good environment to our next generation by providing training that gives and publicizes knowledge to everyone.
3. Intention for the most efficient and worthy resource use.

4. Every executive level supports various aspects, for example, personnel, tool, time, budget, etc., in order for its implementations to be achieved according to the determined objectives.
5. The Company aims to develop the quality of life of its employee by promoting good atmosphere and environment to work pleasantly together with improving working performance to be efficient and met the Company's goal.
6. The Company will provide an advice channel for environmental problem-solving guideline of the most benefit by informing any responsible departments to lead to sustainability, which will be coordinated with every department for achieving the success in environmental problem-solving.

The Company aims to reduce any impacts arose from any aspects of environment and publicizes to its employee implementation results, including the following annual report :

- Reduction of greenhouse gas emission by reducing paper and electric energy
- Sorting the type of garbage before disposing and also record the amount of waste that has been recycle and income from garbage disposal.

In year 2019 the Company has a project to reduce electricity usage by requiring turning on the air conditioning system during 7.30 – 18.00 each day. Turn off the light during the lunch break and after work. Reduce the use of water and reduce paper use By using both sides of the paper before disposing.



## Resource and Environmental Management Process

The Company emphasize the important of doing business on basis of good corporate governance, also responsible for society and the environment. By doing this, the Company has determined guideline for executives and employee to comply with good governance, transparency and ethics.

To achieve successfully and sustainable in a socially responsible and environmentally, the Company has established a policy of commitment to social responsibility and environmental activities. CSR policy functions are built to achieve continuity through the following procedures :

- To take continuous action.
- To link the various projects and activities together.
- All employees are required to participate in the activity.
- To build a network, such as CSR partner involvement of partners and so on.

The Company has focused on environmental protection and promote activities to reduce global warming. It focuses on simple activity which can start within our organization. Therefore, the Company have created awareness for employees aware of the importance of natural resources. As well as arrange the training to understand how to protect environment, starting from a small spot within the Company and actively promoting the practice as following :

- 1) Securing Forest : To promote use of recycled paper and paper saving.
- 2) Reduction of electricity consumption: To promote the efficient use of electricity and the use of environmentally friendly electrical equipment.
- 3) Water conservation : Promote water saving.
- 4) Reduction of wast : Encourage employees to separate waste before disposing.

## Management Approach

The Company has assigned an environmental management policy to conserve environment and energy for reducing greenhouse emission from its operations by having the following process :

- Reduces corporate energy and resource uses.
- Reduces greenhouse emission caused by the Company's energy use.
- Determines for the members of its strategy team to be a committee of energy conservation which is responsible for energy management, follow up, inspection and collection of information of energy used inside buildings for constant development and improvement to meet the Company's goal.
- Assigns for energy conservation, water resource management, garbage and waste management to be responsible by its executives and every staff level by collaborating in every aspect.
- Provides knowledge, promote, and support its staff to participate in the measures of energy conservation, water resource management, and garbage and waste management. In the past years, there was a campaign of water and electricity resource reduction once they were not used.
- Assigns for goals of energy conservation and greenhouse emission to be the Company's indicator.

## Innovative Creation for Corporate Sustainability

- The Company focuses on its members' proposal, suggestion, and collaboration on innovative development for new operation in order for the corporate to run its business under the current state of change through strategy meeting which consists of executives, middle management and employee.
- The Company focuses on creating corporate culture of innovation by dividing itself into parts which each part consists of functions that are similar to subsidiaries operating their businesses with their own goals. However, the Company does not overpass risk control and management by providing functions that are responsible for supervision its operations to be in line with the policy.
- The Company emphasizes on its meeting to be a world-saving meeting by decreasing paper consumption, and the Company has a goal to hold its meeting as a paper-less meeting.
- The consequence of such implementation will reflect in terms of higher turnover, more customer satisfaction, reduced expense on paper, including reduced quantity of greenhouse emission.

## Sustainable development guidelines

The Company is determined to operate under good corporate governance practice by taking into consideration economic, social and environmental impacts. The company specified an approach to sustainable development with participation of the stakeholders as follows.

1. To monitor developments, events, changes in related industry by considering factors that impact the business, society and the company's environment such as the changing weather conditions, financial technology, international sustainable standards e.g. Global Reporting Initiative (GRI), Sustainable Development Goal (SDGs).
2. Accord importance to all stakeholders' expectations via participation in various activities, for example, conducting survey of customers' satisfaction, trade partners' satisfaction, employees' satisfaction, including taking into consideration the board of director's suggestions in order to improve and meet the expectations of the stakeholders appropriately.

Disclosing the policy to all groups of employees and stakeholders as follows :

1. Corporate Governance Policy
  - Rights of shareholders
  - Equitable treatment of shareholders
  - Roles of stakeholders
  - Information disclosure and transparency
  - Board responsibilities
2. Business Ethics
  - Conflict of interest
  - Protecting the assets and using the assets of the company
  - Giving or receiving gifts
  - Securities Trading and the Use of Inside Information
  - Internal control and audit and financial reporting
  - Prohibit dishonesty
  - Confidentiality and information
  - Human rights and political activities
  - Anti-corruption and bribery

The Company reviewed and improved the business ethics to avoid conflict of interest, the use of internal information, safeguarding confidential information, the use of information technology and communication.

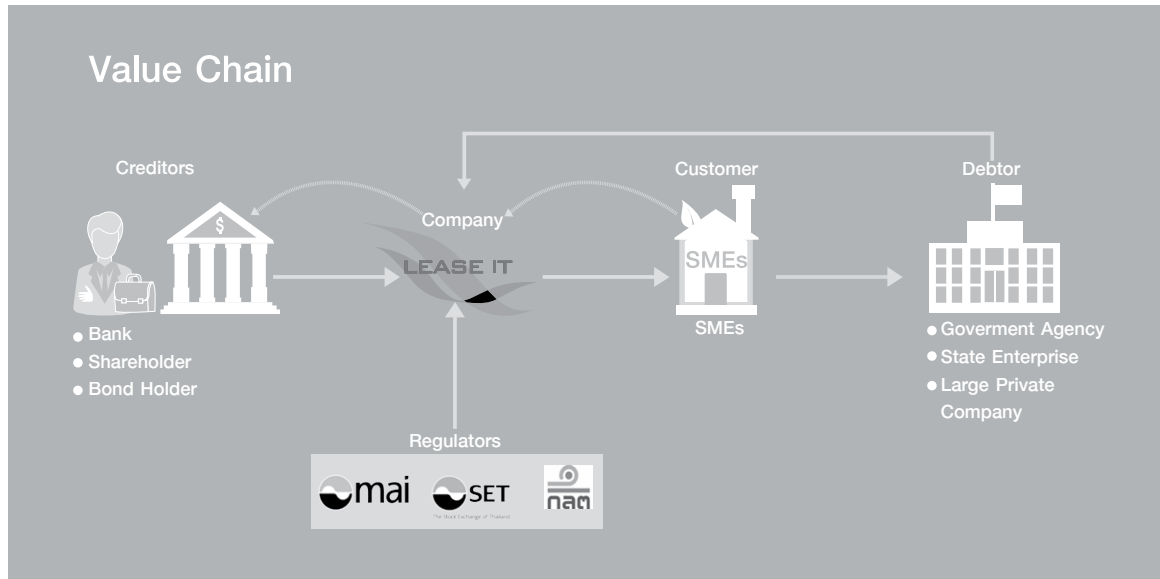
The Company specified the following procedure upon receiving complaints.

1. Accept complaints.
2. Investigate the truth and prepare summary of the event.
3. Report the matter to the Audit Committee for their consideration and recommendation. Come up with solutions or take legal actions in case an offence is committed.
4. Inform the outcome to the Company's Board of Directors including informing the complainant for acknowledgement. Measures to protect complainants, whistle blowers or persons providing cooperation.






5. Complainants, whistle blowers, affected persons or persons providing cooperation in good faith who are involved in all steps of the investigation shall be protected or are guaranteed non-retaliation.
6. The Company shall not divulge information on complainants, whistle blowers or involved persons. The matter shall be treated confidentially.
7. Complainants or affected persons shall be remedied and redressed in line with the Company's appropriate action steps.

In order to avoid the repeat of ethically-related misconducts, the Company clearly outlined punishment for those who committed such misconducts and will do it for all employees are informed understood and put into practice.






During 2019, there was no complaint lodged on any action deemed illegal or ethically wrong, infringement of rights, report of improper financial transaction, corruption or faulty internal control system via this channel.



## Stakeholder Engagement

Stakeholders	Communication and channel	Frequency	Stakeholder's Expectation	Action
<b>1. Board of Directors (BOD)</b> 	BOD meetings  Provide sufficient information completely and timely	Once a month  All time	Fair treatment for all stakeholders  Manage transparently based on good corporate governance principles.  Continuing growth performance	Providing sufficient information  Participate in business supervision  Specify policy and methodology on labor-related laws
<b>2. Employees</b> 	Arrange orientation session for new employees  Survey the need of employees and their supervisors for job specific trainings.  Survey loyalty to the organization.  Organize outing/team building activities to strengthen employee loyalty to the organization.  Disseminate information/news via social media (LINE)	For the first time (new joiners)  Once a year  Once a year  Once a year  All times	Career path for the job.  Receive fair monetary compensation and welfare. Receive annual bonus.  Receive fair treatment.  Opportunity to learn for career path growth.	Specify policy on human rights  Promote career advancement.  Arrange job trainings at various levels and disciplines.  Annual performance appraisements.  Improve working environment to conform to good hygienic principles and job safety.
<b>3. Shareholders</b> 	Annual General Meeting  Disclose information via SET, website.  Annual report, Form 56-1.  Opportunity Day.  MAI forum.  Company Website.	Once a year  All times  Once a year  Twice a year  Once a year  All times	Continuing growth performance and increasing profitability.  Receive dividend.  Receive high return on investment and the company to enjoy stable growth sustainably.  Transparent business management/operations. Such can be audited.	Generate good results under strict and robust risk management practices.  Disclose information to shareholders and the SET via activities or other communication channels transparently manner that can be inspected.  Invite shareholders to annual meetings and to participate by giving feedback.
<b>4. Trade partners</b> 	Accept complaints/various suggestions via website  Satisfaction survey	All times  Once a year	Operate the business transparently, ethically and morally.	All process must be auditable.  Having a system to investigate and solve problem on timely manner.
<b>5. Community and society</b> 	Participate in volunteering activities.  Organize/join/participate in seminar/talk, discussion activities.	Twice a year.  Once a year	Promote and support social activities for various communities as a return of favor to the society.  Provide knowledge on financial products.	Support budget for social activities on ongoing basis.  Disseminate information via social media.



Stakeholders	Communication and channel	Frequency	Stakeholder's Expectation	Action
<b>6. Customers</b> 	<p>Direct contact via sales personnel or assigned operational staff.</p> <p>Visit by sales personnel/the management on New Year or important occasions.</p> <p>Customer satisfaction survey</p> <p>Provide channel for receiving complaints/accept suggestions via website, email, letters etc.</p>	<p>All times.</p> <p>Once a year.</p> <p>Once a year</p> <p>All times</p>	<p>Customers receive clear and correct information. Safeguard the confidentiality of customers' data.</p> <p>Customer receives prompt service.</p> <p>Provide solutions without shifting responsibility to other colleagues.</p> <p>Management and staff adhere to good corporate governance practices. Perform their duties transparently, ethically and morally. The process is auditable.</p>	<p>Train employees to provide efficient services in line with the slogan "True Financial Partner".</p> <p>Delivering the product in this scenario means providing loans that meet clients' requirements.</p> <p>Focus on good corporate governance culture and for employees to have business ethic to provide clients with trust worthy services.</p> <p>Increase suitable channels for customers to avail credits and other financial services conveniently.</p>
<b>7. Creditors</b> 	<p>Opportunity Day.</p> <p>Company Website</p> <p>Provide channel to receive complains/suggestions.</p> <p>Prepare Annual Report, Form 56-1.</p>	<p>Twice a year.</p> <p>All times</p> <p>All times</p>	<p>Comply with all terms &amp; conditions.</p> <p>Repay interest and loan installments on time.</p> <p>Communicate and disclose information on ongoing basis.</p>	<p>Pay interest and loan instalments on time.</p> <p>Ongoing communication of correct and complete information.</p>
<b>8. Competitors</b> 	<p>Participate in the Thai Factoring Association meetings.</p>	<p>Monthly</p>	<p>Exchange information which may be beneficial to factoring operations.</p> <p>Jointly cooperate to strengthen the stability of factoring companies. Compete transparently, honestly and fairly.</p>	<p>Compete under the framework of fairness.</p>
<b>9. Debtors</b> 	<p>Annual Report. Form 56-1</p> <p>Company Website, Facebook</p>	<p>All times</p> <p>All times</p>	<p>Provide clear, correct and complete information.</p>	<p>Provide correct and complete information.</p>
<b>10. Regulator</b> 	<p>Annual report. Form 56-1</p> <p>Company Website</p>	<p>All times</p> <p>All times</p>	<p>Strictly abide by the regulations/guidelines</p>	<p>Strictly abide by the regulations/guidelines</p>

## Materiality Identification

The Company considers the organization strategy and the impact on stakeholders. By connecting with internal and external stakeholders as follow

Materiality	Stakeholder									
	Internal		External							
	Director	Employee	Shareholder	Partner	Community	Customer	Creditor	Competition	Debtor	Regulator
Brand Awareness						●		●		
Changes in financial technology	●	●	●				●		●	
Security of customer information		●	●	●			●	●	●	●
Corporate Governance & Ethics	●	●	●						●	●
Effective use of resources		●	●		●					
Access to funding					●	●		●		
Risk Management	●	●					●			
Company performance		●	●					●		
Professional work		●				●				
Climate change		●			●					
Employee care		●			●					

## Prioritization of Material Aspect

The Company prioritized sustainability issues. By considering the issues that are in order of importance to the most.

		Materiality Matrix			
Low Importance/Impact to stakeholders High			● Corporate Governance and Ethics	● Brand Awareness ● Changing in financial technology ● Security of Customer Information	
	● Climate Change	● Caring and Development Employees	● Professional Worker	● Sustainable Growth ● Risk Management ● Access to Funding	
		Low	Importance/Impact on business (Economic/Environment/Social)		High

## How to achieve sustainable development goals

Lease IT Public Company Limited with the United Nation's sustainable development targets. The United Nations has established sustainable development goals. Which consists of 17 sustainable development goals as follows



The Company is aware of the need to participate in order to achieve the UN's development targets sustainably and, accordingly, operates the business in the manner that supports such targets as follows.

### 1. Brand Awareness



Due to the Company's brand is not widespread and well-cognized by the target customer groups as well as it should be, the Company has long term plan to conduct public relation activities to promote its brand of financial products via the following channels.

- Conduct public relation activities via traditional media i.e. printed media, magazines and leaflet.
- Conduct public relation activities via event marketing e.g. Money Expo, MAI Forum
- Conduct public relation activities via social media e.g. Facebook, Fanpage or Line@.

Long term goals for year 2019-2022: Achieve the number of 'Like' page of up to 10,000.

In 2019 : the Company had achieved 3,205 'Like'.

## 2. Corporate Governance & Ethics



### Regulatory Structure

The Company's board consists of 8 directors of which 5 have no management role (including 5 independent directors), 3 with management role and the chairman of the board is an independent director who is not involved in the Company management nor has any authority to encumber the Company. There is a clear cut division of job responsibility. The Board of Directors has an important role in supervising the organization so that it operates transparently and fairly under good corporate governance principles, pay attention to social responsibility and the environment. There are sub-committees as follows: Audit sub-committee; Nomination and Compensation sub-committee; Corporate Governance sub-committee; Risk management sub-committee. All sub-committees are responsible for supervising various aspects stated in each sub-committee's code of conducts. The managing director is responsible for managing the business in line with the policy and guidelines specified by the Company's Board of Directors which maximize the benefits of the institution and stakeholders.

The assessment of the board performance is specified under the Company's Corporate Governance policy that consists of self-assessment of the entire board of directors, self-assessment of sub-committees (entire committee). The Nomination and Compensation sub-committee shall consider compensation to propose to the Company's board for consideration before submitting to the annual shareholder meeting for final approval.

The Company's board ensured that all stakeholders equally receive the correct and complete information. The Company provided opportunity to minor shareholders to nominate director(s) and to propose meeting agenda in advance on 14 November 2019 to promote the exercising of minor shareholders' rights. The chairman of the board, chairman of Audit sub-committee and chairman of all sub-committees and all the Company's directors participated in the 2019 annual shareholder meeting. In this connection, the Company was awarded 100 points in the 2019 shareholder meeting quality assessment (AGM Checklist) by the Thai Investor Association (TIA). This reflected the Company's transparency in adopting good corporate governance practice and building trust for the shareholders and investors alike.

On the corporate governance survey, the Company received "Excellent" rating with respect to its sustainable short and long term targets.

From the survey on business governance of listed company for the year 2019 organized by Thailand Institute of Directors (IOD) with the support of the SET, the company received the rating "Excellent" on the corporate governance assessment (Excellent CG scoring)

**For the details on good corporate governance practice, please refer to "Corporate Government" for additional information.**

### 3. Risk Management



The Company is aware of the importance of business risk management by considering internal and external factors such as changing economic, social and environmental conditions. The Company has in place acceptable risk management system including protecting or alleviating potential impact. The Company adopted the international standards of risk management principles (Committee of Sponsoring Organizations of the Treadway Commission: COSO) under the supervision of the Risk Management Committee which consist of independent directors who ensure efficient risk management process to minimize adverse impact to the business and still be able to compete whilst fulfilling the stakeholders' expectation. The Company analyzes the risks in all aspects that could prevent achieving the organizational targets including specifying approach to risk management as outlined in the annual report under the heading "Risk Factors".

The organization structure of Risk Management Committee consists of 5 independent directors tasked with the duty to specify risk management policy and propose to the Company's board of directors for their endorsement. Their other duties include outlining strategy and risk management plan that conforms to the company's business strategy, risk supervision and risk monitoring.

The risk management working team consists of a management representative from each department with the managing director acting as the leader to guide the teams to operate in line with the risk management policy to ensure efficiency and acceptable risk as stated in the risk management guidelines and to instill risk management as corporate culture, to come under the supervision of the Company's board of directors after being vetted by the Risk Management Committee.

### 4. Changes in financial technology and Security of customer information



Financial technology keeps changing forcing the Company to make adjustments to the organization for smooth operations. The Company has made improvements to the information technology system to be modern with greater working efficiency.

The Company had plans to develop the cyber security system to protect against cyber crime by conducting trainings for employees in the organization to avoid falling prey to such criminal acts.

### 5. Innovation



The Company was invited by the SET to participate in the project "Process Innovation Coaching 2019" conducted by advisors from Thailand Productivity Institute. Afterwards, the Company was able to reduce the time wasted on unnecessary work procedure in the approval process of activating factoring credit limit for new customers by 50-54% equivalent to cost savings of 2.12 million Baht annually.

The Company has developed a Credit Scoring Model to support credit approval. Which will be developed to be more effective in the next year.

## 6. Caring for employees and developing their capability



- **Respect of human rights and fair treatment of labor**

The Company gives its supports for respecting human rights both inside and outside the organization by incorporating in the operating guidelines business ethics on human rights and fair treatment of labor. The Company provides its support and abides by the labor laws including the concepts of basic human rights according to international standards without discrimination as to race, gender, skin color, religion, language, political belief or any other beliefs, physical deformation or other situations that is not related to the ability to perform work. Note that there has been no incident pertaining to infringement of human rights at the Company.

- **Compensation and welfare policy that is fair and appropriate**

The Company specified the compensation structure and welfare policy for employees fairly and appropriately by considering other similar business along with the changing economic conditions covering both monetary and non-monetary aspects. The compensation system is based on job responsibility, knowledge and ability, skill set and experience including performance assessment of each employee via key performance index system (KPIs system) which conforms to annual performance target. Meanwhile, the performance bonus is paid in line with each individual employee performance as well as that of the company.

The Company also provides other benefits such as Provident Fund, health insurance, annual health check-up, emergency loans, vaccination to prevent contracting influenza, (EJIB), arranging monthly snack/drinks etc.

- **Communication of the Company's policy to employees**

The Company scheduled announcement of its policy, targets and direction once a year with the objective to have employee participation on performing their duties in line with the objectives. The Company gives opportunity to employees to voice their opinions or make suggestions as part of the driving force to achieve organizational goals. Each employee must realize, abide by and comply with, in every aspects of the entire organization, the following matters i.e. business supervision policy, business ethics, the use of internal information/observe the trading time of securities, procedure on prevention of corruption, channels to report complaints etc.

- **Employee development**

Employees are important human resource and play significant role in the sustainable success of the organization. In driving the organization towards the vision and attain the business objective, it is necessary to have resource that is worthy in terms of knowledge, skillset including the ability to efficiently and effectively perform. The Company develops its human resource under 2 formats i.e. coaching & knowledge sharing and project assignment to enable employees to use the knowledge and adapt/apply to their job which shall strengthen the organization and support its sustainable growth.

In 2019, the Company arranged 26 training courses (internal and external) to develop employees or averaging about 14.5 hours/person/year.

The Company has the goal for an employee who passed the probationary period to receive training of at least 1 course. Outcome: there were 57 employees who passed their probation period all of whom had received the training or 95% of target achievement.

## Training Summary for year 2019

External Training 13 courses		Internal Training 15 courses	
Average hour/ person/year	Executive : 21.78 hours	Average hour/ person/year	Executive : 1.33 hours
	Manager : 23.44 hours		Manager : 11.67 hours
	Employee : 0.38 hours		Employee : 5.42 hours

- **Employee engagement**

The Company gives freedom to employees in providing suggestions to improve working conditions via their supervisors. The Company also provides channels for the employee to propose, lodge complaint via suggestion box, email or the Company's website. In 2019, the Company had enquired about the employee loyalty towards the Company measured by employee's satisfaction. The Company shall use the result of the survey and suggestions received from employees to analyze for use as guidance to improve & develop the management of human resource going forward.

- **Employee engagement survey results**

Year	% actual	Target
2018	69%	80% up
2019	72%	

- **Create safe working conditions for employee.**



The Company specified safety policy and disseminate at its website i.e. [www.leaseit.co.th](http://www.leaseit.co.th). In 2018 and 2019, there was no work-related severe accident or serious disease/illness. In 2019, the Company implemented additional safety measures and enhanced healthy working conditions as follows.

Serious illness and accident at work 2018	Serious illness and accident at work 2019
0%	0%

Year 2019, the Company has implemented to increase safety and promote good health at work as follows

1. Inspect various equipment to ensure safe conditions for use.
2. Communicate knowledge on fire evacuation in the building.
3. Provide optical filter for computer screen.
4. Provide annual health check-up.
5. Arrange for vaccination against contracting influenza.
6. Provide PM2.5 masks

## 7. Knowledge Sharing



The managing director shared his knowledge and experience as a credit service provider for SMEs in CEO Forum under the topic of How to Turn Risk into Opportunities in the Disruptive Era.



“This card for youngsters” The company played a role in bringing smile and happiness to youngsters by organizing drawing competition under the project “This card for youngsters” 17<sup>th</sup> edition under the title “Dream Land” organized by the Strengthen Thai Foundation to give opportunity to the underprivileged children from various schools which participated in the project to showcase their drawing ability, painting ability and use the results to make New Year greeting cards involving 72 volunteer hours.



## Community and Social

- The Board of Directors, management, staffs, group companies and charitable-minded persons jointly donated monies and articles to Dhammarak Foundation (Wat Pra Bart Nam Phu) totaling 31,513 Baht, 94 sacks of rice (4,700 kg) with the objective to make merits and build consciousness for everyone in sharing with the underprivileged children.



- The Company sponsored lunch and donated sport equipment to students at Baan Known Soong School, Ubonratchathani Province.

- Cultivated artificial coral reef at Kham Island, Sattahip Sub-District, Chonburi Province.



- The Company donated food and other necessities for dogs and cats to the Handicapped Animal Welfare Foundation under the patronage of Luang Ta Mahabua Yanasampanno.

## 8. Environmental Activities

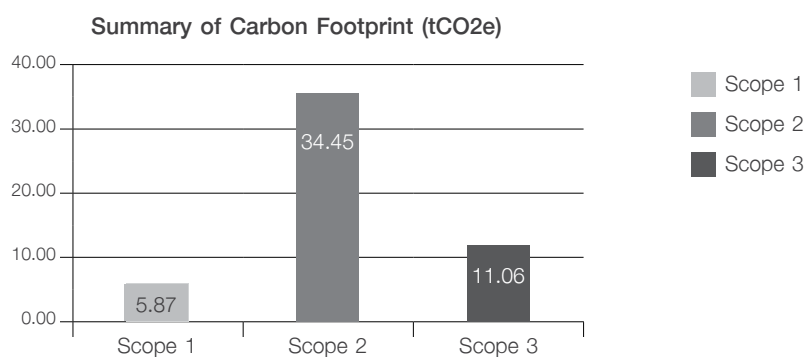


The Company realizes the importance of natural resources which is being depleted with time. The global weather condition is in the state of crisis. Every party concerned must jointly cooperate to alleviate the potential negative impact through various activities.

- The Company announced its intention to join the project “Talad Toon Thammapi Barn” on the occasion of the King’s royal coronation rite to practice ‘Sufficiency Economy’ philosophy by managing the business with responsibility, always conscious of social and the environment benefit that will lead to sustainable benefit to the Company, concerned parties, the society and population at large. This is also in line with the global community’s Sustainable Development Goal. The Company’s stated mission is the reduction of greenhouse gas by separating wastage exclusively for recycling under the following goals.

In 2019, the goal is to reduce greenhouse gas by 1-5% and within 2022 the goal is reduction by 5-20%. The outcome of the exercise is as follows.

The Company calculated the volume of carbon footprint using carbon footprint program for office/hotels and others developed by Thailand Greenhouse Gas Management Organization (Public Organization (TGO)). In 2019, the organization released greenhouse gas at the volume of 51.38 tons carbon dioxide (tCO<sub>2</sub>e). In the last quarter of 2019 the Company started activities involving the reduction of greenhouse gas by separating wastage for recycling and was able to reduce greenhouse gas release of 83 kilogram carbon or up to 0.14% of released greenhouse gas.



Year 2019	Greenhouse Gas Quantity	% reduce
Greenhouse Gas Emission	51.38 tCO <sub>2</sub> e	
Reducing Greenhouse Gas Emission	83 kgCO <sub>2</sub> e	0.14%

- Reduction of resource usage

### 2.1 Reduction of paper

2.1.1 The Company organized the Printer Management project with the objective to reduce paper wastage. The outcome revealed reduction of paper wastage by 8.64% compared to the prior year (2018).

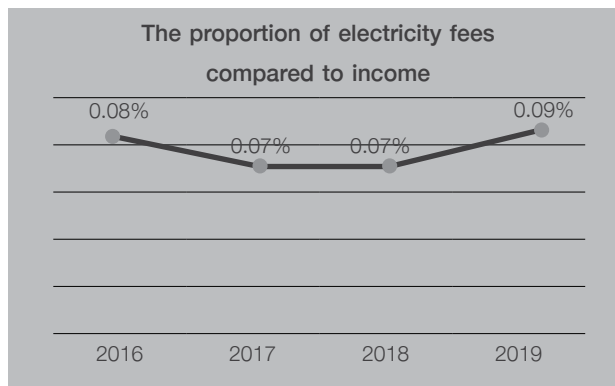
2.1.2 The usage of paper during meetings in 2019 was reduced by 7,200 pages equivalent to the cultivation of eucalyptus for the size 3-5 year totaling 1.2 tons, saving 1,200 Baht worth of paper cost.

## Economic Results in 2019

In 2019, the Company granted loans to a customer which operates solar energy business totaling 24.9 million Baht.

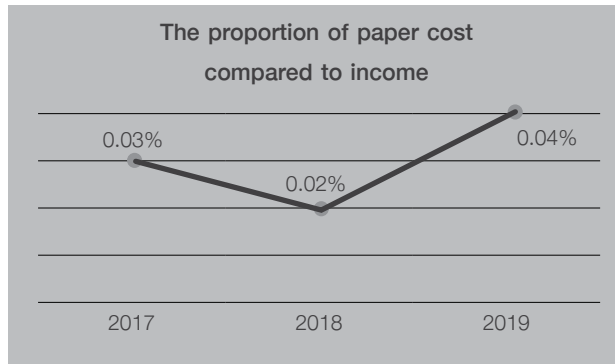
Given that the Company is involved in the financing business, it was able to assist promoters to alternatively have access to funds other than via commercial bank loans in order to tackle the issue of informal debt faced by SMEs. The total loans granted in 2019 were 10,220 million Baht. In the context of informal loans in the system, the Company assisted SMEs to shave off borrowing cost of between 1.5%-3.0% by extending loans in the total amount of between 153-306 million Baht.

## Environment Results in 2019



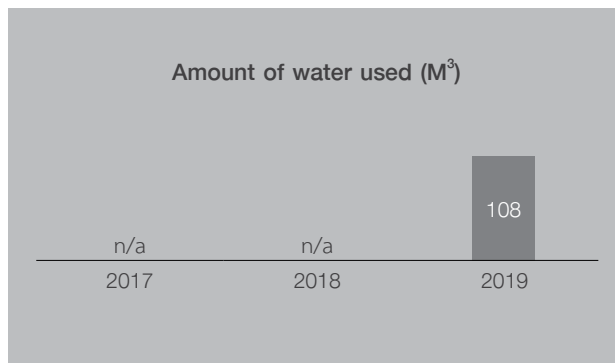
### Electricity usage

In 2019, the Company moved its office to a new location with larger area the electricity usage thus rose from 2018. On average, the expense per person/year was 4,888 Baht and 4,189 Baht in 2019 and 2018 respectively. The ratio of electricity costs to income in 2019 of 0.09% was higher than 2018's 0.07%.



### Paper usage

In 2019, the ratio of paper usage to income was 0.02%, higher than 2018's 0.04%. Although this year will not achieve the goal of reducing resources use. But the Company is committed to reducing the use of resources



### Water usage

In 2019, the first year that the Company was able to collect tap water usage data. In which the amount of water used is 108 cu.m. Which the Company will use as the base year for calculation in the next year.

The Company, as a Non-Bank business that operates as a lending institution, realizes the issue of environment, pollution caused by human behavior, stands ready to act in its role as a financier to support alternative energy promoters which operate environmental friendly projects to safeguard the environment and reduce greenhouse gas release.

## Social Results in 2019

### Personnel Information

Employee	2019 (Number of employee)	%	Number of employees by ages			
			20 – 30 yrs	30-40 yrs	40-50 yrs	50 yrs up
All employees (include management)	79	100.00	25	31	16	7
Male	31	39.24	12	12	4	3
Female	48	60.76	13	19	12	4
Executive	9	100.00	-	1	2	6
Male	3	33.33	-	-	0	3
Female	6	66.67	-	1	2	3
Assist. Manager - Senior Manager	18	100.00	-	9	8	1
Male	7	38.89	-	4	3	-
Female	11	61.11	-	5	5	1
Staff - Senior Supervisor	52	100.00	25	21	6	-
Male	21	40.38	12	8	1	-
Female	31	59.62	13	13	5	-
Contract	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

Staff in-out	2019		2018	
New employee	26	persons	27	persons
Resignation staff	16	persons	23	persons
Number of employees at the end of the year	79	persons	71	persons
Resignation rate	20.25	%	32.39	%
Absent Rate	0.65	%		

Maternity leave	2019
Number of employees on maternity leave	3 persons
Number of employees returning to work after maternity leave	3 persons

## GRI STANDARDS

GRI STANDARD	DISCLOSURE	PAGE NUMBER (s)	OMISSION	EXTERNAL VERIFICATION	RELATION TO SDGs
		Annual Report			
GRI 101 : Foundation 2016	Reporting principles				
	Making claims related to the use of the GRI Standards				
<b>General Disclosures</b> GRI 102 : General disclosures 2016	<b>Organizational profile</b>				
	102-1 Name of the organization	176			
	102-2 Activities, brands, products, and services	17			
	102-3 Location of headquarters	176			
	102-4 Location of operations	176			
	102-7 Scale of the organization	9			
	102-8 Information on employees and other workers	82			
	102-9 Supply chain	69			
	102-10 Significant changes to the organization and its supply chain	13-16			
	102-11 Precautionary principle or approach	39-49			
	102-12 External Initiatives				
	<b>Strategy</b>				
	102-14 Statement from senior decision-maker	8			
	<b>Ethics and integrity</b>				
	102-16 Values, principles, standards, and norm of behavior	39-49			
	102-18 Governance Structure	50-55			
	102-19 Delegating authority	35			
	102-20 Executive-level responsibility for economic, environmental and social topics	33			
	102-32 Highest governance body's role in sustainability reporting				
	<b>Stakeholder engagement</b>				
102-40 List of stakeholder groups	70-71				
102-42 Identifying and selecting stakeholders	70-71				
102-43 Approach to stakeholder engagement	70-71				
102-44 Key topics and concerns raised	72				
102-46 Defining report content and topic boundaries					
102-47 List of material topics	72				
102-55 GRI content index					

GRI STANDARD	DISCLOSURE	PAGE NUMBER (s)	OMISSION	EXTERNAL VERIFICATION	RELATION TO SDGs
		Annual Report			
<b>Anti-corruption</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	72			
	103-2 The management approach and its components	63			
	103-3 Evaluation of the management approach	63			
<b>Energy</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	72			
	103-2 The management approach and its components	66-67			
	103-3 Evaluation of the management approach	66-67			
<b>Water</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	72			
	103-2 The management approach and its components	66-67			
	103-3 Evaluation of the management approach	81			
<b>Emissions</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	72			
	103-2 The management approach and its components	80			
	103-3 Evaluation of the management approach	80			
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	80			
	305-2 Energy indirect (Scope 2) GHG emissions	80			
	305-3 Other indirect (Scope 3) GHG emissions	80			
	305-4 GHG emission intensity	80			
<b>Employment</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	72			
	103-2 The management approach and its components	76-77			
	103-3 Evaluation of the management approach	76-77			
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	82			
<b>Training and Education</b> GRI 103 : Management Approach 2016	103-1 Explanation of the material topic and its boundaries	72			
	103-2 The management approach and its components	76-77			
	103-3 Evaluation of the management approach	76-77			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	77			

In the board meeting No.2/2020 held 25<sup>th</sup> February 2020, 5 audit committees member, who are the risk Management committee, attended the meeting. They evaluated the adequacy of the internal control system of the Company through making inquiries from executives. As a result of that, they concluded that the evaluation of the internal control system of the Company includes 5 parts as follows :

## 1. Organizational Control and Environmental Measures

The Company aims to set target of doing business and sets budget for evaluate its performance. The budget would under the approval of the Board of directors. Furthermore, the Company set the appropriate and reasonable business target in line with economic situation. The executive responsible for each function is regularly reviewed by the Company. The Company structure is suitable for nature of work and responsibility. The Company set the supervision line clearly in order that every unit can proceed effectively. The Company sets the policy and authorities or proceeds the important issues in writing according to level of authorization and creates workflow of each unit under the audit process of internal control unit regularly. Moreover, the Company has fair operation policy and plan with customers to protect customers' benefit and keep customers' royalty in long term.

## 2. Risk Management Measure

The Company analyzes the cause of risk factors in order to reduce risk that can occur and follow up the cause of the risk factors and find the way to prevent the risks. The employees know their roles, duties and risks together with the measurement to control that risks they are responsible to. The measurement is informed in working procedure, training and company's policy.

## 3. Management Control Activities

The company set the level of approval authority clearly, work flow manual, detail of employees in each unit and job description clearly. As the related transaction policy, the Company proceed according to the principles approved by Board of Directors and approved by Audit committee. The stakeholders cannot vote for that kind of issue. The board of directors must aware of benefit of the Company to the utmost and consider as if the transaction was made by external party.

## 4. Information and Communication Measure

The Company provides information systems, quality and adequate decisions, both of financial data and other information. The Company's accounting policies as standard that is acknowledged in the auditor's report.

To the efficiency of Information Technology System, the Company controlled to access the Information Technology systems, data, recall and the infringement of license and protection of the intellectual property of the Company and our customer.

The Company had a policy to evaluate and reported to Board of Directors every quarter.

## 5. Monitoring

The Company follows up the meeting results every three month in order to report the result to Board of Directors with reasons and recommendation for improvement. Meantime, the executives also hold the meeting weekly to evaluate the situations in order to set the problem-solving guideline in time.

The majority of the members of Board of Directors were agreed upon developing an internal system which controls transactions with major shareholders, directors, executives or related persons sufficiently, adequately and appropriately.

### **Observations of Internal Audit on Internal Controls of the Company**

Internal Audit department has been monitoring the management system core areas by providing feedback to the Company. In practice, the internal audit department leads to improve the quality of internal audits continuously by increasing the checks and balances (Check and Balance) on every control system. The internal audit department conducted a follow-up check-in on systems of 2019. The results of such investigation of internal audit on internal controls could provide good detections and recommendations for the Company to revise various issues successfully.

### **Observations of Auditor on Internal Controls of the Company**

The EY Office Limited, the auditor of the Company as for the year ending 31 December 2019, examined the effectiveness of internal control system in order to set the appropriate scope of audit work. The results is that the Company operation is in accordance with accounting standards.





## Opinions of the Audit Committee

The Company's Audit Committee has considered information concerning the related transactions and has the opinion that such related transactions were reasonable and were transactions which occurred as per market prices or fair prices and there were no differences from selling and purchasing from other third parties.

- **Necessities and reasonableness of related transactions**

Operations concerning the related transactions were necessary and reasonable for the maximum benefits of the Company and were as per normal business

- **Procedures on approval of related transaction**

For procedures on approval of related transaction in the future, the Company shall comply with the laws on securities and securities exchange including regulations, announcements, orders or requirements of the Stock Exchange of Thailand. Any transactions which the director or other person may have conflict of interest with the Company has been stipulated in the connected transactions and acquisition and disposal of assets of the Company, except when it is an approval of transaction in the nature course of the business of the Company. In addition, the Company has specified approval authorization rights clearly.

- **Trends of related transactions in the future**

The Company expected that such related transactions shall continue to occur in the future because the related transactions of the Company and the person who may have conflict of interest shall be as per normal business practices of the Company. In addition, the Company has appointed the Audit Committee to Audit and consider the disclosure of information of related transactions which may have conflict of interest so they shall be correctly and completely be in accordance to the law on securities and securities exchange including regulations, announcements, orders or requirements of the Stock Exchange of Thailand as well as compliance with the regulations related to disclosure of information on connected transactions and acquisition or disposal of assets and in accordance with the generally accepted accounting standards specified by the Federation of Accounting Professions.

- **Policy on Conflict of Interest**

The Company has established measures to prevent conflict of interest that may arise from related transactions of the Company and persons who may have conflict of interest. The Executives and Stakeholders are not allowed to take part in the approval of those transactions. The Company's Board of Directors must ensure that the Company has complied with the Securities and Exchange Act, and regulations, notifications regarding the disclosure of related transactions, the acquisition or disposition of significant assets of the Company, and the accounting standards prescribed by the Federation of Accounting Professions.

In addition, the Company will provide the audit committee or auditors or independent specialist as the case may be, to review and give opinion on the suitability of prices and justification of transactions, and will disclose related transactions in the notes to the financial statements which revealed in Annual Registration Statements (Form 56-1) and Annual Report (Form 56-2) that have been verified or reviewed by the Company's Auditors.

## Financial Statements

### The Audit Report

**(a) Fiscal year 2013** audited by Ms. Siriwan Surataepin, CPA No. 4604 of Ernst & Young Company.

The auditor audited the financial statements of the Company. The financial statements was reported that as of December 31, 2016 the operations and cash flows for the year-end were correct and complete according to the matter of financial statement standards. The explanatory paragraph described about the adoption of accounting report issue number 12, "Income Taxes" for practical, the Company edited financial statements in December 31, 2012 and showed the comparative data to reflect changes in accounting policy. In addition, the Company presented statement of financial position as at January 1, 2012 for a comparison using such accounting policies as well.

**(b) Fiscal year 2014** audited by Ms. Siriwan Surataepin, CPA No. 4604 of EY Office Limited.

The auditor audited the financial statements of the Company. The financial statements was reported that as of December 31, 2014 the financial performance and cash flows for the year-end were correct and complete according to the matter of financial statement standards.

**(c) Fiscal year 2015** audited by Ms. Somjai Khunapasut, CPA No. 4499 of EY Office Limited.

The auditor audited the financial statements of the Company. The financial statements was reported that as of December 31, 2015 the financial performance and cash flows for the year-end were correct and complete according to the matter of financial statement standards.

**(d) Fiscal year 2016** audited by Ms. Somjai Khunapasut, CPA No. 4499 of EY Office Limited.

The auditor audited the financial statements of the Company. The financial statements was reported that as of December 31, 2016 the financial performance and cash flows for the year-end were correct and complete according to the matter of financial statement standards.

**(e) Fiscal year 2017** audited by Ms. Somjai Khunapasut, CPA No. 4499 of EY Office Limited.

The auditor audited the financial statements of the Company. The financial statements was reported that as of December 31, 2017 the financial performance and cash flows for the year-end were correct and complete according to the matter of financial statement standards.

**(f) Fiscal year 2018** audited by Ms. Somjai Khunapasut, CPA No. 4499 of EY Office Limited.

The auditor audited the financial statements of the Company and its subsidiary. The financial statements was reported that as of December 31, 2018 the financial performance and cash flows for the year-end were correct and complete according to the matter of financial statement standards.

**(g) Fiscal year 2019** audited by Ms. Siriwan Suratapin, CPA No. 4604 of EY Office Limited.

The auditor audited the financial statements of the Company and its subsidiary. The financial statements was reported that as of December 31, 2019 the financial performance and cash flows for the year-end were correct and complete according to the matter of financial statement standards.

## Summary of Financial Information

Lease IT Public Company Limited

### Statements of Financial Position

(Unit : Million Baht)

	Consolidated financial statement				Separate financial statement					
	2019		2018		2019		2018		2017	
	MB	Percent	MB	Percent	MB	Percent	MB	Percent	MB	Percent
<b>Assets</b>										
<b>Current assets</b>										
Cash and cash equivalents	236.23	6.65	106.17	3.99	233.95	6.58	74.21	2.81	63.56	2.71
Current Investment	730.20	20.56	-	-	730.20	20.55	-	-	59.99	2.56
Trade and other receivables	35.04	0.99	8.06	0.30	35.51	1.00	13.00	0.49	14.67	0.63
Current portion of account receivables										
• Financial lease receivables	70.00	1.97	87.13	3.27	70.00	1.97	87.13	3.30	106.67	4.54
• Hire-purchase receivables	95.49	2.69	104.17	3.91	95.48	2.69	104.17	3.95	52.20	2.22
• Factoring receivables	940.34	26.48	991.73	37.24	940.34	26.46	991.73	37.56	840.49	35.82
• Project backup financial receivables	877.54	24.71	833.75	31.31	877.54	24.70	833.75	31.58	782.98	33.37
Refundable input tax	-	-	-	-	-	-	-	-	-	-
Property foreclosed	2.14	0.06	2.14	0.08	2.14	0.06	2.14	0.08	2.14	0.09
Other current assets	8.76	0.25	9.23	0.35	8.57	0.24	8.64	0.33	11.39	0.49
<b>Total current assets</b>	<b>2,995.74</b>	<b>84.37</b>	<b>2,142.38</b>	<b>80.45</b>	<b>2,993.73</b>	<b>84.25</b>	<b>2,114.77</b>	<b>80.10</b>	<b>1,934.09</b>	<b>82.43</b>
<b>Non-current assets</b>										
Restricted bank deposits	46.74	1.32	101.14	3.80	46.74	1.32	101.14	3.83	41.26	1.76
Project backup financial receivables - net	321.73	9.06	226.20	8.49	321.73	9.05	226.20	8.57	220.96	9.42
Factoring receivables – net of current portion	40.81	1.15	40.92	1.54	40.81	1.15	40.92	1.55	-	-
Financial lease receivables – net	43.80	1.23	35.48	1.33	43.80	1.23	35.48	1.34	83.98	3.58
Hire-purchase receivables – net	19.98	0.56	63.90	2.40	19.97	0.56	63.90	2.42	31.53	1.34
Investment in subsidiary	-	-	-	-	5.00	0.14	5.00	0.19	-	-
Equipment	26.20	0.74	13.00	0.49	25.76	0.72	12.88	0.49	9.34	0.40
Intangible assets	7.06	0.20	8.29	0.31	7.06	0.20	8.29	0.31	4.08	0.17
Deferred tax assets	48.69	1.37	31.79	1.19	48.65	1.37	31.75	1.20	21.05	0.90
<b>Total non-current assets</b>	<b>555.01</b>	<b>15.63</b>	<b>520.72</b>	<b>19.55</b>	<b>559.52</b>	<b>15.75</b>	<b>525.56</b>	<b>19.90</b>	<b>412.19</b>	<b>17.57</b>
<b>Total assets</b>	<b>3,550.75</b>	<b>100.00</b>	<b>2,663.10</b>	<b>100.00</b>	<b>3,553.25</b>	<b>100.00</b>	<b>2,640.33</b>	<b>100.00</b>	<b>2,346.28</b>	<b>100.00</b>
<b>Liabilities and shareholders' equity</b>										
<b>Current liabilities</b>										
Bank overdrafts and short-term loans from financial institutions	249.76	7.03	420.85	15.80	249.76	7.03	420.77	15.94	382.60	16.31
• Current portion of long-term loans	-	-	12.67	0.48	-	-	12.67	0.48	22.20	0.95
• Current portion of undue output tax	-	-	-	-	-	-	-	-	-	-
• Current Portion of debentures	847.97	23.88	149.94	5.63	847.97	23.86	149.94	5.68	149.95	6.39
Trade and other payables	0.80	0.02	1.10	0.04	0.90	0.03	1.59	0.06	0.53	0.02
Short-term loans from subsidiary	-	-	-	-	66.00	1.86	-	-	-	-
Current portion of liabilities under hire-purchase agreements	72.59	2.04	60.93	2.29	72.59	2.04	60.93	2.31	51.04	2.18
Current portion of liabilities under financial lease agreement	2.19	0.06	0.08	-	2.19	0.06	0.08	-	0.57	0.02
Income tax payable	15.03	0.42	23.50	0.88	10.09	0.28	19.97	0.76	23.10	0.98
Cash receipt awaiting for return to receivables	29.39	0.83	32.60	1.22	29.12	0.82	32.52	1.23	65.47	2.79
Other current liabilities	70.08	1.97	56.36	2.12	68.28	1.92	54.82	2.08	70.54	3.01
<b>Total current liabilities</b>	<b>1,287.81</b>	<b>36.27</b>	<b>758.03</b>	<b>28.46</b>	<b>1,346.90</b>	<b>37.91</b>	<b>753.29</b>	<b>28.53</b>	<b>765.99</b>	<b>32.65</b>

Lease IT Public Company Limited  
Statements of Financial Position (Continued)

(Unit : Million Baht)

	Consolidated financial statement				Separate financial statement					
	2019		2018		2019		2018		2017	
	MB	Percent	MB	Percent	MB	Percent	MB	Percent	MB	Percent
<b>Non-current liabilities</b>										
Long-term loans from banks – net of current portion	-	-	-	-	-	-	-	-	12.67	0.54
Cash receipt awaiting for return to receivables	11.62	0.33	64.77	2.43	11.62	0.33	64.77	2.45	-	-
Liabilities under hire-purchase agreements – net of current portion	5.30	0.15	38.68	1.45	5.31	0.15	38.68	1.46	13.95	0.59
Liabilities under finance lease agreement – net of current portion	2.90	0.08	-	-	2.90	0.08	-	-	0.10	-
Debentures – net of current portion	1,100.91	31.00	695.57	26.12	1,100.91	30.98	695.57	26.34	529.22	22.56
Provision for long-term employee benefits	9.65	0.27	6.30	0.24	9.34	0.26	6.12	0.23	5.60	0.24
<b>Total non-current liabilities</b>	<b>1,130.38</b>	<b>31.83</b>	<b>805.32</b>	<b>30.24</b>	<b>1,130.08</b>	<b>31.80</b>	<b>805.14</b>	<b>30.49</b>	<b>561.53</b>	<b>23.93</b>
<b>Total liabilities</b>	<b>2,418.19</b>	<b>68.10</b>	<b>1,563.35</b>	<b>58.71</b>	<b>2,476.98</b>	<b>69.71</b>	<b>1,558.43</b>	<b>59.02</b>	<b>1,327.52</b>	<b>56.58</b>
<b>Shareholders' equity</b>										
Share capital										
Registered	300.00	8.45	300.00	11.27	300.00	8.44	300.00	11.36	300.00	12.79
Issued and fully paid-up	221.45	6.24	220.72	8.29	221.45	6.23	220.72	8.36	220.08	9.38
Warrants	392.75	11.06	396.40	14.88	392.75	11.05	396.40	15.01	399.62	17.03
Share premium	82.32	2.32	76.48	2.87	82.32	2.32	76.48	2.90	71.33	3.04
Retained earnings										
Appropriated – statutory reserve	30.00	0.84	30.00	1.13	30.00	0.84	30.00	1.14	24.12	1.03
Unappropriated	406.04	11.44	376.15	14.12	349.75	9.84	358.30	13.57	303.61	12.94
Other elements of the shareholders	-	-	-	-	-	-	-	-	-	-
<b>Total shareholders' equity</b>	<b>1,132.56</b>	<b>31.90</b>	<b>1,099.75</b>	<b>41.29</b>	<b>1,076.27</b>	<b>30.29</b>	<b>1,081.90</b>	<b>40.98</b>	<b>1,018.76</b>	<b>43.42</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,550.75</b>	<b>100.00</b>	<b>2,663.10</b>	<b>100.00</b>	<b>3,553.25</b>	<b>100.00</b>	<b>2,640.33</b>	<b>100.00</b>	<b>2,346.28</b>	<b>100.00</b>

Statement of Comprehensive Income

(Unit : Million Baht)

	Consolidated financial statement				Separate financial statement					
	2019		2018		2019		2018		2017	
	MB	Percent	MB	Percent	MB	Percent	MB	Percent	MB	Percent
Interest income	290.93	63.72	257.23	57.79	290.93	75.50	257.23	62.17	265.57	63.39
Fee and service income	141.28	30.94	156.47	35.15	55.28	14.34	125.16	30.25	139.79	33.37
Other income	24.39	5.34	31.40	7.06	39.17	10.16	31.37	7.58	13.60	3.24
<b>Total revenues</b>	<b>456.60</b>	<b>100.00</b>	<b>445.10</b>	<b>100.00</b>	<b>385.38</b>	<b>100.00</b>	<b>413.76</b>	<b>100.00</b>	<b>418.96</b>	<b>100.00</b>
Selling expenses	40.28	8.82	29.24	6.57	23.04	5.98	21.91	5.30	38.48	9.18
Administrative expenses	90.44	19.81	84.18	18.91	88.21	22.89	82.18	19.86	78.59	18.76
Bad debts and doubtful accounts	110.52	24.21	70.50	15.84	110.52	28.68	70.50	17.04	58.47	13.96
<b>Total expenses</b>	<b>241.24</b>	<b>52.84</b>	<b>183.92</b>	<b>41.32</b>	<b>221.77</b>	<b>57.55</b>	<b>174.59</b>	<b>42.20</b>	<b>175.54</b>	<b>41.90</b>
<b>Profit before finance cost and Income tax expenses</b>	<b>215.36</b>	<b>47.16</b>	<b>261.18</b>	<b>58.68</b>	<b>163.61</b>	<b>42.45</b>	<b>239.17</b>	<b>57.80</b>	<b>243.42</b>	<b>58.10</b>
Finance cost	83.98	18.39	69.25	15.56	84.40	21.90	69.25	16.74	62.09	14.82
<b>Profit before income tax expenses</b>	<b>131.38</b>	<b>28.77</b>	<b>191.93</b>	<b>43.12</b>	<b>79.21</b>	<b>20.55</b>	<b>169.92</b>	<b>41.06</b>	<b>181.33</b>	<b>43.28</b>
Income tax expenses	28.28	6.19	43.08	9.68	14.62	3.79	38.92	9.41	35.84	8.55
<b>Profit for the year</b>	<b>103.10</b>	<b>22.58</b>	<b>148.85</b>	<b>33.44</b>	<b>64.59</b>	<b>16.76</b>	<b>131.00</b>	<b>31.65</b>	<b>145.49</b>	<b>34.73</b>

## Statement of Cash Flows

(Unit : Million Baht)

	Consolidated financial statement		Separate financial statement		
	2019	2018	2019	2018	2017
<b>Cash flows from operating activities</b>					
Profit before income tax expenses	131.38	191.92	79.21	169.92	181.33
<b>Adjustment to reconcile profit before tax to net cash provided by (paid from) operating activities:</b>					
Depreciation and amortization	7.64	4.69	7.54	4.69	3.05
Doubtful account on receivables	92.72	48.62	92.72	48.62	58.47
Write-off bad debts	23.30	21.88	23.30	21.88	-
Gain on revaluation of current investments	(0.20)	(0.01)	(0.20)	(0.01)	-
Provision for long-term employee benefits	2.88	0.71	2.83	0.67	0.52
Bad debt recoveries	(5.50)	-	(5.50)	-	-
Gain on sales of current investments	(0.12)	(0.79)	(0.12)	(0.79)	0.01
Loss (Gain) on sale of equipment	1.43	-	1.43	-	-
Finance cost	83.98	69.25	84.40	69.25	62.09
Amortisation of deferred interest income under financial lease and hire-purchase agreements	(30.32)	(27.56)	(30.32)	(27.56)	(38.73)
<b>Profit from operating activities before change in operating assets and liabilities</b>	<b>307.19</b>	<b>308.71</b>	<b>255.29</b>	<b>286.68</b>	<b>266.74</b>
<b>Operating assets (increase) decrease</b>					
Trade and other receivables	1.90	8.45	6.36	3.51	9.43
Factoring receivables	(0.09)	(196.44)	(0.09)	(196.44)	(12.82)
Financial lease and hire-purchase receivables	91.09	10.20	91.09	10.20	91.37
Loan receivables	(196.49)	(124.73)	(196.49)	(124.73)	(394.48)
Properties Foreclosed	-	-	-	-	-
Other current assets	0.47	3.87	0.07	4.46	(1.80)
<b>Operating liabilities increase (decrease)</b>					
Trade and other payables	(0.30)	0.57	(1.11)	0.91	(1.90)
Cash receipt awaiting for return to customers	(3.21)	(32.87)	(3.40)	(32.95)	-
Other current liabilities	11.24	(5.26)	11.00	(0.68)	36.90
Bid bonds deposit awaiting for return to customers	(53.14)	53.99	(53.14)	53.99	-
<b>Cash flows from (used in) operating activities</b>	<b>158.65</b>	<b>26.51</b>	<b>109.59</b>	<b>(1.16)</b>	<b>(6.56)</b>
Cash paid for interest expenses	(87.79)	(61.41)	(87.79)	(61.41)	(58.45)
Cash paid for income tax	(53.56)	(53.42)	(41.31)	(52.76)	(36.76)
<b>Net cash flows from (used in) operating activities</b>	<b>17.31</b>	<b>(88.32)</b>	<b>(19.51)</b>	<b>(115.33)</b>	<b>(101.77)</b>
<b>Cash flows from investing activities</b>					
Cash receipt/paid for purchase of trading securities	(759.88)	60.78	(759.88)	60.78	(60.00)
Decrease (Increase) in restricted bank deposits	54.41	(59.88)	54.41	(59.88)	(11.32)
Cash Paid for purchase of equipment and intangible assets	(18.04)	(12.57)	(17.62)	(12.44)	(2.68)
Proceeds from sales of equipment	6.24	0.01	6.24	0.01	0.01
Cash paid for investment in subsidiary	-	-	-	(5.00)	-
<b>Net cash flows used in investing activities</b>	<b>(717.27)</b>	<b>(11.66)</b>	<b>(716.85)</b>	<b>(16.53)</b>	<b>(73.99)</b>
<b>Cash flows from financing activities</b>					
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(171.08)	38.25	(171.01)	38.17	(461.24)
Cash receipt from issuance of warrants	-	-	-	-	400.00
Cash receipt form short-term loans from subsidiary	-	-	66	-	-
Cash receipt from exercise of warrants	2.92	2.57	2.92	2.57	0.31
Repayment of long term loans	(12.67)	(22.20)	(12.67)	(22.20)	(17.29)
Repayment of liabilities under financial lease agreements	(4.66)	(0.61)	(4.66)	(0.61)	-
Cash received / paid from issuance of debentures	1,113.60	162.33	1,113.60	162.33	178.46
Cash received / paid under hire-purchase agreements	(25.25)	32.67	(25.25)	32.67	62.60
Dividend paid	(72.84)	(70.42)	(72.84)	(70.42)	(2.23)
<b>Net cash flows from financing activities</b>	<b>830.03</b>	<b>142.59</b>	<b>896.10</b>	<b>142.51</b>	<b>160.60</b>
<b>Net decrease in cash and cash equivalents</b>	<b>130.06</b>	<b>42.61</b>	<b>159.74</b>	<b>10.65</b>	<b>(15.16)</b>
Cash and cash equivalents at beginning of the year	106.17	63.56	74.21	63.56	78.72
<b>Cash and cash equivalents at end of the year</b>	<b>236.23</b>	<b>106.17</b>	<b>233.95</b>	<b>74.21</b>	<b>63.56</b>

## Summary of Key Financial Ratios

(Unit : Million Baht)

Financial Ratio	Consolidated financial statement		Separate financial statement
	2019	2018	2017
Total assets	3,550.75	2,663.10	2,346.28
Total liabilities	2,418.19	1,563.35	1,327.52
Total shareholders' equity	1,132.56	1,099.75	1,018.76
Total revenues	456.60	445.10	418.96
Total expenses	241.25	183.93	175.54
Profit for the year	103.10	148.85	145.49
Net Profit Margin (%)	22.58	33.44	34.73
Return on Equity (%)	9.24	14.05	19.47
Return on Asset (%)	3.32	5.94	6.71
Current Ratio (x)	2.33	2.83	2.52
Debt to equity ratio (x)	2.14	1.42	1.30
Debt to equity ratio <sup>1/</sup> (x)	2.14	1.42	1.30
Interest-Bearing D/E Ratio <sup>2/</sup> (x)	2.01	1.25	1.14
Net debt to EBITDA ratio <sup>3/</sup> (x)	9.17	4.89	4.51
Interest coverage ratio : ICR <sup>4/</sup> (x)	1.81	0.43	-0.11
Debt service coverage ratio : DSCR <sup>5/</sup> (x)	-0.01	-0.03	-0.13
B/E,P/N size to interest bearing debt ratio (x)	0.04	0.12	0.21
Interest Bearing Debt matured in 1 year to total interest bearing Debt (x)	0.51	0.47	0.53
Loan from Financial Institution to Total Debt Ratio (x)	0.10	0.28	0.31

### Remark :

<sup>1/</sup> Debt to equity ratio calculated by the ratio of "liabilities" to "shareholders' equity" at the end of the accounting period. "**Liabilities**" means the total liabilities in the financial statements of the Company which has been audited by the auditor but excludes trade and other payables. "**Shareholders' equity**" means the shareholders' equity of the Company in the financial statements which has been audited by the auditor

<sup>2/</sup> Interest bearing debt to equity ratio calculated by (bank overdrafts and short-term loans from financial institutions + long-term loans + debentures + liabilities under financial lease and hire-purchase agreements) / shareholders' equity

<sup>3/</sup> Net debt to EBITDA ratio calculated by (interest-bearing liabilities - cash and cash equivalents) / Earnings Before Interest Income Tax Depreciation and Amortization (EBITDA)

<sup>4/</sup> Interest Coverage Ratio calculated by Cash flows from (used in) operating activities / Cash paid for interest expenses in the cash flows statement.

<sup>5/</sup> Debt Service Coverage ratio calculated by Net cash flows from operating activities / (Cash paid from investing activities + Repayment from financing activities + Dividend paid)

The Board of Directors' Meeting No.2/2020 of Lease IT Public Company Limited (Company) held on 25 February 2020 resolved to approve the cash dividend payment from the operating result of 2019 at the rate of 0.24 Baht per share, not over 53,147,869.44 Baht, represented by 51.56%.

## Overview of Operating Results

A business cycle includes a wide range of financial products line. As a result, the operating outcomes of the Company have been growing steadily. The total income of the Company has increased from 445.10 million Baht in year 2018 reached to 456.60 million Baht in year 2019, representing a growth rate of 2.58 percent.

### (A) Revenue

The Company's revenue and its subsidiary in 2019 consisted of interest income, fees and service income, and other sources of income, which accounted for 63.72 percent, 30.94 percent, and 5.34 percent, respectively. It can be seen that interest income will be the main income of the Company, which will be higher than other types of income, following the strategic plan of the year 2019 (the economic situation is not good for SMEs entrepreneurs), therefore, The Company focused on Project backup financing and Bid bonds by selecting customers with a good track record from factoring products. It's a high rate of return product that will make the higher income on a low risk base to the Company.

**Interest income** consists of revenue from finance leases, hire purchase, factoring and project backup financing services. By showing changing in interest income as well as product classification for the year-end on 31 December 2019 and 2018 as follows.

Total Interest income	Consolidate Financial Statements				Change	
	2019		2018		Thousand Baht	percent
	Thousand Baht	percent	Thousand Baht	percent		
● Financial Lease	13,606	4.68	17,310	6.73	(3,704)	(0.21)
● Hire purchase	16,715	5.74	10,251	3.98	6,464	63.06
● Factoring	117,305	40.32	95,583	37.16	21,722	22.73
● Project Backup Financing	143,304	49.26	134,089	52.13	9,215	6.87
<b>Total interest income</b>	<b>290,930</b>	<b>100.00</b>	<b>257,233</b>	<b>100.00</b>	<b>33,697</b>	<b>13.10</b>

As shown in the above table, in the year 2019 the ratio of interest income on long-term loans consisted of the financial leases 4.68 percent and hire purchase contracts with 5.74 percent of total interest income, which resulted in the interest income on long-term loans was 10.42 percent. While the interest income on short-term loans consisted of the factoring 40.32 percent and the project backup financing 49.26 percent, the total of interest income on short-term loans was 89.29 percent. In the year 2018, the ratios of interest income on long-term loans and short-term loans were 10.71 percent and 89.29 percent, respectively. It revealed that the Company could generate interest income under financial lease and hire-purchase contracts, which are long-term loans ending on 31 December 2019 for 30.32 million Baht that increased from the same period in 2018 in the amount of 2.76 million Baht or 10.01 percent growth. The interest income from the purchase of claims in the year 2019 increased by 22.73 percent, and interest income from loans increased by 6.87 percent from the previous year. In conclusion, the total interest income for the year 2019 compared to the year 2018 has grown by 13.10 percent.

**Fees and service income** consists of revenue from finance leases, hire purchase, factoring, and project backup and bid bond services. The table below shows the changes of the fee and service income for year 2018 and 2019.

Fees and service income	Consolidated Financial Statements				Change	
	2019		2018		Thousand Baht	percent
	Thousand Baht	percent	Thousand Baht	percent		
• Financial Lease	233	0.16	2,475	1.58	(2,242)	(90.59)
• Hire purchase	56	0.04	80	0.05	(24)	(30.00)
• Factoring	41,255	29.20	40,387	25.81	868	2.15
• Project Backup Financing	84,950	60.13	91,444	58.44	(6,494)	(7.10)
• Bid Bond	13,517	9.57	20,705	13.23	(7,188)	(34.72)
• Letter of Credit	1,251	0.88	1,356	0.87	(105)	(7.74)
• Others	22	0.02	22	0.02	-	-
<b>Total fees and service income</b>	<b>141,284</b>	<b>100.00</b>	<b>156,469</b>	<b>100.00</b>	<b>(15,185)</b>	<b>(9.70)</b>

From the table above, in the year 2019 the proportion of fee and service income from long-term loans consisted of the financial leases 0.16 percent and the hire purchase 0.04 percent. The proportion of the fee and service income of short-term loans consisted of the factoring service, project backup financing, bid bond, letter of credit and other are 29.20, 60.13, 9.57, 0.88 and 0.02 percent, respectively. The proportion of fee income mainly get from providing short-term credit to 99.80 percent.

Fee and service income from short-term loans, as the factoring was increased by 2.15 percent compared with the previous year. So that is a result of the Company's policy by not focus on opening new credit lines for customers during the economic crisis. While the Company specified the existing customers with good records then offered loans under the Project Backup Finance loan agreement. Therefore, the project backup financing decreased by 7.10 percent from the previous year.



**Other incomes**, mainly come from interest income, delayed payment, accounting for 73.37 percent and 84.99 percent as of 31 December 2019 and 2018 as follows.

Other incomes	Consolidated Financial Statements				Change	
	2019		2018			
	Thousand Baht	percent	Thousand Baht	percent	Thousand Baht	percent
● Interest income from late payment	17,896	73.37	26,685	84.99	(8,789)	(32.94)
● Others	6,494	26.63	4,713	15.01	1,781	37.79
<b>Total other incomes</b>	<b>24,390</b>	<b>100.00</b>	<b>31,398</b>	<b>100.00</b>	<b>(7,008)</b>	<b>(22.32)</b>

**(B) Expenses** consist of selling expenses, administrative expenses, and the financial cost for the year-end on 31 December 2019 and 2018 as follows.

Expenses	Consolidated Financial Statements				Change	
	2019		2018			
	Thousand Baht	percent	Thousand Baht	percent	Thousand Baht	percent
● Selling expenses	40,282	12.39	29,245	11.55	11,037	37.74
● Administrative expenses	90,442	27.81	84,177	33.25	6,265	7.44
● Financial cost	83,978	25.82	69,251	27.35	14,727	21.26
● Bad debts and doubtful accounts	110,522	33.98	70,504	27.85	40,018	56.76
<b>Total costs and expenses</b>	<b>325,224</b>	<b>100.00</b>	<b>253,177</b>	<b>100.00</b>	<b>72,047</b>	<b>28.46</b>

### **Selling and Administrative expenses**

In 2019, The Company had the selling (include service expenses) and administrative expenses 130.72 million Baht, compared with the previous year which was 113.42 million Baht, increased by 17.30 million Baht or 15.26 percent. The increase in administrative expenses is because of office relocation in April 2019 and the service fees for the preparation of the Thai Financial Reporting Standards No.9 that will be enforced on January 1, 2020, and the provision for employee benefits under the Labor Protection Act No.7 B.E. 2019, which has set additional compensation rates for employees who have worked for more than 20 years, to receive compensation not less than the final wage of 400 days, which is valid from May 5, 2019, onwards.

### **Financial cost**

In 2019, The Company has finance cost 83.98 million Baht, increased by 21.26 percentage compared with last year. Regarding to the Company issued new debentures in the 4<sup>th</sup> Quarter of 2019 in the amount of 913.6 million Baht to support the debentures due in the first quarter of 2020, resulting in higher financial costs of the debentures

### Allowance for doubtful accounts

The table below shows more details about the allowance for doubtful accounts (for year 2019 and year 2018) for each financial product.

Classified by business type (Unit: Thousand Baht)	Consolidated Financial Statements	
	2019	2018
Brought forward	158,914	110,294
Add : Allowance for doubtful accounts	110,522	70,504
Add : Bad debts recovery	5,500	-
Less : Doubtful accounts	(23,300)	(21,884)
<b>Carry forward</b>	<b>251,636</b>	<b>158,914</b>

In year 2019, the Company has increased allowance for doubtful accounts by additional 92.72 million Baht, and the total is 251.64 million Baht. The increase of 58.35 percent from with the previous year could support the new accounting standard, which mitigate the impact of asset impairment assessments in accordance with Thai Financial Reporting Standards No.9. However, the Company believes that there will be no problems in debtor's payment because most debtors are in government sector, which is usually delayed payments as usual.

### **The results of operations separated by business segment.**

The following tables present revenue and profit information regarding the Company and its subsidiary's operating segments for the year ended 31 December 2019 and 2018.

(Unit : Thousand Baht)

	For the year ended 31 December 2019			
	Financial services in Various forms	Credit information service and analysis	Elimination of transaction	Consolidated financial statements
<b>Revenues</b>				
Revenues from customers				
● Interest income	290,930	-	-	290,930
● Fees and service income	55,284	86,000	-	141,284
Other income	24,169	640	(419)	24,390
<b>Total revenues</b>	<b>370,383</b>	<b>86,640</b>	<b>(419)</b>	<b>456,604</b>
Financial cost	(84,397)	-	419	(83,878)
Selling expenses	(23,037)	(17,245)	-	(40,282)
Administrative expenses	(88,211)	(2,231)	-	(90,442)
Bad debts and doubtful accounts	(110,522)	-	-	(110,522)
Income tax expenses	(14,623)	(13,660)	-	(28,282)
<b>Profit for the period</b>	<b>49,594</b>	<b>53,504</b>	<b>-</b>	<b>103,098</b>

(Unit : Thousand Baht)

	For the year ended 31 December 2018			
	Financial services in Various form	Credit information service and analysis	Elimination of transaction	Consolidated financial statements
<b>Revenues</b>				
Revenues from customers				
● Interest income	257,233	-	-	257,233
● Fees and service income	125,156	31,312	-	156,468
Other income	31,366	32	-	31,398
<b>Total revenues</b>	<b>413,755</b>	<b>31,344</b>	<b>-</b>	<b>445,099</b>
Financial cost	(69,251)	-	-	(69,251)
Selling expenses	(21,906)	(7,339)	-	(29,245)
Administrative expenses	(82,177)	(2,000)	-	(84,177)
Bad debts and doubtful accounts	(70,504)	-	-	(70,504)
Income tax expenses	(38,920)	(4,156)	-	(43,076)
<b>Profit for the period</b>	<b>130,997</b>	<b>17,849</b>	<b>-</b>	<b>148,846</b>

### (C) Net profit

As of 31 December 2019 and 2018, the Company had a net profit of 103.10 million Baht and 148.85 million Baht, respectively. It decreased by 30.74 percent as a result of the allowance for doubtful accounts per the policy on the provision of allowance for doubtful accounts and service fees for the preparation of the Thai Financial Reporting Standards No.9 that will enforce on 1 January, including higher financial costs in 2019.

## Financial status

### (A) Assets

At the end of the year 2018-2019, the Company's total assets increased from 2,663.10 million Baht to 3,550.75 million Baht. The Company's receivables from loans accounted for 89.80 percent, 67.99 percent of total assets, respectively, which caused by the company issued new debentures in the 4<sup>th</sup> Quarter of 2019 for 913.6 million Baht to support the debentures due in the first quarter of 2020, resulting in higher cash and cash equivalents and temporary investments.

Current assets of the years 2018-2019 were 2,142.38 million Baht and 2,995.74 million Baht, respectively. Current assets included receivables based on current portion of leasing and hire purchase receivables, current portion of factoring receivables, and current portion of loan receivables (project backup financing) which accounted for 76.03 percent and 56.84 percent of total assets, respectively.

Non-current assets of the years 2018-2019 were 520.72 million Baht and 555.00 million Baht, respectively. Non-current assets included receivables based on leasing and hire purchase (net of current portion) and receivables based on factoring (net of current portion) accounted for 1.80, 1.15 and 9.06 percent of total assets in 2019, respectively.

### Quality of Assets

The Company has set guidelines to control the quality of the receivables. As mentioned earlier, accounts receivable is an asset which is the major proportion of the Company in regard to the amount of loans. There is the policy for issuing various types of credit to the debtors of the Company in order to achieve high quality debtors. In addition, there is no significant concentration because of diversification of customers and number of customers.

Debtor	Consolidated Financial statements		Change	
	2019 Thousand Baht	2018 Thousand Baht	increase/ (decrease)	% change
Financial lease	115,176	122,892	(7,716)	(6.28)
Hire purchase	129,671	183,115	(53,444)	(29.19)
Factoring	1,079,657	1,088,769	(9,112)	(0.84)
Loan	1,335,660	1,147,073	188,587	16.44
Accounts receivable	4,646	5,882	(1,236)	(21.01)
Other	31,547	2,515	29,032	1,154.35
<b>Total</b>	<b>2,696,357</b>	<b>2,550,246</b>	<b>146,111</b>	<b>5.73</b>

**Remark :** Receivables from the table above show the amount before deducting allowance for doubtful accounts.

The receivables from factoring on 31 December 2019 and 2018 amounted to 1,079.66 million Baht and 1,088.77 million Baht, respectively, which decreased at 0.84 percent, which caused by the distribution of credit portfolios in each industry as well as credit portfolio allocation in each product of the Company for effective risk management. The process as mentioned earlier initially affected the amount of credit granting. However, that action could bring the achievement company's strategic plan.

The Account receivables under the loan agreements as of 31 December 2019 and 2018, amounted to 1,335.66 million Baht and 1,147.07 million Baht, respectively. The expansion of debtors under the loan agreement is caused by assisting the existing customers who have used low-risk credit products to apply the service in more high-risk credit products, which will increase the revenue for the Company.

Trade in supplier services (within the years 2018-2019) amounted to 5.88 million Baht and 4.65 million Baht, having a reduce of 21.01 percent. This is because the Company has switched to alternative products. (Project backup financing)

**(B) Liquidity**

	Consolidated Financial statements		
	2019 Million Baht	2018 Million Baht	Increase/ (Decrease)
Cash flows from (used in) operating activities	17.31	(88.32)	105.63
Cash flows from (used in) investing activities	(717.27)	(11.66)	(705.61)
Cash flows from (used in) financing activities	830.02	142.59	687.44
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>130.06</b>	<b>42.61</b>	<b>87.46</b>

As of 31 December 2019, the Company's cash flows from operating activities amounted to 17.31 million Baht, which derived from the operating profit before changes in operating assets and liabilities. The cash flow used in investing activities amounted to 717.27 million Baht. While, the cash received from financing activities amounted to 830.03 million Baht due to the issuance of debentures and investing in temporary trading investments while the expecting for the repayment of the debentures as per the due payment in 2020.

**(C) Source of funds**

As of 31 December 2019 and 2018, the Company had details list of financial liabilities shareholder's equity and the ratio of financial obligations to shareholder's equity (only from financial institutions) as follows:

Item	Consolidated Financial statements		Change	
	2019	2018	Increase/ (Decrease)	% Change
<b>Financial liabilities</b>				
Bank overdrafts and short-term loans from financial institutions	249.76	420.85	(171)	(40.65)
Long-term loans	-	12.67	(13)	(100.00)
Debenture	1,948.88	845.51	1,103	130.50
Liabilities under hire-purchase and financial lease agreements	82.99	99.69	(17)	(16.75)
Total liabilities	2,281.62	1,378.72	903	65.49
Total shareholders' equity	1,132.56	1,099.75	33	2.98
Net cash flows	3,414.18	2,478.47	936	37.75
Debt to Equity Ratio (times)	2.01	1.25		

There are two types of company funding source which are

1. Short-term loans from financial institutions and bill of exchange (B.E)
2. Long-term loans from debentures and long-term loans from financial institutions (Banks) and non-bank lenders

The Company has held the principles of capital management following the debtor structure of the Company by using short-term loan sources to provide short-term loans to customers. The short-term loans consist of factoring, bid bond, project back up financing, and trade finance. The Company will be able to adjust the interest rate or fee according to the changing financial costs as well as apply long-term investments for leasing and hire purchase loans, in which the fixed interest rates would be charged to customers. However, the differences between the financial costs of the Company and the interest rate charged to customers would be computed to meet the risk of possible interest rate fluctuations and use long-term loans for short-term loans that customers regularly apply for the credit.

### **1. Liability**

As of 31 December 2019 and 2018, the Company had total liabilities of 2,418.19 million Baht and 1,563.35 million Baht, respectively. The Company's liabilities included bank overdrafts and short-term loans from banks. The increase in total liabilities was result of the expansion of credit to the Company.

As of 31 December 2019 and 2018, the Company's ratio of loans per loans was 2.01 times and 1.25 times, respectively, This shows that all loans received will be used to lend all loans.

### **2. Shareholders' equity**

Due to the Company offers various types of credit and meet the financial needs of clients in the business which enabled the Company to provide a more comprehensive market coverage and product/service diversification. As a result, the Company's revenues and profits were increased every year, resulting in higher retained earnings to the Company in the shareholders' equity on 31 December 2018 and 2019 with a total of 1,099.75 and 1,132.56 million Baht, respectively.

In terms of returns to shareholders, during the years 2018-2019, the Company make a profit for its shareholders at the rate of 14.05 percent and 9.24 percent respectively.

### **3. Appropriate capital structure**

As of 31 December 2019 and 2018, the Company's debt to equity ratio was equal to 2.14 times and 1.42 times, respectively. It is seen that the Company has debt ratio of debt to equity shareholders increased due to the growth of business, the Company requires more funding to make the return to the Company.

## Factors Affecting the Future Operating Results

Adequate and diverse funding sources will be the key to driving the business. The Company has raised funds through various forms such as equity, borrowing money from various financial institutions, Billing of exchange (B.E) and bonds. The Company has focused on effective financial management in quality and quantity to diversify for reducing risks from external factors that may affect the source of funds. Moreover, there will be managed the risk of interest rate fluctuations and better capital management.

According to the current situation of the bond market, the Company issued new debentures in December 2019 to support the debentures due in the first quarter of 2020 and bill of exchange. Therefore, at the end of 2019, the Company had a high amount of debt. The majority debt was the debentures at 1,949 million Baht. However, the debentures will reduce in January-February 2020 by 615 million Baht, and the whole bill of exchange will be paid in January 2020.

The Company has been granted credit rating at BBB-, which is the investment-grade from TRIS Rating Co., Ltd., which approved on November 12, 2019, which will result in the Company increasing the ability to find alternative source of fund to support business expansion during the year 2020 – 2021. Additionally, the BBB- rating allows the investors' confidence in debt securities and financial institutions to reduce financial costs significantly.

### Remuneration of Auditors

In the fiscal year 2018 ending on 31 December 2018, the Company paid the audit fee to the Company's Auditor, namely EY Office Limited, in total amount of 1,760,000 Baht and from the Annual General Meeting 2019, the resolution was to approve the auditor's remuneration for the year 2019 in the amount of 2,200,000 Baht which increased by 440,000 Baht, increased by 25% of the audit fees for 2018 due to the expansion of business. Further of that, there was a review and disclosure fee according to the new accounting standards (TFRS15 and TFRS9) in 2019. Apart from mentioned fee, the Company also has other expenses including travelling cost, overtime fee and document copying fee to be paid to the auditor, auditor's accounting firm and individual or business unit related to the auditor or auditor's accounting firm.

## Audit Committee's Annual Report for the Year 2019

### To All Shareholders

The Audit Committee of Lease IT Public Company Limited (Lease IT) currently consist of 5 independent directors who are seniors in various fields such as accounting, financing, economic, and law. The current Audit Committee are :

- |   |  |
|---|--|
| 1. Mr. Prakob Visitkitjakarn                | Chairman of the Audit Committee                  |
| 2. Mrs. Duanphorn Sucharittanuwat           | Chairman of the Board and Audit Committee Member |
| 3. Police General Jate Mongkolhutthi        | Audit Committee Member                           |
| 4. Mr. Suthud Khancharoensuk                | Audit Committee Member                           |
| 5. Associate Professor Dr.Sudu Suwannapirom | Audit Committee Member                           |
- Ms. Wichuda Kaewsaitien is the Secretary of the Audit Committee.

The Audit Committee oversees the financial statements and reports to be accurate and reliable.

Its role is to provide an appropriate and efficient internal control system including appointing auditor(s) for the Company as well as performing other duties and responsibilities as assigned by the Board of Directors, in accordance with the requirements of the Stock Exchange of Thailand.

In the year 2019 the Audit Committee has held 5 meetings. All the members of the Audit Committee's attended all meetings and where the agendas were related, meetings were also attended by the senior management, manager of the internal audit department, and external auditor. The responsibilities of Audit Committee can be summarized as follows:

1. The auditor from EY Company has the same opinion that (all) the reports and financial statements of the Company are accurate and in accordance with the financial reporting standards.
2. The Company has appropriate and sufficient internal control system.
3. In considering and reviewing the transaction or potential conflict of Interest of the Company, it was found that all are compatible with the rules of the Stock Exchange of Thailand. Thus, the transactions are reasonable and most beneficial to the Company.
4. Nominating and presenting remuneration of auditors, to the Board of Directors in shareholders' meetings, for approval.
5. Consideration of Risk Management of the Company, to prevent or reduce the risk at the acceptable level which can be evaluated, controlled and monitored.
6. Reviewing the practices of the Company with regard to the tasks defined in the system, and following the Securities and Exchange Commission's Act, requirements of the office of the Securities and Exchange Commission, and the Stock Exchange of Thailand as well as other laws related to the business operations of the Company.



(Mr. Prakob Visitkitjakarn)  
Chairman of the Audit Committee

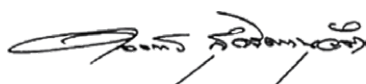


## Report of the Board Directors' responsibility in the preparation of the financial report for the year 2019

The Board of Directors has an awareness of the duties and responsibilities as a director of a listed company in the Stock Exchange of Thailand to the financial report for the fiscal year 2019 of Lease IT Public Company Limited. This report was prepared following financial reporting standards (TFRS), with accuracy, ultimately, and transparency accounting data to maintain the assets of the Company to prevent fraud and uncommon operations. Additionally, the preparation of the report had adhered to the appropriate and consistent accounting standard as well as considering the reasonability, prudence during the development of financial statements and financial information in the Company's annual report 2019.

In order to provide confidence in the financial report 2019 to stakeholders, the Board of Directors had appointed the audit committee, which consists of the independent directors who complies with the requirements of the Stock Exchange of Thailand for considering the accuracy report and operations. In this report has disclosed the relevant transaction information or transactions that may have conflicts of interest to declare the transparent, accurate, and complete. The report also reveals the adequacy, suitable, and sufficient risk management, internal control, internal audit, and supervision of the Company. Moreover, it is also having the completeness, adequacy and suitability of the process for monitoring the compliance with laws, rules, regulations, and related policies and regulations of the Stock Exchange of Thailand.

The Board of Directors agreed that the reviewed company's financial statements 2019 as the year-end on 31 December 2019 by the management and audit committee show that financial status, operating results, and cash flows are accurate, complete, reliable, reasonable, and complying with generally accepted accounting standards. Additionally, there is an appropriate and consistently accounting policies are implemented. The disclosure of information is transparently, sufficiently, and legally as per related regulations.



(Mrs. Duangphorn Sucharittanuwat)  
Chairman of the Board



(Mr. Sompon Aketerajit)  
Managing Director

**Independent Auditor's Report**

To the Shareholders of Lease IT Public Company Limited

**Opinion**

I have audited the accompanying consolidated financial statements of Lease IT Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Lease IT Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lease IT Public Company Limited and its subsidiary and of Lease IT Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**Basis for Opinion**

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

**Key Audit Matters**

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are describe below.

***Allowance for doubtful accounts for receivables***

As discussed in Note 4.5 to the financial statements, the estimation of allowance for doubtful accounts for each type of receivable was based on estimates of possible loss from uncollectible receivables which were generally made on the basis of collection experiences and analysis of debt aging, and various assumptions. The management is required to exercise judgement in estimating the allowance for losses expected to be incurred when debtors are unable to repay principal and interest, and in determining the timing of the recognition of such allowance. Furthermore, the estimate of allowance for doubtful accounts is significant because, as at 31 December 2019, the Group had significant amounts of trade and other receivables, loan receivables, factoring receivables, financial lease receivables and hire-purchase receivables amounting to Baht 2,696 million (the amount represents 76 percent of total assets) (the Company only: Baht 2,696 million, representing 76 percent of total assets), and allowance for doubtful accounts of Baht 251 million (the Company only: Baht 251 million). Therefore, I addressed the adequacy of the allowance for doubtful accounts for receivables as a key audit matter.

I gained an understanding of the internal controls relevant to collection of debt, loan receipt, and debtor aging, the principle of setting aside of allowance for doubtful accounts and the recording of accounting entries by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also assessed the information, assumptions and methods used by the Group in calculating the allowance for doubtful accounts by reviewing the credibility of key information to its sources. In addition, I evaluated the consistency of the application of assumptions, performed sampling tests on the correctness of the data used in calculation of the allowance, and tested the calculation of debtor aging and allowance for doubtful accounts for each type of account receivable.

### **Revenue recognition on interest**

The Group's policy on the recognition of interest income is discussed in Note 4.1 to the financial statements. In 2019, the Group's revenue mainly consisted of interest income from provision of loans amounting to Baht 291 million (representing 64 percent of total revenue) (the Company only: Baht 291 million, representing 75 percent of total revenue). The revenues were derived from the provision of loans to a large number of customers under various types of agreement.

Moreover, the Group applies various methods of recognising interest income since each type of agreement has different terms and conditions. In addition, revenue recognition relies primarily on data processing by information systems. Therefore, I addressed the amount and timing of interest income recognition as a key audit matter.

I assessed and tested the Group's IT system and its internal controls related to the loan origination, loan receipt and interest revenue recognition processes by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I applied a sampling method to select each type of loan agreement to assess whether the recording of loans and receipt of repayment, and the interest revenue recognition, were consistent with the conditions of the relevant agreements, and were in compliance with the Group's policy. In addition, I performed analytical procedures on the data regarding revenue recognised throughout the period, the cessation of recognition of interest revenue, and sampling tested the accounting entries for interest income made through journal vouchers.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **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 Thai Financial Reporting Standards, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Siriwan Suratepin  
Certified Public Accountant (Thailand) No. 4604

EY Office Limited  
Bangkok: 25 February 2020

## Lease IT Public Company Limited and its subsidiary

## Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	236,231,093	106,167,752	233,949,416	74,211,030
Current investments	8	730,197,678	-	730,197,678	-
Trade and other receivables	9	35,040,791	8,059,007	35,510,240	12,996,784
Current portion of loan receivables	10	877,543,616	833,745,175	877,543,616	833,745,175
Current portion of factoring receivables	11	940,335,502	991,729,793	940,335,502	991,729,793
Current portion of financial lease receivables	12	70,001,784	87,128,670	70,001,784	87,128,670
Current portion of hire-purchase receivables	13	95,485,732	104,170,595	95,485,732	104,170,595
Property foreclosed		2,141,125	2,141,125	2,141,125	2,141,125
Other current assets		8,763,574	9,232,653	8,566,351	8,641,218
<b>Total current assets</b>		<b>2,995,740,895</b>	<b>2,142,374,770</b>	<b>2,993,731,444</b>	<b>2,114,764,390</b>
<b>Non-current assets</b>					
Restricted bank deposits	15	46,738,345	101,143,725	46,738,345	101,143,725
Loan receivables - net of current portion	10	321,727,654	226,199,698	321,727,654	226,199,698
Factoring receivables - net of current portion	11	40,809,987	40,916,931	40,809,987	40,916,931
Financial lease receivables - net of current portion	12	43,802,690	35,482,429	43,802,690	35,482,429
Hire-purchase receivables - net of current portion	13	19,974,246	63,899,359	19,974,246	63,899,359
Investment in subsidiary	16	-	-	4,999,970	4,999,970
Equipment	17	26,199,313	13,006,077	25,764,652	12,882,828
Intangible assets	18	7,062,668	8,285,666	7,062,668	8,285,666
Deferred tax assets	19	48,689,512	31,786,353	48,643,179	31,750,717
<b>Total non-current assets</b>		<b>555,004,415</b>	<b>520,720,238</b>	<b>559,523,391</b>	<b>525,561,323</b>
<b>Total assets</b>		<b>3,550,745,310</b>	<b>2,663,095,008</b>	<b>3,553,254,835</b>	<b>2,640,325,713</b>

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



## Lease IT Public Company Limited and its subsidiary

## Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	20	249,763,180	420,846,870	249,763,180	420,767,620
Trade and other payables		795,143	1,096,834	901,643	1,590,428
Short-term loans from subsidiary	6	-	-	66,000,000	-
Current portion of long-term loans	21	-	12,665,000	-	12,665,000
Current portion of debentures	22	847,966,955	149,941,336	847,966,955	149,941,336
Current portion of liabilities under					
hire-purchase agreements	23	72,591,933	60,933,631	72,591,933	60,933,631
Current portion of liabilities under					
financial lease agreements	24	2,191,170	83,037	2,191,170	83,037
Income tax payable		15,032,650	23,496,712	10,091,732	19,965,483
Cash receipt awaiting for return to receivables		29,387,341	32,600,071	29,118,320	32,517,492
Other current liabilities	26	70,077,836	56,362,778	68,291,825	54,821,174
<b>Total current liabilities</b>		<b>1,287,806,208</b>	<b>758,026,269</b>	<b>1,346,916,758</b>	<b>753,285,201</b>
<b>Non-current liabilities</b>					
Debentures - net of current portion	22	1,100,908,547	695,565,776	1,100,908,547	695,565,776
Liabilities under hire-purchase agreements					
- net of current portion	23	5,306,114	38,684,446	5,306,114	38,684,446
Liabilities under finance lease agreements					
- net of current portion	24	2,898,179	-	2,898,179	-
Provision for long-term employee benefits	25	9,646,452	6,302,047	9,335,893	6,123,866
Cash receipt awaiting for return to receivables	26	11,620,410	64,767,810	11,620,410	64,767,810
<b>Total non-current liabilities</b>		<b>1,130,379,702</b>	<b>805,320,079</b>	<b>1,130,069,143</b>	<b>805,141,898</b>
<b>Total liabilities</b>		<b>2,418,185,910</b>	<b>1,563,346,348</b>	<b>2,476,985,901</b>	<b>1,558,427,099</b>

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

Lease IT Public Company Limited and its subsidiary

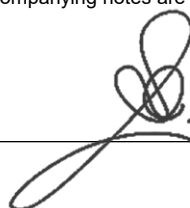

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
Share capital					
Registered					
300,000,000 ordinary shares of Baht 1 each	27	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
Issued and fully paid-up					
221,449,456 ordinary shares of Baht 1 each (2018: 220,718,906 ordinary shares of Baht 1 each)	27	221,449,456	220,718,906	221,449,456	220,718,906
Share premium	27	82,317,791	76,473,391	82,317,791	76,473,391
Warrants	28	392,750,380	396,403,130	392,750,380	396,403,130
Retained earnings					
Appropriated - statutory reserve	29	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		<u>406,041,406</u>	<u>376,153,096</u>	<u>349,751,307</u>	<u>358,303,187</u>
Total equity attributable to owners of the Company		1,132,559,033	1,099,748,523	1,076,268,934	1,081,898,614
Non-controlling interests of the subsidiary		<u>367</u>	<u>137</u>	-	-
<b>Total shareholders' equity</b>		<u>1,132,559,400</u>	<u>1,099,748,660</u>	<u>1,076,268,934</u>	<u>1,081,898,614</u>
<b>Total liabilities and shareholders' equity</b>		<u>3,550,745,310</u>	<u>2,663,095,008</u>	<u>3,553,254,835</u>	<u>2,640,325,713</u>
		-	-	-	-

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

  
  
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 Directors

Lease IT Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statement		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Interest incomes	30	290,929,801	257,232,654	290,929,801	257,232,654
Fee and service incomes	31	141,283,681	156,468,634	55,283,601	125,156,405
Other incomes	32	24,389,886	31,398,032	39,168,897	31,365,995
<b>Total revenues</b>		<u>456,603,368</u>	<u>445,099,320</u>	<u>385,382,299</u>	<u>413,755,054</u>
<b>Expenses</b>					
Selling expenses		40,282,116	29,244,913	23,037,071	21,906,298
Administrative expenses		90,441,622	84,177,324	88,210,634	82,177,148
Bad debts and doubtful accounts	14	110,521,940	70,504,047	110,521,940	70,504,047
<b>Total expenses</b>		<u>241,245,678</u>	<u>183,926,284</u>	<u>221,769,645</u>	<u>174,587,493</u>
<b>Profit before finance cost and</b>					
<b>income tax expenses</b>		215,357,690	261,173,036	163,612,654	239,167,561
Finance cost		(83,977,953)	(69,251,224)	(84,397,130)	(69,251,224)
<b>Profit before income tax expenses</b>		<u>131,379,737</u>	<u>191,921,812</u>	<u>79,215,524</u>	<u>169,916,337</u>
Income tax expenses	19	(28,282,137)	(43,075,543)	(14,621,550)	(38,920,084)
<b>Profit for the year</b>		<u>103,097,600</u>	<u>148,846,269</u>	<u>64,593,974</u>	<u>130,996,253</u>
<b>Other comprehensive income:</b>					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial loss from post-employment benefits		(464,664)	-	(385,769)	-
Less: Income tax effect		92,933	-	77,154	-
<b>Other comprehensive income for the year (loss)</b>		<u>(371,731)</u>	<u>-</u>	<u>(308,615)</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>102,725,869</u>	<u>148,846,269</u>	<u>64,285,359</u>	<u>130,996,253</u>
<b>Total profit attributable to:</b>					
Equity holders of the Company		103,097,280	148,846,162	64,593,974	130,996,253
Non-controlling interests of the subsidiaries		320	107	-	-
		<u>103,097,600</u>	<u>148,846,269</u>	<u>64,593,974</u>	<u>130,996,253</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		102,725,549	148,846,162	64,285,359	130,996,253
Non-controlling interests of the subsidiaries		320	107	-	-
		<u>102,725,869</u>	<u>148,846,269</u>	<u>64,285,359</u>	<u>130,996,253</u>
<b>Earnings per share</b>					
34					
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		<u>0.47</u>	<u>0.68</u>	<u>0.29</u>	<u>0.59</u>
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company		<u>0.43</u>	<u>0.57</u>	<u>0.27</u>	<u>0.50</u>

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

**Lease IT Public Company Limited and its subsidiary**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 December 2019**

(Unit: Baht)

	Consolidated financial statement									
	Equity attributable to owners of the Company									
	Issued and fully paid-up share capital	Share premium	Warrants	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity		
			Appropriated - statutory reserve	Unappropriated						
<b>Balance as at 1 January 2018</b>	220,076,056	71,330,591	399,617,380	24,121,139	303,610,741	1,018,755,907	-	1,018,755,907		
Profit for the year	-	-	-	-	148,846,162	148,846,162	107	148,846,269		
Other comprehensive income for the year	-	-	-	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	-	148,846,162	148,846,162	107	148,846,269		
Issuance of ordinary share during the year from exercised warrants (Note 27.1)	642,850	5,142,800	(3,214,250)	-	-	2,571,400	-	2,571,400		
Dividend paid (Note 35)	-	-	-	-	(70,424,946)	(70,424,946)	-	(70,424,946)		
Increase in non-controlling interests of the subsidiary from newly established	-	-	-	-	-	-	30	30		
Unappropriated retained earnings transferred to statutory reserved (Note 29)	-	-	-	5,878,861	(5,878,861)	-	-	-		
<b>Balance as at 31 December 2018</b>	220,718,906	76,473,391	396,403,130	30,000,000	376,153,096	1,099,748,523	137	1,099,748,660		
<b>Balance as at 1 January 2019</b>	220,718,906	76,473,391	396,403,130	30,000,000	376,153,096	1,099,748,523	137	1,099,748,660		
Profit for the year	-	-	-	-	103,097,280	103,097,280	320	103,097,600		
Other comprehensive income for the year	-	-	-	-	(371,731)	(371,731)	-	(371,731)		
Total comprehensive income for the year	-	-	-	-	102,725,549	102,725,549	320	102,725,869		
Issuance of ordinary share during the year from exercised warrants (Note 27.1)	730,550	5,844,400	(3,652,750)	-	-	2,922,200	-	2,922,200		
Dividend paid (Note 35)	-	-	-	-	(72,837,239)	(72,837,239)	(90)	(72,837,329)		
<b>Balance as at 31 December 2019</b>	221,449,456	82,317,791	392,750,380	30,000,000	406,041,406	1,132,559,033	367	1,132,559,400		

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

**Lease IT Public Company Limited and its subsidiary**

**Statement of changes in shareholders' equity**

**For the year ended 31 December 2019**

	Separate financial statements						(Unit: Baht)
	Issued and fully paid-up share capital	Share premium	Warrants	Retained earnings		Total shareholders' equity	
				Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 January 2018</b>	220,076,056	71,330,591	399,617,380	24,121,139	303,610,741	1,018,755,907	
Profit for the year	-	-	-	-	130,996,253	130,996,253	
Other comprehensive income for the year	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	130,996,253	130,996,253	
Issuance of ordinary share during the year from exercised warrants (Note 27.1)	642,850	5,142,800	(3,214,250)	-	-	2,571,400	
Dividend paid (Note 35)	-	-	-	-	(70,424,946)	(70,424,946)	
Unappropriated retained earnings transferred to statutory reserved (Note 29)	-	-	-	5,878,861	(5,878,861)	-	
<b>Balance as at 31 December 2018</b>	<b>220,718,906</b>	<b>76,473,391</b>	<b>396,403,130</b>	<b>30,000,000</b>	<b>358,303,187</b>	<b>1,081,898,614</b>	
<b>Balance as at 1 January 2019</b>	<b>220,718,906</b>	<b>76,473,391</b>	<b>396,403,130</b>	<b>30,000,000</b>	<b>358,303,187</b>	<b>1,081,898,614</b>	
Profit for the year	-	-	-	-	64,593,974	64,593,974	
Other comprehensive income for the year	-	-	-	-	(308,615)	(308,615)	
Total comprehensive income for the year	-	-	-	-	64,285,359	64,285,359	
Issuance of ordinary share during the year from exercised warrants (Note 27.1)	730,550	5,844,400	(3,652,750)	-	-	2,922,200	
Dividend paid (Note 35)	-	-	-	-	(72,837,239)	(72,837,239)	
<b>Balance as at 31 December 2019</b>	<b>221,449,456</b>	<b>82,317,791</b>	<b>392,750,380</b>	<b>30,000,000</b>	<b>349,751,307</b>	<b>1,076,268,934</b>	

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

**Lease IT Public Company Limited and its subsidiary**

**Cash flows statement**

**For the year ended 31 December 2019**

(Unit: Baht)

	Consolidated financial statement		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit before income tax expenses	131,379,737	191,921,812	79,215,524	169,916,337
Adjustment to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	7,643,444	4,694,069	7,539,737	4,690,666
Write-off of bad debts	23,300,305	21,884,187	23,300,305	21,884,187
Doubtful account on receivables	92,721,636	48,619,858	92,721,636	48,619,858
Bad debt recoveries	(5,500,000)	-	(5,500,000)	-
Gain on revaluation of current investments	(197,678)	(5,849)	(197,678)	(5,849)
Gain on sales of current investments	(124,122)	(788,525)	(124,122)	(788,525)
Loss (gain) on sales of equipment	1,434,837	(2,803)	1,434,837	(2,803)
Amortisation of deferred interest income under financial lease and hire-purchase agreements	(30,320,647)	(27,561,158)	(30,320,647)	(27,561,158)
Provision for long-term employee benefits	2,879,741	703,244	2,826,258	673,658
Finance cost	83,977,953	69,251,224	84,397,130	69,251,224
Profit from operating activities before change in operating assets and liabilities	307,195,206	308,716,059	255,292,980	286,677,595
Operating assets (increase) decrease				
Trade and other receivables	1,888,829	8,445,869	6,357,157	3,508,092
Loan receivables	(196,488,342)	(124,726,538)	(196,488,342)	(124,726,538)
Factoring receivables	(87,173)	(196,440,157)	(87,173)	(196,440,157)
Financial lease receivables	21,320,970	85,215,312	21,320,970	85,215,312
Hire-purchase receivables	69,774,077	(75,015,986)	69,774,077	(75,015,986)
Other current assets	469,079	3,870,571	74,867	4,462,006
Operating liabilities increase (decrease)				
Trade and other payables	(301,691)	567,408	(1,107,962)	912,407
Cash receipt awaiting for return to customers	(3,212,730)	(32,866,118)	(3,399,172)	(32,948,697)
Other current liabilities	11,239,555	(5,255,129)	10,995,148	(6,796,733)
Bid bonds deposit awaiting for return to customers	(53,147,400)	53,999,810	(53,147,400)	53,999,810
Cash flows from (used in) operating activities	158,650,380	26,511,101	109,585,150	(1,152,889)
Cash paid for interest expenses	(87,787,103)	(61,413,275)	(87,787,103)	(61,413,275)
Cash paid for income tax	(53,556,425)	(53,417,702)	(41,310,609)	(52,757,836)
<b>Net cash flows from (used in) in operating activities</b>	<b>17,306,852</b>	<b>(88,319,876)</b>	<b>(19,512,562)</b>	<b>(115,324,000)</b>

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

**Lease IT Public Company Limited and its subsidiary**

**Cash flows statement**

**For the year ended 31 December 2019**

(Unit: Baht)

	Consolidated financial statement		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Cash paid for purchase of trading securities	(1,500,000,000)	(950,000,000)	(1,500,000,000)	(950,000,000)
Cash receipt from sales of trading securities	740,124,122	1,010,788,525	740,124,122	1,010,788,525
Decrease (increase) in restricted bank deposits	54,405,380	(59,882,500)	54,405,380	(59,882,500)
Cash paid for purchase of equipment and intangible assets	(18,038,243)	(12,570,037)	(17,623,124)	(12,443,385)
Proceeds from sales of equipment	6,238,724	6,591	6,238,724	6,591
Cash paid for investment in subsidiary	-	-	-	(4,999,970)
<b>Net cash flows used in investing activities</b>	<b>(717,270,017)</b>	<b>(11,657,421)</b>	<b>(716,854,898)</b>	<b>(16,530,739)</b>
<b>Cash flows from financing activities</b>				
Decrease in bank overdrafts	(647,006)	(1,785,983)	(567,756)	(1,865,233)
Cash receipt from short-term loans from financial institutions	3,411,433,593	1,941,000,000	3,411,433,593	1,941,000,000
Repayment of short-term loans from financial institutions	(3,581,870,277)	(1,900,962,732)	(3,581,870,277)	(1,900,962,732)
Cash receipt from short-term loans from subsidiary	-	-	66,000,000	-
Repayment of long-term loans	(12,665,000)	(22,201,000)	(12,665,000)	(22,201,000)
Cash received from issuance of debentures	1,263,600,000	312,330,060	1,263,600,000	312,330,060
Cash paid for redemption of debentures	(150,000,000)	(150,000,000)	(150,000,000)	(150,000,000)
Repayment of liabilities under finance lease agreement	(4,662,578)	(605,760)	(4,662,578)	(605,760)
Cash receipt under hire-purchase agreements	78,103,698	94,977,010	78,103,698	94,977,010
Repayment of liabilities under hire-purchase agreements	(103,350,795)	(62,310,750)	(103,350,795)	(62,310,750)
Cash receipt from exercise of warrants	2,922,200	2,571,400	2,922,200	2,571,400
Cash receipt for ordinary shares from non-controlling interest of subsidiary	-	30	-	-
Dividend paid	(72,837,329)	(70,424,946)	(72,837,239)	(70,424,946)
<b>Net cash flows from financing activities</b>	<b>830,026,506</b>	<b>142,587,329</b>	<b>896,105,846</b>	<b>142,508,049</b>
<b>Net increase in cash and cash equivalents</b>	<b>130,063,341</b>	<b>42,610,032</b>	<b>159,738,386</b>	<b>10,653,310</b>
Cash and cash equivalents at beginning of the year	106,167,752	63,557,720	74,211,030	63,557,720
<b>Cash and cash equivalents at end of the year</b>	<b>236,231,093</b>	<b>106,167,752</b>	<b>233,949,416</b>	<b>74,211,030</b>
<b>Supplement cash flows information</b>				
Non-cash transactions from operating activities				
Accounts receivable from sales of trading securities	30,000,000	-	30,000,000	-
Acquisition of equipment under finance leases agreement	9,249,000	-	9,249,000	-
Transfer of provision for long-term employee benefits to its subsidiary	-	-	-	(148,595)

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

**Lease IT Public Company Limited and its subsidiary****Notes to consolidated financial statements****For the year ended 31 December 2019****1. General information**

Lease IT Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is SVOA Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in providing financial services in form of hire-purchase, leasing, factoring services and loans. The registered office of the Company is at 1023, 29th Floor, MS SIAM Tower, Chong Nonsi, Yannawa, Bangkok, 10120.

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

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**2.2 Basis of consolidation**

- a) The consolidated financial statements include the financial statements of Lease IT Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”), which was established on 23 May 2018. Therefore, the consolidated financial statements have been prepared from that day forward.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019	2018
			(%)	(%)
<u>Subsidiary</u>				
LIT Service Management Co., Ltd.	Providing services relating to data information, credit analysis and credit management	Thailand	100	100



- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiary have been prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statement presents investment in subsidiary under the cost method.

### **3. New financial reporting standards**

#### **a) Financial reporting standards that became effective in the current year**

During the year, the Group have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiary's financial statements. However, the new standard involves changes to key principles, which are summarised below:

## **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

### **b. Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

## Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the general approach to consider impairment of trade receivables, loan receivables, factoring receivables, financial lease receivables and hire-purchase receivables.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group believes that adoption of this standard will not have significant impact on the financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### **a) Interest income on loans receivables and factoring**

The Company recognised interest incomes from loan receivables and factoring on an accrual basis using the effective interest rate over the period of contracts, except for overdue receivables for more than ninety days, interests are recognised on a cash basis.

#### **b) Interest income from financial lease and hire-purchase contracts**

Interest income from financial lease and hire-purchase contracts are recognised on an accrual basis using the effective interest rate over the period of contracts, except for overdue receivables for more than ninety days, interests are recognised on a cash basis.

#### **c) Fees and service income**

Fees and service income are recognised on an accrual basis.

#### **d) Dividends**

Dividends are recognised when the right to receive the dividends is established.

## 4.2 Expense recognition

### a) Interest expenses

Interest expenses are charged to expenses on an accrual basis.

### b) Direct expenses charged on loans

Initial direct expenses at the inception of contract i.e. commission expenses are to be deferred and amortised using the effective interest method.

## 4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with original maturity of three months or less and not subject to withdrawal restrictions.

## 4.4 Receivables

Receivables, which include trade receivables, loan receivables, factoring receivables, receivables under financial lease contracts and receivables under hire-purchase contracts are stated at net realisable value. Unearned financial lease and hire-purchase income are presented as a deduction from financial lease receivables and hire-purchase receivables, and deferred direct expenses are presented as a deduction from unearned interest income.

## 4.5 Allowance for doubtful accounts

Allowance for doubtful accounts is provided for the estimated loss that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

Allowance for doubtful accounts is made for trade receivables, loan receivables and factoring receivables based on a percentage of the outstanding receivables balance, the number of months overdue and is also based on collection experience and the current status of receivables outstanding at the end of the reporting period.

Allowance for doubtful accounts is made for hire-purchase and financial lease receivables based on a percentage of the outstanding installment contract receivables and net of unearned income, based on the number of months overdue. Allowance is also based on collection experience and the current status of receivables outstanding at the end of the reporting period.

In addition, the Company sets aside further provision based on consideration of additional loss that may be incurred in the future.

Bad debt and doubtful accounts are recognised in profit or loss in the statement of comprehensive income.

#### 4.6 Property foreclosed

Property foreclosed represent assets repossessed from receivables and are stated at the lower of cost and estimated net realisable value.

#### 4.7 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as part of other income or other expenses in profit or loss.
- b) Investment in subsidiary is accounted for in the separate financial statements using the cost method.

#### 4.8 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building improvement	-	5 years
Office equipment	-	5 years
Furniture	-	5 years
Computers	-	3 years
Motor vehicles	-	10 years

Depreciation is included in determining income.

No depreciation is provided on assets under construction.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is recognised in part of profit or loss when the asset is derecognised.

#### 4.9 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment loss (if any).

Intangible assets are amortised as expenses in the profit or loss on a straight-line basis over the economic useful life, as follows:

	<u>Useful lives</u>
Computer software	10 years

No amortisation is provided on computer software under installation.

#### 4.10 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### 4.11 Employee benefits

##### Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### Post-employment benefits

###### Defined contribution plans

The Company, its subsidiary and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques using the projected unit credit method.

Actuarial gain and loss arising from post-employment benefits are recognised immediately in other comprehensive income.

#### **4.12 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.13 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.



#### 4.14 Long-term leases

Leases which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over lease terms.

#### 4.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.16 Fair value measurement

Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts for each type of receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profit.

### **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### **Fair value of financial instruments**

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

## 6. Related party transactions

During the years, the Group had significant business transactions with its related parties. Such transactions arose in the ordinary courses of business and were concluded on commercial terms or on bases agreed upon between the Company and its related parties. The pricing policies for these related party transactions are summarised as follows:

1. Rental and service expenses are charged at agreed prices.
2. Fixed assets are sold and purchased at market prices.
3. Dividend income is recognised when declared.
4. Interest on loan between related company is charged at the rate of 1.5 percent per annum.

During the years, significant transactions between the Company and its related parties are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Transactions with subsidiary company</u>				
(eliminated from the consolidated financial statements)				
Dividend income	-	-	15,000	-
Collection of payment from customers on behalf of subsidiary	-	-	8,455	-
Commission payment on behalf of subsidiary	-	-	11,093	-
Interest expenses	-	-	419	-
<u>Transactions with a major shareholder</u>				
Service expenses	571	663	444	488
Purchases of assets	74	-	74	-
Dividend payment	26,163	25,370	26,163	25,370
<u>Transactions with related companies</u>				
Other incomes	774	-	774	-
Rental and service expenses	1,976	2,444	1,976	2,444
Purchases of assets	377	11,539	358	11,458

The balance of the accounts as at 31 December 2019 and 2018 between the Company and its related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade and other receivables - related companies (Note 9)</u>				
Subsidiary	-	-	646	4,968
Total trade and other receivables	-	-	646	4,968
<u>Trade and other payables - related companies</u>				
Major shareholder	123	269	123	269
Subsidiary	-	-	107	493
Related companies	672	828	672	828
Total trade and other payables	795	1,097	902	1,590

#### Short-term loans from subsidiary

Balances of loans between the Group as at 31 December 2019 and 2018 and its movement is as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance			Balance
	as at			as at
31 December	During the period		31 December	
Company	2018	Increase	Decrease	2019
LIT Service Management Co., Ltd.	-	66,000	-	66,000
Total	-	66,000	-	66,000

### Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	25,590	25,128	25,590	23,517
Post-employment benefits	3,044	1,175	3,044	1,104
<b>Total</b>	<b>28,634</b>	<b>26,303</b>	<b>28,634</b>	<b>24,621</b>

### 7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Cash	23	20	20	20
Bank deposits	236,208	106,148	233,929	74,191
<b>Total</b>	<b>236,231</b>	<b>106,168</b>	<b>233,949</b>	<b>74,211</b>

As at 31 December 2019, bank deposits in saving accounts carried interest rates at 0.1 - 0.5 percent per annum (2018: 0.1 - 0.4 percent per annum).

### 8. Current investments

Mutual fund	Consolidated and separate financial statements					
	2019			2018		
	Unit	Cost	Fair value	Unit	Cost	Fair value
	(Thousand)	(Thousand Baht)	(Thousand Baht)	(Thousand)	(Thousand Baht)	(Thousand Baht)
We Money Market Fund (R)	42,572	430,000	430,200	-	-	-
SCB Treasury Money Plus Open End Fund	26,768	300,000	299,998	-	-	-
		730,000	730,198		-	-
Add: Change in fair value		198			-	
<b>Total</b>		<b>730,198</b>			<b>-</b>	

Movement of investments in trading securities as at 31 December 2019 is summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
<b>Balance as at 31 December 2018</b>	-
Add: Cash paid for purchase of trading securities	1,500,000
Sales during the period - at cost	
Proceeds from sales	(770,124)
Gain on sales	124
Total	(770,000)
Add: Gain on revaluation	198
<b>Balance as at 31 December 2019</b>	<b>730,198</b>

## 9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade receivables - unrelated parties</u>				
Aging counted from due dates				
Not yet due	1,994	4,622	1,994	4,622
Past due				
1 - 3 months	795	945	795	945
3 - 6 months	1,857	-	1,857	-
Over 12 months	-	315	-	315
Total	4,646	5,882	4,646	5,882
Less: Allowance for doubtful debts	(387)	(338)	(387)	(338)
Total trade receivables - unrelated parties - net	4,259	5,544	4,259	5,544
<u>Other receivables</u>				
Other receivables - related parties	-	-	646	4,968
Other receivables - unrelated parties	31,547	2,515	31,370	2,485
Total	31,574	2,515	32,016	7,453
Less: Allowance for doubtful debts	(765)	-	(765)	-
Total other receivables - net	30,782	2,515	31,251	7,453
Trade and other receivables - net	35,041	8,059	35,510	12,997

## 10. Loan receivables

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	Current portion of loan receivables <sup>(1)</sup>		Long-term portion of loan receivables		Total	
	2019	2018	2019	2018	2019	2018
Loan receivables	972,327	920,873	363,333	226,200	1,335,660	1,147,073
Less: Allowance for doubtful debts	(94,783)	(87,128)	(41,606)	-	(136,389)	(87,128)
Loan receivables - net	877,544	833,745	321,727	226,200	1,199,271	1,059,945

(1) The current portion of loan receivables included receivables for which revenue recognitions has ceased

As at 31 December 2019 and 2018, the loan receivables classified by their aging counted from due dates were as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2019	2018
<u>Aging counted from due dates</u>		
Not yet due	1,003,116	891,244
Past due		
Up to 1 month	6,486	71,482
1 - 3 months	86,294	39,311
3 - 6 months	78,980	22,102
6 - 12 months	110,702	97,235
Over 12 months	50,082	25,699
Total loan receivables	1,335,660	1,147,073
Less: Allowance for doubtful debts	(136,389)	(87,128)
Loan receivables - net	1,199,271	1,059,945

As at 31 December 2019 and 2018, the rights on debt collection under loan agreements between loan receivables and their counterparties have been transferred to the Company as collaterals against loans provided to receivables in full amount.

During the current year, the Company recorded bad debt written-off and reversed allowance for doubtful debt relating to such loan receivable transaction amounting to Baht 13.4 million (2018: Baht 21.9 million) and bad debt recovery amounting to Baht 5.5 million (2018: Nil).

## 11. Factoring receivables

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	Current portion of factoring receivables <sup>(1)</sup>		Long-term portion of factoring receivables		Total	
	2019	2018	2019	2018	2019	2018
Factoring receivables	986,701	1,047,852	92,956	40,917	1,079,657	1,088,769
Less: Allowance for doubtful debts	(46,366)	(56,122)	(52,146)	-	(98,512)	(56,122)
Factoring receivables - net	940,335	991,730	40,810	40,917	981,145	1,032,647

(1) The current portion of factoring receivables included receivables for which revenue recognitions has ceased

The Company has the factoring policy by providing credits at approximate 30 to 100 percent (2018: 70 - 95 percent) of invoice amount. As at 31 December 2019 and 2018, the factoring receivables classified by their aging counted from due dates were as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2019	2018
<u>Aging counted from due dates</u>		
Not yet due	861,666	891,907
Past due		
Up to 1 month	45,982	58,493
1 - 3 months	21,267	35,246
3 - 6 months	44,642	35,851
6 - 12 months	53,126	40,820
Over 12 months	52,974	26,452
Total	1,079,657	1,088,769
Less: Allowance for doubtful debts	(98,512)	(56,122)
Factoring receivables - net	981,145	1,032,647

During the current year, the Company recorded bad debt written-off and reversed allowance for doubtful debt relating to such factoring receivable transaction amounting to Baht 9.2 million (2018: Nil).



## 12. Financial lease receivables

As at 31 December 2019 and 2018, terms for financial lease receivables are three years on average and are payable in equal installments, with interests charged at fixed rates throughout contracts. The balances of financial lease receivables are classified by due date per contact, as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	Current portion of financial lease receivables <sup>(1)</sup>		Long-term portion of financial lease receivables		Total	
	2019	2018	2019	2018	2019	2018
Financial lease receivables	78,564	95,234	49,371	38,307	127,935	133,541
Less: Unearned financial incomes	(8,492)	(7,824)	(4,267)	(2,825)	(12,759)	(10,649)
Total	70,072	87,410	45,104	35,482	115,176	122,892
Less: Allowance for doubtful debts	(70)	(281)	(1,302)	-	(1,372)	(281)
Financial lease receivables - net	70,002	87,129	43,802	35,482	113,804	122,611

(1) The current portion of financial lease receivables included receivables for which revenue recognition has ceased

As at 31 December 2019 and 2018, financial lease receivables classified by their aging counted from due dates (determined based on an individual contract, whereby if any installment is overdue, the whole contract balance is considered to be overdue) were as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2019	2018
<u>Aging counted from due dates</u>		
Not yet due	112,774	119,216
Past due		
Up to 1 month	1,074	894
1 - 3 months	-	1,582
3 - 6 months	-	1,200
Over 12 months	1,328	-
Total	115,176	122,892
Less: Allowance for doubtful debts	(1,372)	(281)
Financial lease receivables - net	113,804	122,611

The Company has transferred its collection rights under the finance lease agreements to a financial institution as collaterals for short-term and long-term loans as discussed in Note 20 and Note 21.

As at 31 December 2019, the Company has no outstanding balance of the above financial lease receivables that was placed as collaterals for such short-term loans and long-term loans (2018: Baht 7 million and Baht 48 million, respectively).

### 13. Hire-purchase receivables

As at 31 December 2019 and 2018, terms for hire-purchase receivables are one year on average and are payable in equal installments, with interests charged at fixed rates throughout contracts. The balances of hire-purchase receivables are classified by due date per contact, as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	Current portion of hire-purchase receivables <sup>(1)</sup>		Long-term portion of hire-purchase receivables		Total	
	2019	2018	2019	2018	2019	2018
Hire-purchase receivables	102,152	133,298	34,730	68,070	136,882	201,368
Less: Unearned financial incomes	(5,685)	(14,082)	(1,526)	(4,171)	(7,211)	(18,253)
Total	96,467	119,216	33,204	63,899	129,671	183,115
Less: Allowance for doubtful debts	(981)	(15,045)	(13,230)	-	(14,211)	(15,045)
Hire-purchase receivables - net	95,486	104,171	19,974	63,899	115,460	168,070

(1) The current portion of hire-purchase receivables included receivables for which revenue recognition has ceased

As at 31 December 2019 and 2018, hire-purchase receivables classified by their aging counted from due dates (determined on an individual contract, whereby if any installment is overdue, the whole contract balance is considered to be overdue) were as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	2019	2018
<u>Aging counted from due dates</u>		
Not yet due	112,328	159,843
Past due		
Up to 1 month	1,994	6,834
1 - 3 months	4	1,435
3 - 6 months	321	3
6 - 12 months	1,794	104
Over 12 months	13,230	14,896
Total	129,671	183,115
Less: Allowance for doubtful debts	(14,211)	(15,045)
Hire-purchase receivables - net	115,460	168,070

#### 14. Allowance for doubtful accounts

Movements of allowance for doubtful accounts of trade and other receivables, loan receivables, factoring receivables, financial lease receivables, hire-purchase receivables and accrued interests for the year ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	2019	2018
Balance at beginning of year	158,914	110,294
Add: Bad debts and doubtful accounts increase during the year	110,522	70,504
Add: Bad debt recoveries	5,500	-
Less: Bad debts written-off	(23,300)	(21,884)
Balance at end of year	251,636	158,914

## 15. Restricted bank deposits

As at 31 December 2019, the Company had bank deposits subject to withdrawal restrictions of Baht 47 million (2018: Baht 101 million). Restricted bank deposits comprised bank deposits of Baht 2 million of which rights had been transferred to the Company by debtors and withdrawal restrictions were imposed by the bank granting credit facilities to the Company, and bank deposits of Baht 45 million that were used to secure bank guarantees issued by banks on behalf of the Company's customers (2018: Baht 1 million and Baht 100 million, respectively).

## 16. Investment in subsidiary company

Detail of investment in subsidiary as presented in separate financial statements is as follows:

Subsidiary company	Paid up capital	Shareholding percentage	Investment value under		Dividend received during	
			cost method		the year	
			2019	2018	2019	2018
LIT Service Management Co., Ltd.	5,000	100	5,000	5,000	15,000	-

On 10 May 2018, the meeting of the Company's Board of Directors No. 5/2018 approved to establish a new subsidiary company with registered share capital of Baht 5 million, holding 100% interest. The principal business operations of the subsidiary are providing services relating to data information, credit analysis and credit management. The subsidiary was registered with the Ministry of Commerce on 23 May 2018 and the Company had fully paid its share on 15 June 2018.

## 17. Equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Building improvement	Furniture	Computers	Office equipment	Motor vehicles	Construction in progress	
<b>Cost</b>							
23 May 2018 (The date of preparing the consolidated financial statement)	5,231	818	3,400	3,220	6,493	-	19,162
Additions	-	-	6,973	19	-	519	7,511
Disposals	-	-	(31)	-	-	-	(31)
31 December 2018	5,231	818	10,342	3,239	6,493	519	26,642
Additions	34	-	344	1,573	9,249	12,374	23,574
Transfer in/(out)	12,893	-	-	-	-	(12,893)	-
Disposals/write-offs	(5,230)	(118)	(508)	(4)	(6,493)	-	(12,353)
31 December 2019	12,928	700	10,178	4,808	9,249	-	37,863
<b>Accumulated depreciation</b>							
23 May 2018 (The date of preparing the consolidated financial statement)	2,994	612	2,392	1,900	2,855	-	10,753
Depreciation for the period	1,223	66	1,050	247	326	-	2,912
Depreciation for disposals	-	-	(29)	-	-	-	(29)
31 December 2018	4,217	678	3,413	2,147	3,181	-	13,636
Depreciation for the year	2,608	79	2,876	688	954	-	7,205
Depreciation for disposals/write-offs	(5,230)	(118)	(508)	(2)	(3,319)	-	(9,177)
31 December 2019	1,595	639	5,781	2,833	816	-	11,664
<b>Net book value</b>							
31 December 2018	1,014	140	6,929	1,092	3,312	519	13,006
31 December 2019	11,333	61	4,397	1,975	8,433	-	26,199
<b>Depreciation charge for the year (Included in administrative expenses)</b>						<b>2019</b>	<b>2018</b>
The Company						7,101	4,251
The subsidiary						104	4
Total						7,205	4,255

(Unit: Thousand Baht)

	Separate financial statements						Total
	Building improvement	Furniture	Computers	Office equipment	Motor vehicles	Construction in progress	
<b>Cost</b>							
1 January 2018	5,231	718	3,167	3,177	6,493	-	18,786
Additions	-	100	7,117	62	-	519	7,798
Disposals	-	-	(69)	-	-	-	(69)
31 December 2018	5,231	818	10,215	3,239	6,493	519	26,515
Additions	34	-	326	1,438	9,249	12,112	23,159
Transfer in/(out)	12,631	-	-	-	-	(12,631)	-
Disposals/write-offs	(5,230)	(118)	(508)	(4)	(6,493)	-	(12,353)
31 December 2019	12,666	700	10,033	4,673	9,249	-	37,321
<b>Accumulated depreciation</b>							
1 January 2018	2,575	559	2,124	1,657	2,532	-	9,447
Depreciation for the year	1,642	119	1,351	490	649	-	4,251
Depreciation for disposals	-	-	(66)	-	-	-	(66)
31 December 2018	4,217	678	3,409	2,147	3,181	-	13,632
Depreciation for the year	2,570	79	2,830	668	954	-	7,101
Depreciation for disposals/ write-offs	(5,230)	(118)	(508)	(2)	(3,319)	-	(9,177)
31 December 2019	1,557	639	5,731	2,813	816	-	11,556
<b>Net book value</b>							
31 December 2018	1,014	140	6,806	1,092	3,312	519	12,883
31 December 2019	11,109	61	4,302	1,860	8,433	-	25,765
<b>Depreciation charge for the year</b>							
2018 (Included in administrative expenses)							4,251
2019 (Included in administrative expenses)							7,101

As at 31 December 2019, the Company had motor vehicles, acquired under finance lease agreements, with net book value amounting to Baht 8.4 million (2018: Baht 1.6 million).

As at 31 December 2019, certain building improvement, furniture, computer and office equipment have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 4.1 million (2018: Baht 4.4 million).

## 18. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer		
	Computer software	software under installation	Total
<b>Cost</b>			
23 May 2018 (The date of preparing the consolidated financial statements)	4,777	1,795	6,572
Additions	-	3,311	3,311
31 December 2018	4,777	5,106	9,883
Additions	95	3,618	3,713
Write-offs	-	(4,497)	(4,497)
31 December 2019	4,872	4,227	9,099
<b>Accumulated amortisation</b>			
23 May 2018 (The date of preparing the consolidated financial statements)	1,379	-	1,379
Amortisation for the year	218	-	218
31 December 2018	1,597	-	1,597
Amortisation for the year	439	-	439
31 December 2019	2,036	-	2,036
<b>Net book value</b>			
31 December 2018	3,180	5,106	8,286
31 December 2019	2,836	4,227	7,063
<b>Amortisation charge for the year</b>			
2018 (included in administrative expenses)			218
2019 (included in administrative expenses)			439

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software	Computer software under installation	Total
<b>Cost</b>			
1 January 2018	3,443	1,795	5,238
Additions	1,334	3,311	4,645
31 December 2018	4,777	5,106	9,883
Additions	95	3,618	3,713
Write-offs	-	(4,497)	(4,497)
31 December 2019	4,872	4,227	9,099
<b>Accumulated amortisation</b>			
1 January 2018	1,158	-	1,158
Amortisation for the year	439	-	439
31 December 2018	1,597	-	1,597
Amortisation for the year	439	-	439
31 December 2019	2,036	-	2,036
<b>Net book value</b>			
31 December 2018	3,180	5,106	8,286
31 December 2019	2,836	4,227	7,063
<b>Amortisation charge for the year</b>			
2018 (included in administrative expenses)			439
2019 (included in administrative expenses)			439

During the current year, the Company recorded write-off computer software under installation of Baht 4.5 million due to change in a new software development progress for the Company's financial service operation.



## 19. Deferred tax assets and income tax expenses

### 19.1 Deferred tax assets

As at 31 December 2019 and 2018, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	50,328	31,783	50,328	31,783
Provision for long-term employee benefits	1,913	1,260	1,867	1,225
Deferred initial fees income from financial lease and hire-purchase contracts	21	27	21	27
Accumulated depreciation - building improvement	-	161	-	161
Accumulated depreciation - furniture	-	3	-	3
<b>Total</b>	<b>52,262</b>	<b>33,234</b>	<b>52,216</b>	<b>33,199</b>
<b>Deferred tax liabilities</b>				
Deferred commission expenses	(602)	(488)	(602)	(488)
Deferred expense on debenture issuance	(2,945)	(899)	(2,945)	(899)
Difference of income recognised under financial lease contracts	(26)	(61)	(26)	(61)
<b>Total</b>	<b>(3,573)</b>	<b>(1,448)</b>	<b>(3,573)</b>	<b>(1,448)</b>
<b>Deferred tax assets - net</b>	<b>48,689</b>	<b>31,786</b>	<b>48,643</b>	<b>31,751</b>

### 19.2 Income tax expenses

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Current income tax charge for the year	45,092	53,817	31,437	49,625
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(16,810)	(10,741)	(16,815)	(10,705)
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>28,282</b>	<b>43,076</b>	<b>14,622</b>	<b>38,920</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax relating to actuarial (gain) loss	(93)	-	(77)	-

Reconciliations between accounting profit and income tax expenses for the years ended 31 December 2019 and 2018 are shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statements	
	2019	2018	2019	2018
Accounting profit before tax	131,380	191,922	79,216	169,916
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	26,276	38,384	15,843	33,983
Effects of:				
Bad debts written-off	4,656	4,377	4,656	4,377
Non-deductible expenses	135	289	135	289
Additional expense deductions allowed	(2,417)	(135)	(5,417)	(135)
Others	(368)	161	(595)	406
Total	2,006	4,692	(1,221)	4,937
Income tax expenses reported in the statement of comprehensive income	28,282	43,076	14,622	38,920

## 20. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	2019	2018	financial statements		financial statements	
	(Percent per annum)	(Percent per annum)	2019	2018	2019	2018
Bank overdrafts	-	MOR	-	647	-	568
Short-term loans from financial institutions	4.50, MOR - 2.50	5.10, MOR - 1.75, MLR - 0.25	150,000	261,077	150,000	261,077
Bills of exchanges	4.60 - 5.20	4.30 - 4.70	100,000	160,000	100,000	160,000
Total			250,000	421,724	250,000	421,645
Less: Deferred interest on bill of exchanges			(237)	(877)	(237)	(877)
Total			249,763	420,847	249,763	420,768

As at 31 December 2019, there was no short-term loans from financial institutions being secured by transfer of rights in bank deposit accounts and transfer of collection rights under finance lease agreements, to those financial institutions as described in Note 12 (2018: Baht 3 million).

Short-term loan agreements contain certain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity ratio at the rate prescribed in the agreements, and the portion of the Company's shares held by its major shareholder.

## 21. Long-term loans/Current portion of long-term loans

As at 31 December 2019 and 2018, long-term loans from local banks consist of:

No.	Agreement date	Credit facility (Million Baht)	Outstanding loans (Thousand Baht)		Significant conditions of the loan agreements					
			2019	2018	Total	Loan period	Principal repayment	Interest payment	Interest rate	
<u>The Company</u>										
1.	20 April 2016	18.7	-	1,650	1,650	2 years 10 months	Monthly	Monthly	At the rate of MLR - 0.75 per annum	
2.	22 December 2016	36.0	-	10,275	10,275	2 years 11 months	Monthly	Monthly	At the rate of MLR - 1 per annum	
3.	16 February 2017	2.8	-	740	740	2 years 6 months	Monthly	Monthly	At the rate of MLR - 1 per annum	
Total long-term loans			-	12,665	12,665					

Loan agreements with banks contain certain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity ratio, to maintain the shareholding percentage in the Company's shares held by its major shareholder, the transfer of rights in bank deposit accounts and including the transfer of collection rights under finance lease agreements, as described in Note 12.

As at 31 December 2019, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 100 million (2018: Baht 117 million).

Movements of the long-term loan account for the years ended 31 December 2019 and 2018 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<hr/>	
Balance as at 23 May 2018 (The date of preparing the consolidated financial statements)	26,517	
Less: Repayment during the period	(13,852)	
	<hr/>	
Balance as at 31 December 2018	12,665	
Less: Repayment during the year	(12,665)	
	<hr/>	
Balance as at 31 December 2019	-	
	<hr/> <hr/>	
	(Unit: Thousand Baht)	
	Separate financial statements	
	<hr/>	
	2019	2018
	<hr/>	
Balance as at the beginning of the year	12,665	34,866
Less: Repayment during the year	(12,665)	(22,201)
	<hr/>	
Balance as at the end of the year	-	12,665
	<hr/> <hr/>	

## 22. Debentures

			(Unit: Thousand Baht)	
No.	Date of issuance	Conditions	2019	2018
1.	1 June 2016	Issued name registered, unsecured and unsubordinated debentures without a debenture holders' representative, 3-year debentures at a coupon rate of 5.25% per annum with interest payable every 3 months	-	150,000
2.	2 May 2017	Issued name registered, unsecured and unsubordinated debentures without a debenture holders' representative, 3-year debentures at a coupon rate of 5.75% per annum with interest payable every 3 months	85,000	85,000
3.	22 August 2017	Issued name registered, unsecured and unsubordinated debentures without a debenture holders' representative, 2.5-year debentures at a coupon rate of 6.00% per annum with interest payable every 3 months	300,000	300,000
4.	1 February 2018	Issued name registered, unsecured and unsubordinated debentures without a debenture holders' representative, 2-year debentures at a coupon rate of 6.00% per annum with interest payable every 3 months	315,000	315,000
5.	21 March 2019	Issued name registered, unsecured and unsubordinated debentures without a debenture holders' representative, 2-year debentures at a coupon rate of 6.25% per annum with interest payable every 3 months	200,000	-
6.	29 October 2019	Issued name registered, secured and unsubordinated debentures with a debenture holders' representative, 1-year debentures at a coupon rate of 5.00% per annum with interest payable every 3 months	150,000	-
7.	19 December 2019	Issued name registered, secured and unsubordinated debentures with a debenture holders' representative, 2-year debentures at a coupon rate of 5.25% per annum with interest payable every 3 months	520,600	-
8.	19 December 2019	Issued name registered, secured and unsubordinated debentures with a debenture holders' representative, 3-year debentures at a coupon rate of 5.50% per annum with interest payable every 3 months	393,000	-
Total			1,963,600	850,000
Less: Deferred issuing expenses			(14,724)	(4,493)
Debentures			1,948,876	845,507
Less: Current portion due within 1 year			(847,967)	(149,941)
Debentures - net of current portion			1,100,909	695,566

Movements of the debenture account for the year ended 31 December 2019 and 2018 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2019	2018
Balance as at the beginning of the year	850,000	685,000
Add: Increase during year	1,263,600	315,000
Less: Redemption during the year	(150,000)	(150,000)
Balance as at the end of the year	<u>1,963,600</u>	<u>850,000</u>

Such debentures contain certain covenants which the Company has to comply with, such as financial ratios, dividend payment and disposal of assets, etc.

On 29 October and 19 December 2019, the Company issued secured debentures which contain certain conditions that the Company has to comply with, such as values of right transfer in cash receipts from trade and other receivables, loan receivables, factoring receivables, financial lease receivables and hire-purchase receivables must not less than 1.5 times of the unredeemed debentures value throughout the period of those secured debentures.

### 23. Liabilities under hire-purchase agreements

The Company has loan in form of hire-purchase agreements, whereby it is committed to pay equal monthly installments throughout terms of the agreements. The terms of the agreements are generally between 10 and 24 periods (2018: 10 and 36 years). The installment payments required under the hire-purchase agreements were as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2019	2018
Liabilities under hire-purchase agreements	79,233	102,696
Less: Deferred interest expenses	(1,335)	(3,078)
Total	77,898	99,618
Less: Current portion	(72,592)	(60,934)
Liabilities under hire-purchase agreements - net of current portion	<u>5,306</u>	<u>38,684</u>

## 24. Liabilities under financial lease agreements

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2019	2018
Liabilities under financial lease agreements	5,589	101
Less: Deferred interest expenses	(500)	(18)
Total	5,089	83
Less: Current portion	(2,191)	(83)
Liabilities under financial lease agreements - net of current portion	<u>2,898</u>	<u>-</u>

The Company has entered into financial lease agreements with leasing companies for rental of motor vehicles used in its operation, whereby it is committed to pay rental charges on monthly basis. The terms of the agreements are generally between 3 and 4 years.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	2019		
	Less than		
	1 year	1 - 5 years	Total
Future minimum lease payments	2,528	3,061	5,589
Deferred interest expenses	(337)	(163)	(500)
Present value of future minimum lease payments	<u>2,191</u>	<u>2,898</u>	<u>5,089</u>

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2018	
	Less than	
	1 year	Total
Future minimum lease payments	101	101
Deferred interest expenses	(18)	(18)
Present value of future minimum lease payments	<u>83</u>	<u>83</u>



## 25. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits				
at beginning of year	6,302	5,599	6,124	5,599
Amount included in profit or loss:				
Current service costs	760	591	710	564
Interest costs	166	112	160	110
Past service costs	1,953	-	1,956	-
Transfer of provision for long-term				
employee benefits to its subsidiary	-	-	-	(149)
Amount included in other comprehensive				
income:				
Actuarial loss arising from				
Demographic assumptions changes	(311)	-	(257)	-
Financial assumptions changes	391	-	348	-
Experience adjustments	385	-	295	-
Provision for long-term employee benefits				
at end of year	<u>9,646</u>	<u>6,302</u>	<u>9,336</u>	<u>6,124</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered as a post-employment benefits plan amendment and caused the Group has additional long-term employee benefit liabilities of Baht 1.96 million (The Company only: Baht 1.96 million) as a result. The Group reflected the effect of the change by recognising past service costs as expenses in the statement of comprehensive income for the year.

The Company has no obligation relating to long-term employee benefits expected to be paid to its employees within one year.

As at 31 December 2019 and 2018, the weighted average duration of the liabilities for long-term employee benefits is approximately 13.3 years and 13.4 years, respectively.

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	Consolidated and separate financial statements	
	2019	2018
Discount rate	1.7	2.8
Future salary increase rate	5.5	5.5
Employee turnover rate (depending on age of employees)	10.0 - 30.0	8.0 - 30.0

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2019 and 2018 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Decrease		Decrease	
	Increase 1%	1%	Increase 1%	1%
Discount rate	(0.5)	0.5	(0.4)	0.5
Salary increase rate	0.5	(0.4)	0.4	(0.4)
Employee turnover rate (20 of based assumption)	(0.4)	0.5	(0.3)	0.5

	(Unit: Million Baht)	
	As at 31 December 2018	
	Consolidated and separate financial statements	
	Decrease	
	Increase 1%	1%
Discount rate	(0.3)	0.4
Salary increase rate	0.4	(0.4)
Employee turnover rate (20 of based assumption)	(0.3)	0.3

## 26. Bid bonds deposit awaiting for return to customers

As at 31 December 2019, the Company had bid bonds deposit awaiting for return to customers of Baht 21 million (2018: Baht 74 million) which arose from the Company being a guarantor with a bank that issued bank guarantees for bid bonds on behalf of the Company's customers. The detail breakdown as presented in the statements of financial position was summarised below.

	(Unit: Thousand Baht) Consolidated and separate financial statements	
	2019	2018
Other current liabilities	9,802	8,790
Other non-current liabilities	11,620	64,768

## 27. Share capital

### 27.1 Additional share subscription from exercises of warrants

The Company received additional share LIT-W1 subscriptions from the exercised warrants, as detailed below.

Year	Warrants (units)	Ordinary shares (shares)	Exercise price (Baht/share)	Amount (Thousand Baht)
2018	1,285,700	642,850	4	2,571
2019	1,461,100	730,550	4	2,922

As at 31 December 2019, the Company's paid-up capital increased from Baht 220,718,906 to Baht 221,449,456 (2018: from Baht 220,076,056 to Baht 220,718,906) and share premium increased by Baht 5,844,400 (2018: Baht 5,142,800) as a result of the exercised share warrants.

### 27.2 Reconciliation of number of ordinary shares

During the years, movements of registered capital, paid-up capital and premium on ordinary shares of the Company are as follows:

	Registered capital		Paid-up capital		Share premium
	Number of ordinary shares	Amount	Number of ordinary shares	Amount	
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)	(Thousand Baht)
As at 1 January 2018	300,000	300,000	220,076	220,076	71,330
Increase from exercised warrants	-	-	643	643	5,143
As at 31 December 2018	300,000	300,000	220,719	220,719	76,473
Increase from exercised warrants	-	-	730	730	5,845
As at 31 December 2019	300,000	300,000	221,449	221,449	82,318

## 28. Warrants

On 26 April 2017, the Company issued and allocated 160,000,000 units of warrants for rights to purchase the Company's ordinary shares No. 1 (LIT-W1) to the existing shareholders of the Company. Details are as follows:

Type	Name registered and transferrable
Offering price per unit	Baht 2.50
Maturity of warrants	5 years from the date of issuance
Exercise price	Baht 4.00 per share, subject to change in accordance with the conditions of rights adjustments
Conversion ratio	1 ordinary share per 2 warrants, subject to change in accordance with the conditions of rights adjustments
Conditions and period of exercise	<ol style="list-style-type: none"><li>1) Exercises of the warrants can be made on the 25<sup>th</sup> of January, April, July and October of each year throughout the term of the warrants, with the first exercise date on 25 July 2017, and the warrant holders have to deliver notification of their intention to exercise the warrants at least 5 business days prior to each exercise date. The final exercise date is 25 April 2022 and warrant holders have to deliver notification of their intention to exercise the warrants at least 15 business days prior to this final exercise date.</li><li>2) The warrant holders shall exercise rights to purchase at least 100 ordinary shares at a time, and at round numbers only. If warrant holders have rights to purchase fewer than 100 ordinary shares they are to exercise these rights on a single occasion.</li><li>3) Unexercised warrants can be accumulated to exercise during the next exercise period, until the maturity of the warrants.</li></ol>

During the years, a total of 1,461,100 units (2018: 1,285,700 units) of warrants had been exercised; therefore, as at 31 December 2019, there were 157,100,152 units (2018: 158,561,252 units) unexercised warrants outstanding, calculating to a value of Baht 392.75 million (2018: Baht 396.40 million).

## 29. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 30. Interest incomes

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	2019	2018
Interest incomes from		
Loan contracts	143,304	134,089
Factoring contracts	117,305	95,583
Financial lease contracts	13,606	17,310
Hire-purchase contracts	16,715	10,251
Total interest incomes	<u>290,930</u>	<u>257,233</u>

## 31. Fee and service incomes

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Fee and service incomes from				
Loan contracts	84,950	91,444	7,730	66,911
Factoring contracts	41,255	40,387	32,475	33,607
Financial lease contracts	233	2,475	233	2,475
Hire-purchase contracts	56	80	56	80
Letters of guarantee	13,517	20,705	13,517	20,705
Letters of credit	1,251	1,356	1,251	1,356
Others	22	22	22	22
Total fee and service incomes	<u>141,284</u>	<u>156,469</u>	<u>55,284</u>	<u>125,156</u>

### 32. Other incomes

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Revenues from sales	5,134	-	5,134	-
Costs of sales	(4,359)	-	(4,359)	-
Net of revenues and costs	775	-	775	-
Dividend income	-	-	15,000	-
Interest incomes from late payment	17,896	26,685	17,896	26,685
Others	5,719	4,713	5,498	4,681
<b>Total other incomes</b>	<b>24,390</b>	<b>31,398</b>	<b>39,169</b>	<b>31,366</b>

The net of revenues and costs is a service performed for goods procurement and supply to customers which is presented at net amount between sales and cost of sales and is shown as other incomes in the statements of comprehensive income.

### 33. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Salaries and wages and other employee benefits	89,088	70,861	72,134	62,241
Bad debts and doubtful accounts	110,522	70,504	110,522	70,504
Rental expenses from operating lease agreements and services expenses	12,926	8,060	11,457	7,673
Legal advisor fees	3,215	2,719	2,735	2,419
Special business tax	10,426	11,646	10,426	11,646
Financial management fees	4,828	6,347	4,740	6,342
Depreciation and amortisation	7,643	4,694	7,540	4,690

### 34. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year and adjusted the number of ordinary shares with proportionate change in the number of ordinary shares as a result of the exercises of warrants.

	(Unit: Thousand shares)	
	Consolidated and separate financial statements	
	2019	2018
Number of ordinary shares issued at beginning of the year	220,501	220,076
Ordinary shares issued during the year	720	425
Number of ordinary shares issued at end of the year	<u>221,221</u>	<u>220,501</u>

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

Basic earnings per share and diluted earnings per share are calculated below.

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit for the year	103,098	148,846	221,221	220,501	<u>0.47</u>	<u>0.68</u>
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (LIT-W1)	-	-	20,834	42,006		
<b>Diluted earnings per share</b>						
Profit for the year - assuming the conversion of dilutive potential ordinary shares	<u>103,098</u>	<u>148,846</u>	<u>242,055</u>	<u>262,507</u>	<u>0.43</u>	<u>0.57</u>

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2019	2018	2019	2018	2019	2018
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit for the year	64,594	130,996	221,221	220,501	0.29	0.59
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (LIT-W1)	-	-	20,834	42,006		
<b>Diluted earnings per share</b>						
Profit for the year - assuming the conversion of dilutive potential ordinary shares	64,594	130,996	242,055	262,507	0.27	0.50

### 35. Dividend payment

Dividend	Approved by	Dividend per share (Baht per share)	Amounts of dividend paid (Thousand Baht)	Dividend payment period
<b>For the year 2019</b>				
Dividend for 2018	Annual General Meeting of the shareholders on 19 April 2019	0.33	72,837	May 2019
<b>For the year 2018</b>				
Dividend for 2017	Annual General Meeting of the shareholders on 29 March 2018	0.32	70,425	April 2018



**36. Provident fund**

The Group and its employees jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. The fund is monthly contributed by the employees at the rate of 5 percent of their basic salaries and by the Group at the same rate. The fund is managed by SCB Asset Management Company Limited and will be paid to the employees upon termination in accordance with the rules of the fund. The contributions for the years 2019 and 2018 amounting to Baht 1.23 million and Baht 1.16 million, respectively, were recognised as expenses for the Group (The Company only: Baht 1.09 million and Baht 1.04 million, respectively).

**37. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its services and has two reportable segments as follows:

1. Financial services in various forms such as hire-purchase, financial leases, factoring from selling and service, loans and goods procurement for supply to customers.
2. Credit information services and analysis including credit management project.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions regarding resource allocation and performance assessment. Segment performance is measure based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit of loss and total assets in the financial statements.

### 37.1 Results of operations separated by business segment

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2019 and 2018.

(Unit: Thousand Baht)

	2019			Consolidated financial statements
	Financial services in various forms	Credit information services and analysis	Elimination of transaction	
<b>Revenue</b>				
Revenues from customers				
- Interest incomes	290,930	-	-	290,930
- Fee and service incomes	55,284	86,000	-	141,284
Other incomes	24,169	640	(419)	24,390
<b>Total revenues</b>	<b>370,383</b>	<b>86,640</b>	<b>(419)</b>	<b>456,604</b>
Finance cost	(84,397)	-	419	(83,978)
Selling expenses	(23,037)	(17,245)	-	(40,282)
Administrative expenses	(88,211)	(2,231)	-	(90,442)
Bad debts and doubtful accounts	(110,522)	-	-	(110,522)
Income tax expenses	(14,622)	(13,660)	-	(28,282)
<b>Profit for the year</b>	<b>49,594</b>	<b>53,504</b>	<b>-</b>	<b>103,098</b>

(Unit: Thousand Baht)

	2018			Consolidated financial statements
	Financial services in various forms	Credit information services and analysis	Elimination of transaction	
<b>Revenue</b>				
Revenues from customers				
- Interest incomes	257,233	-	-	257,233
- Fee and service incomes	125,156	31,312	-	156,468
Other incomes	31,366	32	-	31,398
<b>Total revenues</b>	<b>413,755</b>	<b>31,344</b>	<b>-</b>	<b>445,099</b>
Finance cost	(69,251)	-	-	(69,251)
Selling expenses	(21,906)	(7,339)	-	(29,245)
Administrative expenses	(82,177)	(2,000)	-	(84,177)
Bad debts and doubtful accounts	(70,504)	-	-	(70,504)
Income tax expenses	(38,920)	(4,156)	-	(43,076)
<b>Profit for the year</b>	<b>130,997</b>	<b>17,849</b>	<b>-</b>	<b>148,846</b>

## 37.2 Assets and liabilities separated by business segment

(Unit: Thousand Baht)

	Financial services in various forms	Credit information service and analysis	Elimination of transaction	Consolidated financial statements
<b>Segment assets</b>				
31 December 2019	3,553,301	69,197	(71,753)	3,550,745
31 December 2018	2,640,326	33,195	(10,426)	2,663,095
<b>Segment liabilities</b>				
31 December 2019	2,476,986	7,953	(66,753)	2,418,186
31 December 2018	1,558,427	10,381	(5,462)	1,563,346

### Geographic information

The Group only operate in Thailand. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### Major customers

For the years 2019 and 2018, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

## 38. Commitments and contingent liabilities

As of 31 December 2019 and 2018, the Group has commitments other than those disclosed in other notes as follows:

### 38.1 Capital commitments

As at 31 December 2019, the Company had capital commitments of Baht 21.9 million (2018: nil) relating to the development and installation of the Company's new leasing information technology system.

### 38.2 Operating lease and service commitments

The Group have entered into several agreements in respect of the lease of office building space and other services. The terms of the agreements are generally between 1 and 3 years.

As at 31 December 2019 and 2018, future minimum payment under these lease and service agreements are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Payable				
In up to 1 year	7.9	1.7	6.7	1.4
In over 1 and up to 3 years	7.3	-	6.0	-

### 38.3 Guarantees

As at 31 December 2019 and 2018, the Company had commitments of approximately Baht 96 million and Baht 246 million, respectively as a result of its guarantees to banks on behalf of customers to whom the banks issued bank guarantees for bid bonds. The Company has pledged deposits of Baht 45 million and Baht 100 million to secure these bank guarantees.

### 38.4 Employee Joint Investment Program

In 2018, the Group began an Employee Joint Investment Program (“the EJIP”), with a program life of 3 years starting from 1 April 2018 to 31 March 2021. This program is a staff benefit which supports employees of the Group who meet certain criteria and voluntarily join the EJIP to invest in the Company’s shares. Employees who are EJIP participants have an obligation to pay monthly contributions at the rate of 10% of their basic salaries, but not exceeding Baht 100,000 per month and the Group is obliged to monthly contribute the same amount. For the year 2019, the amounts contributed by the Group of Baht 1.48 million (2018: Baht 1.38 million) and the Company only of Baht 1.34 million (2018: Baht 1.23 million) were presented under personnel expenses.

## 39. Financial instruments

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, loan receivables, factoring receivables, financial lease receivables, hire-purchase receivables, restricted bank deposits, bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from subsidiary, long-term loans, debentures, hire-purchase payables and financial lease payables. The financial risks associated with these financial instruments and how they are managed is described below.

### 39.1 Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, loan receivables, factoring receivables, financial lease receivables and hire-purchase receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables net of allowance for doubtful accounts as stated in the statement of financial position.

### 39.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the financial position of the Group. As the Group has no assets or liabilities denominated in foreign currencies, market risk therefore consists only of interest rate risk and securities price risk.

#### Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate as a result of changes in market interest rates.

Significant financial assets and liabilities as at 31 December 2019 and 2018 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

## Consolidated financial statements

	2019					Interest rate per contract (% p.a.)
	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	
	Within 1 year	Over 1- 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	108	128	236	0.10 - 0.50
Current Investments	-	-	-	730	730	-
Trade and other receivables	-	-	-	35	35	-
Loan receivables	878	322	-	-	1,200	6.50 - 15.00
Factoring receivables	940	41	-	-	981	13.70 - 15.00
Financial lease receivables	70	44	-	-	114	6.00 - 7.50
Hire-purchase receivables	95	20	-	-	115	4.75 - 7.50
Restricted bank deposits	-	45	2	-	47	0.38 - 1.05
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans	100	-	150	-	250	4.50 - 5.20, MOR - 2.50
Trade and other payables	-	-	-	1	1	-
Debentures	848	1,101	-	-	1,949	5.00 - 6.25
Liabilities under hire-purchase agreements	73	5	-	-	78	1.94 - 2.60
Liabilities under financial lease agreements	2	3	-	-	5	1.99 - 4.91

(Unit: Million Baht)

## Consolidated financial statements

	2018					Interest rate per contract (% p.a.)
	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	
	Within 1 year	Over 1- 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	90	16	106	0.10 - 0.40
Trade and other receivables	-	-	-	8	8	-
Loan receivables	834	226	-	-	1,060	0.00 - 15.00
Factoring receivables	992	41	-	-	1,033	9.00 - 15.00
Financial lease receivables	87	36	-	-	123	6.00 - 7.82
Hire-purchase receivables	104	64	-	-	168	6.00 - 7.50
Restricted bank deposits	-	100	1	-	101	0.38 - 1.05
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans	160	-	261	-	421	4.30 - 5.10, MOR - 1.75, MOR, MLR - 0.25
Trade and other payables	-	-	-	1	1	-
Long-term loans	-	-	13	-	13	MLR - 0.75, MLR - 1.00
Debentures	150	696	-	-	846	5.25 - 6.00
Liabilities under hire-purchase agreements	61	39	-	-	100	1.93 - 2.27

(Unit: Million Baht)

## Separate financial statements

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate per contract (% p.a.)
	Within 1 year	Over 1-5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	106	128	234	0.10 - 0.50
Current Investments	-	-	-	730	730	-
Trade and other receivables	-	-	-	36	36	-
Loan receivables	878	322	-	-	1,200	6.50 - 15.00
Factoring receivables	940	41	-	-	981	13.70 - 15.00
Financial lease receivables	70	44	-	-	114	6.00 - 7.50
Hire-purchase receivables	95	20	-	-	115	4.75 - 7.50
Restricted bank deposits	-	45	2	-	47	0.38 - 1.05
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans	100	-	150	-	250	4.50 - 5.20, MOR - 2.50
Trade and other payables	-	-	-	1	1	-
Short-term loans from subsidiary	66	-	-	-	66	1.50
Debentures	848	1,101	-	-	1,949	5.00 - 6.25
Liabilities under hire-purchase agreements	73	5	-	-	78	1.94 - 2.60
Liabilities under financial lease agreements	2	3	-	-	5	1.99 - 4.91



(Unit: Million Baht)

## Separate financial statements

	2018					Interest rate per contract (% p.a.)
	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	
	Within 1 year	Over 1- 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	60	14	74	0.10 - 0.40
Trade and other receivables	-	-	-	13	13	-
Loan receivables	834	226	-	-	1,060	0.00 - 15.00
Factoring receivables	992	41	-	-	1,033	9.00 - 15.00
Financial lease receivables	87	36	-	-	123	6.00 - 7.82
Hire-purchase receivables	104	64	-	-	168	6.00 - 7.50
Restricted bank deposits	-	100	1	-	101	0.38 - 1.05
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans	160	-	261	-	421	4.30 - 5.10, MOR - 1.75, MOR, MLR - 0.25
Trade and other payables	-	-	-	2	2	-
Long-term loans	-	-	13	-	13	MLR - 0.75, MLR - 1.00
Debentures	150	696	-	-	846	5.25 - 6.00
Liabilities under hire-purchase agreements	61	39	-	-	100	1.93 - 2.27

**Equity position risk**

Equity position risk is the risk that changes in the market prices of equity securities or stocks may result in changes in the value of investments, and fluctuations in revenue and the value of financial assets.

The maximum equity position risk exposure is the carrying value of investments in equity securities as presented in the statements of financial position.

### 39.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to liquidate their financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the incurrence of a financial loss.

Counting from the financial position date, the periods to maturity of financial instruments held as at 31 December 2019 and 2018 are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements				
	2019				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
<b><u>Financial assets</u></b>					
Cash and cash equivalents	236	-	-	-	236
Current Investments	730	-	-	-	730
Trade and other receivables	-	35	-	-	35
Loan receivables <sup>(1)</sup>	-	878	322	-	1,200
Factoring receivables <sup>(1)</sup>	-	940	41	-	981
Financial lease receivables <sup>(1)</sup>	-	70	44	-	114
Hire-purchase receivables <sup>(1)</sup>	-	95	20	-	115
Restricted bank deposits	-	-	47	-	47
<b><u>Financial liabilities</u></b>					
Bank overdrafts and short-term loans	-	250	-	-	250
Trade and other payables	-	1	-	-	1
Debentures	-	848	1,101	-	1,949
Liabilities under hire-purchase agreements	-	73	5	-	78
Liabilities under financial lease agreements	-	2	3	-	5

<sup>(1)</sup> The outstanding balance of loan, factoring, financial lease and hire-purchase receivables which have maturity within 1 year included receivable for which revenue recognised has been ceased.

(Unit: Million Baht)

## Consolidated financial statements

Transactions	2018				Total
	At call	Within 1 year	Over 1 year	No specific maturity	
<b>Financial assets</b>					
Cash and cash equivalents	106	-	-	-	106
Trade and other receivables	-	8	-	-	8
Loan receivables <sup>(1)</sup>	-	834	226	-	1,060
Factoring receivables <sup>(1)</sup>	-	992	41	-	1,033
Financial lease receivables <sup>(1)</sup>	-	87	36	-	123
Hire-purchase receivables <sup>(1)</sup>	-	104	64	-	168
Restricted bank deposits	-	-	101	-	101
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans	-	421	-	-	421
Trade and other payables	-	1	-	-	1
Long-term loans	-	13	-	-	13
Debentures	-	150	696	-	846
Liabilities under hire-purchase agreements	-	61	39	-	100

(1) The outstanding balance of loan, factoring, financial lease and hire-purchase receivables which have maturity within 1 year included receivable for which revenue recognised has been ceased.

(Unit: Million Baht)

Separate financial statements					
2019					
Transactions	At call	Within 1 year	Over 1 year	No specific maturity	Total
<b>Financial assets</b>					
Cash and cash equivalents	234	-	-	-	234
Current Investments	730	-	-	-	730
Trade and other receivables	-	36	-	-	36
Loan receivables <sup>(1)</sup>	-	878	322	-	1,200
Factoring receivables <sup>(1)</sup>	-	940	41	-	981
Financial lease receivables <sup>(1)</sup>	-	70	44	-	114
Hire-purchase receivables <sup>(1)</sup>	-	95	20	-	115
Restricted bank deposits	-	-	47	-	47
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans	-	250	-	-	250
Trade and other payables	-	1	-	-	1
Short-term loans from subsidiary	66	-	-	-	66
Debentures	-	848	1,101	-	1,949
Liabilities under hire-purchase agreements	-	73	5	-	78
Liabilities under financial lease agreements	-	2	3	-	5

<sup>(1)</sup> The outstanding balance of loan, factoring, financial lease and hire-purchase receivables which have maturity within 1 year included receivable for which revenue recognised has been ceased.

(Unit: Million Baht)

Transactions	Separate financial statements				
	2018				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
<b>Financial assets</b>					
Cash and cash equivalents	74	-	-	-	74
Trade and other receivables	-	13	-	-	13
Loan receivables <sup>(1)</sup>	-	834	226	-	1,060
Factoring receivables <sup>(1)</sup>	-	992	41	-	1,033
Financial lease receivables <sup>(1)</sup>	-	87	36	-	123
Hire-purchase receivables <sup>(1)</sup>	-	104	64	-	168
Restricted bank deposits	-	101	-	-	101
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans	-	421	-	-	421
Trade and other payables	-	2	-	-	2
Long-term loans	-	13	-	-	13
Debentures	-	150	696	-	846
Liabilities under hire-purchase agreements	-	61	39	-	100

<sup>(1)</sup> The outstanding balance of loan, factoring, financial lease and hire-purchase receivables which have maturity within 1 year included receivable for which revenue recognised has been ceased.

### 39.4 Fair value of financial instruments

As of 31 December 2019, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Current investments	730	-	-	730

As of 31 December 2018, the Group had no assets that were measured at fair value using different levels of inputs.

As at 31 December 2019 and 2018, the Group had financial assets and liabilities that measured at cost, and of which fair values have to be disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	2019				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
<b><u>Assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	236	236	-	-	236
Trade and other receivables	35	-	35	-	35
Loan receivables	1,200	-	1,200	-	1,200
Factoring receivables	981	-	981	-	981
Financial lease receivables	114	-	-	116	116
Hire-purchase receivables	115	-	-	101	101
Restricted bank deposits	47	2	45	-	47
<b><u>Liabilities for which fair value are disclosed</u></b>					
Bank overdrafts and short-term loans	250	-	250	-	250
Trade and other payables	1	-	1	-	1
Debentures	1,949	-	1,966	-	1,966
Liabilities under hire-purchase agreements	78	-	-	70	70
Liabilities under financial lease agreements	5	-	-	4	4

(Unit: Million Baht)

	Consolidated financial statements				
	2018				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
<b><u>Assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	106	106	-	-	106
Trade and other receivables	8	-	8	-	8
Loan receivables	1,060	-	1,060	-	1,060
Factoring receivables	1,033	-	1,033	-	1,033
Financial lease receivables	123	-	-	121	121
Hire-purchase receivables	168	-	-	170	170
Restricted bank deposits	101	1	100	-	101
<b><u>Liabilities for which fair value are disclosed</u></b>					
Bank overdrafts and short-term loans	421	-	421	-	421
Trade and other payables	1	-	1	-	1
Long-term loans	13	-	13	-	13
Debentures	846	-	848	-	848
Liabilities under hire-purchase agreements	100	-	-	89	89

(Unit: Million Baht)

	Separate financial statements				
	2019				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
<b><u>Assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	234	234	-	-	234
Trade and other receivables	36	-	36	-	36
Loan receivables	1,200	-	1,200	-	1,200
Factoring receivables	981	-	981	-	981
Financial lease receivables	114	-	-	116	116
Hire-purchase receivables	115	-	-	101	101
Restricted bank deposits	47	2	45	-	47
<b><u>Liabilities for which fair value are disclosed</u></b>					
Bank overdrafts and short-term loans	250	-	250	-	250
Trade and other payables	1	-	1	-	1
Debentures	1,949	-	1,966	-	1,966
Liabilities under hire-purchase agreements	78	-	-	70	70
Liabilities under financial lease agreements	5	-	-	4	4

(Unit: Million Baht)

	Separate financial statement				
	2018				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
<b><u>Assets for which fair value are disclosed</u></b>					
Cash and cash equivalents	74	74	-	-	74
Trade and other receivables	13	-	13	-	13
Loan receivables	1,060	-	1,060	-	1,060
Factoring receivables	1,033	-	1,033	-	1,033
Financial lease receivables	123	-	-	121	121
Hire-purchase receivables	168	-	-	170	170
Restricted bank deposits	101	1	100	-	101
<b><u>Liabilities for which fair value are disclosed</u></b>					
Bank overdrafts and short-term loans	421	-	421	-	421
Trade and other payables	2	-	2	-	2
Long-term loans	13	-	13	-	13
Debentures	846	-	848	-	848
Liabilities under hire-purchase agreements	100	-	-	89	89

Fair value hierarchy of financial assets and liabilities as at 31 December 2019 and 2018 has been prepared in accordance with Notes 4.16 to the financial statements.

As at 31 December 2019 and 2018, the methods and assumptions used by the Group in estimating the fair values of financial instruments are as follows:

- a) For financial assets and liabilities with short-term maturity, including cash and cash equivalents, trade and other receivables, trade and other payables, overdrafts and short-term loans, restricted bank deposits, their carrying amounts in the statement of financial position is approximate their fair values.
- b) Fair values of loan, factoring, financial lease, and hire-purchase receivables are estimated by discounting expected future cash flows by current market interest rates of the loans with similar terms and conditions.
- c) Fair values of debentures, liabilities under hire-purchase and financial lease agreements are estimated by discounting expected future cash flows by the current market interest rate of the borrowings with similar terms and conditions.
- d) Fair value of long-term loans with floating interest rate is assumed to approximate their book value.

#### **40. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 2.14:1 (2018: 1.42:1) and the Company's was 2.30:1 (2018: 1.44:1).

#### **41. Event after the reporting period**

- 41.1 On 26 December 2019, the Extraordinary General Meeting of the Shareholders of the subsidiary passed a special resolution to increase the subsidiary's registered share capital from Baht 5 million (500,000 ordinary shares of Baht 10 each) to Baht 10 million (1,000,000 ordinary shares of Baht 10 each) by issuing 500,000 shares of Baht 10 each, and 100 percent of which were called up amounting to Baht 5 million. The subsidiary registered the increase of its share capital with the Ministry of Commerce on 7 January 2019 and the Company has already paid such share capital in full amount on 7 January 2019.



41.2 On 25 February 2020, a meeting of the Company's Board of Directors No.3/2020 passed a resolution to propose that the Annual General Meeting of the Shareholders to consider approving the dividend payment for the year 2019 to the Company's shareholders at Baht 0.24 per share or a total dividend of approximately Baht 53.1 million. Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the shareholders.

**42. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2020.

Company Name	Lease IT Public Company Limited
The headquarters	1023, MS SIAM TOWER, 29 <sup>th</sup> Floor, Rama 3 Road, Chongnonsi, Yannawa, Bangkok 10120 Thailand
Nature of Business	Leasing, Hire Purchase and Factoring including other financial services such as Bid Bond, Project Backup Financing and Trade Finance
Company Registration Number	0107556000353
Tel.	02-163-4260
Fax	02-163-4291-4
Website	www.leaseit.co.th
Company Name	LIT Service Management Company Limited
The headquarters	1023, MS SIAM TOWER, 29 <sup>th</sup> Floor, Rama 3 Road, Chongnonsi, Yannawa, Bangkok 10120 Thailand
Nature of Business	Providing data information and credit analysis for customers who request credit with Lease IT Public Company Limited
Company Registration Number	0105561087567
Tel.	02-163-4260

### Reference

Registrar	Thailand Securities Depository Co., Ltd.  The Stock Exchange of Thailand Building 93 Ratchadapisek Road, Dindang, Dindang, Bangkok 10400  Tel. 66(0)-2009-9726 Fax : 66(0)-2009-9807-8 or TSD Call Center 66(0)-2009-9999						
Auditor	<table> <tr> <td>Ms. Somjai Khunapasut</td> <td>Certified Public Accountant (Thailand) No. 4499</td> </tr> <tr> <td>Ms. Siriwan Suratepin</td> <td>Certified Public Accountant (Thailand) No. 4604</td> </tr> <tr> <td>Ms. Rachada Youngsawadvanich</td> <td>Certified Public Accountant (Thailand) No. 4951</td> </tr> </table> EY Office Limited 33 <sup>rd</sup> Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Tel. 66(0)-2264-0777 Fax : 66(0)-2264-0789-90	Ms. Somjai Khunapasut	Certified Public Accountant (Thailand) No. 4499	Ms. Siriwan Suratepin	Certified Public Accountant (Thailand) No. 4604	Ms. Rachada Youngsawadvanich	Certified Public Accountant (Thailand) No. 4951
Ms. Somjai Khunapasut	Certified Public Accountant (Thailand) No. 4499						
Ms. Siriwan Suratepin	Certified Public Accountant (Thailand) No. 4604						
Ms. Rachada Youngsawadvanich	Certified Public Accountant (Thailand) No. 4951						

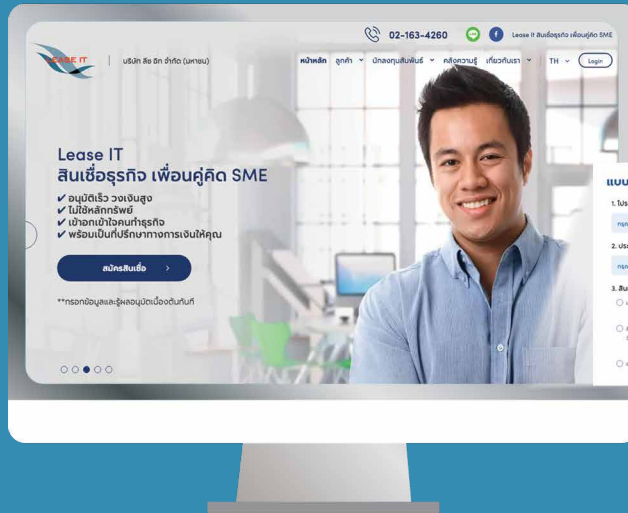
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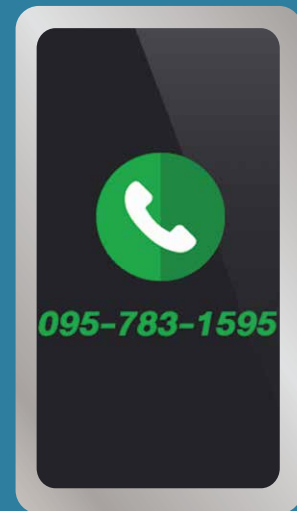
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แบบฟอร์มสมัครสินเชื่อธุรกิจ

1. โปรดระบุชื่อเจ้าของบริษัท	2. ประเภทของกิจการ	3. บุคลากรในบริษัท	4. ระบุบัญชี	5. ประวัติการชำระหนี้	6. อื่นๆ
กรุณาเลือก...	กรุณาเลือก...	กรุณาเลือก...	กรุณาเลือก...	กรุณาเลือก...	กรุณาเลือก...
7. กรุณาเลือกผลิตภัณฑ์ที่ต้องการขอสินเชื่อ					
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