

SG Capital Public Company Limited

Interim financial statements
for the three-month and six-month periods ended
30 June 2023
and
Independent auditor's review report



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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of SG Capital Public Company Limited

I have reviewed the accompanying statements of financial position of SG Capital Public Company Limited as at 30 June 2023, the statements of comprehensive income for the three-month and the six-month periods ended 30 June 2023, and the statements of changes in equity and cash flows for the six-month period ended 30 June 2023 and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
10 August 2023

SG Capital Public Company Limited

Statement of financial position

		30 June	31 December
Assets	Note	2023	2022
		(Unaudited)	
		(in thousand Baht)	
Current assets			
Cash and cash equivalents		730,194	3,106,144
Current portion of hire-purchase contract receivables	4	1,156,854	3,438,456
Current portion of loan receivables	5	2,158,316	2,006,260
Other receivables	3	131,985	67,316
Accrued income	3	20,088	11,668
Assets foreclosed		90,990	39,052
Other current assets		350	79
Total current assets		4,288,777	8,668,975
Non-current assets			
Hire-purchase contract receivables	4	992,652	1,918,405
Loan receivables	5	7,486,500	7,030,473
Leasehold improvement and equipment		23,795	21,472
Right-of-use assets		30,143	18,937
Intangible assets		10,600	6,274
Deferred tax assets	6	683,814	116,913
Other non-current assets		2,912	1,916
Total non-current assets		9,230,416	9,114,390
Total assets		13,519,193	17,783,365

The accompanying notes from an integral part of the interim financial statements.

SG Capital Public Company Limited

Statement of financial position

		30 June	31 December
	Note	2023	2022
		(Unaudited)	
		(in thousand Baht)	
Liabilities and equity			
<i>Current liabilities</i>			
Short-term loan from financial institution	7	-	55,000
Trade accounts payable	3	154,745	486,477
Other payables	3	129,994	163,962
Current portion of long-term loan from financial institution	7	-	10,476
Current portion of lease liabilities	3, 7	11,700	9,018
Corporate income tax payable		-	92,396
Total current liabilities		296,439	817,329
<i>Non-current liabilities</i>			
Long-term loans from parent company	3, 7	10,072,673	11,172,673
Long-term loan from financial institution	7	-	3,919
Lease liabilities	3, 7	20,413	11,768
Provisions for employee benefits		23,086	24,141
Employee security deposits		1,753	2,139
Total non-current liabilities		10,117,925	11,214,640
Total liabilities		10,414,364	12,031,969
<i>Equity</i>			
Share capital			
Authorised share capital		3,270,000	3,270,000
Issued and paid-up share capital		3,270,000	3,270,000
Share premium:			
Share premium on ordinary shares		2,292,003	2,292,003
Difference arising from business combination			
under common control		(974,118)	(974,118)
Retained earnings:			
Appropriated:			
Legal reserve		209,380	209,380
Unappropriated		(1,692,436)	954,131
Total equity		3,104,829	5,751,396
Total liabilities and equity		13,519,193	17,783,365

The accompanying notes from an integral part of the interim financial statements.

SG Capital Public Company Limited
Statement of comprehensive income (Unaudited)

		Three-month period ended	
		30 June	
	Note	2023	2022
		(in thousand Baht)	
Income			
Interest income from hire-purchase contract and loans	3	534,939	525,527
Other income	3	15,998	10,358
Total income		550,937	535,885
Expenses			
Service and administrative expenses	3	187,901	154,632
Total expenses		187,901	154,632
Profit from operating activities		363,036	381,253
Finance costs	3	(144,150)	(140,606)
Expected credit loss	11	(2,615,978)	(54,777)
(Loss) profit before income tax expense		(2,397,092)	185,870
Tax income (expense)		478,575	(34,502)
(Loss) profit for the period		(1,918,517)	151,368
Total comprehensive income (expense) for the period		(1,918,517)	151,368
Basic earnings (loss) per share (in Baht)	9	(0.59)	0.06

The accompanying notes from an integral part of the interim financial statements.

SG Capital Public Company Limited
Statement of comprehensive income (Unaudited)

		Six-month period ended	
		30 June	
	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Income</i>			
Interest income from hire-purchase contract and loans	3	1,180,856	1,013,041
Other income	3	28,453	17,641
Total income		1,209,309	1,030,682
<i>Expenses</i>			
Service and administrative expenses	3	364,553	304,730
Total expenses		364,553	304,730
Profit from operating activities		844,756	725,952
Finance costs	3	(301,131)	(255,308)
Expected credit loss	11	(3,397,400)	(96,740)
(Loss) profit before income tax expense		(2,853,775)	373,904
Tax income (expense)	6	566,901	(66,997)
(Loss) profit for the period		(2,286,874)	306,907
Total comprehensive income (expense) for the period		(2,286,874)	306,907
Basic earnings (loss) per share <i>(in Baht)</i>	9	(0.70)	0.13

The accompanying notes from an integral part of the interim financial statements.

SG Capital Public Company Limited
Statement of changes in equity (Unaudited)

		Difference arising from business combination under common control	Legal reserve <i>(in thousand Baht)</i>	Unappropriated	Total equity
	Issued and paid-up share capital				
Note					
Six-month period ended 30 June 2022					
Balance at 1 January 2022	2,450,000	(974,118)	176,018	762,087	2,413,987
Transactions with owners, recorded directly in equity					
Distributions to owners of the parent					
Dividends	-	-	-	(441,000)	(441,000)
Total transactions with owners, recorded directly in equity	-	-	-	(441,000)	(441,000)
Comprehensive income for the period					
Profit	-	-	-	306,907	306,907
Total comprehensive income for the period	-	-	-	306,907	306,907
Balance at 30 June 2022	2,450,000	(974,118)	176,018	627,994	2,279,894

The accompanying notes form an integral part of the interim financial statements.

SG Capital Public Company Limited
Statement of changes in equity (Unaudited)

		Retained earnings				
			Difference arising from business combination under common control	Legal reserve	Unappropriated	Total equity
			<i>(in thousand Baht)</i>			
	Note	Issued and paid-up share capital	Share premium			
<i>Six-month period ended 30 June 2023</i>						
Balance at 1 January 2023		3,270,000	2,292,003	(974,118)	209,380	954,131
						5,751,396
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the parent</i>						
Dividends	10				(359,693)	(359,693)
Total transactions with owners, recorded directly in equity		-	-	-	(359,693)	(359,693)
Comprehensive income for the period						
Loss					(2,286,874)	(2,286,874)
Total comprehensive expense for the period		-	-	-	(2,286,874)	(2,286,874)
Balance at 30 June 2023		3,270,000	2,292,003	(974,118)	209,380	3,104,829

The accompanying notes form an integral part of the interim financial statements.

SG Capital Public Company Limited

Statement of cash flows (Unaudited)

	Six-month period ended	
	30 June	
	2023	2022
	(in thousand Baht)	
<i>Cash flows from operating activities</i>		
(Loss) Profit for the period	(2,286,874)	306,907
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>		
Tax expense (income)	(566,901)	66,997
Interest income from hire-purchase contract and loans	(1,180,856)	(1,013,041)
Finance costs	301,131	255,308
Depreciation	11,620	9,187
Amortisation	425	260
Expected credit loss recognised in profit or loss	3,397,400	96,740
Provision for employee benefit	3,039	2,007
Loss from impairment of asset foreclosed	39,855	9,451
Other interest income	(5,176)	(55)
(Gain) loss on disposal of leasehold improvement and equipment	(6)	1,135
	(286,343)	(265,104)
<i>Changes in operating assets and liabilities</i>		
Hire-purchase contract receivables	120,609	(1,315,871)
Loan receivables	(892,799)	(1,586,260)
Other receivables	(65,739)	31,178
Accrued income	(8,420)	1,011
Assets foreclosed	(91,793)	(22,819)
Other current assets	(271)	(12)
Other non-current assets	(996)	(276)
Trade accounts payable	(331,732)	85,493
Deferred interest subsidies	(8,509)	(53,814)
Other payables	(25,473)	(36,513)
Employee security deposits	(386)	1,129
Employee benefit paid	(4,094)	(60)
Net cash used in operations	(1,595,946)	(3,161,918)
Interest received from hire-purchase contract and loans	1,154,918	1,007,984
Tax paid	(91,327)	(44,563)
Net cash used in operating activities	(532,355)	(2,198,497)

The accompanying notes from an integral part of the interim financial statements.

SG Capital Public Company Limited

Statement of cash flows (Unaudited)

	Six-month period ended 30 June	
	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>		
Other interest received	5,176	55
Proceeds from sale investment	6	-
Acquisition of leasehold improvement and equipment	(6,436)	(7,815)
Acquisition of intangible assets	(4,751)	(170)
Net cash used in investing activities	(6,005)	(7,930)
<i>Cash flows from financing activities</i>		
Dividend paid	(359,671)	(441,000)
Finance cost paid	(300,467)	(254,648)
Repayment of loan from a financial institution	(69,395)	(4,911)
Proceeds from loans from the parent company	-	3,602,732
Repayment of loans from the parent company	(1,100,000)	(730,556)
Payment of lease liabilities	(8,057)	(7,209)
Net cash (used in) from financing activities	(1,837,590)	2,164,408
Net decrease in cash and cash equivalents	(2,375,950)	(42,019)
Cash and cash equivalents at 1 January	3,106,144	391,367
Cash and cash equivalents at 30 June	730,194	349,348

The accompanying notes from an integral part of the interim financial statements.

SG Capital Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2023 (Unaudited)

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SG Capital Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2023 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 10 August 2023.

1 Basis of preparation of the interim financial statements

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2022.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2022.

2 COVID-19 relief measures

Due to uncertainty of the situation since 2020, the Bank of Thailand (“BoT”) provided measures, which are intended to support the financial institutions and finance businesses to help the affected debtors. Additional measures continue to be provided.

In 2022 and 2023, the Company applied the accounting guideline no. 37/2564 dated 3 December 2021, “*Guideline regarding the provision of financial assistance to the debtors affected by the Covid-19*”. This guideline is applied to the affected debtors during 1 January 2022 to 31 December 2023 or as further updated by BoT. For debt restructuring under the specified criteria from 1 January 2021 to 31 December 2021, the entity can apply the relevant staging and provisioning guideline under this accounting guideline to the debtors from 1 January 2022 to 31 December 2023. The guideline of staging and provisioning depends on debt restructuring method which can be categorised into 2 groups below. The accounting guideline is in line with the BoT Circular no. BoT. For Nor Sor. 2 Wor. 802/2564 dated 3 September 2021, “*Guidelines regarding the provision of financial assistance to the debtors affected by the Covid-19 (sustainable debt resolution)*”.

Debt restructuring method

1. Debt restructuring which aims to reduce the repayment burden other than term extension.

Guideline of staging and provisioning

1. Non-NPL modified loans can be classified as stage 1 performing immediately once they are identified as being likely to repay.
2. NPL modified loans can be classified as stage 1 performing only if they can repay 3 consecutive months or 3 consecutive dues, whichever is longer.
3. Significant increase in credit risk consideration (Under-performing or Stage 2) consider from overdue for principle or interest payments more than 30 days or 1 month from the due date.
4. Revision of effective interest rate (EIR) at the date of modification.

SG Capital Public Company Limited
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Debt restructuring method

2. Debt restructuring by term extension only

Guideline of staging and provisioning

Apply in accordance with the relevant financial reporting standard.

During 2023, the management closely monitored the collection from customers which were in Covid-19 relief program and identified a significant portion of customers which are unable to meet payments under the revised collection schedule. Accordingly, the Company has written off bad debts and significantly increased the estimated allowance for expected credit loss in the second quarter of 2023.

As at 30 June 2023, the outstanding modified receivables from expired Covid-19 relief program was approximately 11.74% and existing Covid-19 relief program was approximately 1.85% of the total hire-purchase contract receivables and loan receivables.

3 Related parties

Significant transactions with related parties

Six-month period ended 30 June

	2023	2022
	<i>(in thousand Baht)</i>	
Parent company		
Sale of assets foreclosed	-	15,023
Purchase of goods*	276,341	1,519,927
Debt collecting fee	6,254	21,315
Management fee	6,000	6,000
Commission expenses	-	1,200
Other expenses	387	542
Interest expenses	300,306	254,097
Other related parties		
Commission income	8,468	6,785
Revenue from sales of rights receivable	-	15,767
Purchase of goods*	10,897	289,880
Debt collecting fee	14,299	1,232
Commission expense	284	2,284
Other expenses	6,123	207
Key management personnel		
Key management personnel compensation		
Short-term benefit	15,179	21,257
Post-employment benefits	767	1,161
Total	15,946	22,418

* Purchased goods from related parties for hire-purchase receivables

SG Capital Public Company Limited

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2023 (Unaudited)

		30 June 2023	31 December 2022
<i>Balances with related parties as at</i>			
		<i>(in thousand Baht)</i>	
<i>Other receivables</i>			
Parent company		449	-
Other related parties		52	10,929
Total		501	10,929
<i>Accrued income</i>			
Other related parties		20,088	11,668
Total		20,088	11,668
<i>Trade accounts payable</i>			
Parent company		137,332	464,272
Other related parties		1,744	7,853
Total		139,076	472,125
<i>Other payables</i>			
Parent company		5,260	14,646
Other related parties		1,007	381
Total		6,267	15,027
<i>Lease liabilities</i>			
Parent company		945	1,897
Total		945	1,897
		At 1 January 2023	At 30 June 2023
	Interest rate (% per annum)		
		Increase	Decrease
		<i>(in thousand Baht)</i>	
<i>Loans from</i>			
Parent	5.25 - 6.06	11,172,673	- (1,100,000) 10,072,673

Significant agreements with related parties have no material change during the period.

SG Capital Public Company Limited

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2023 (Unaudited)

4 Hire-purchase contract receivables

30 June 2023

	Portion due within one year	Portion due over one year but within two years	Portion due over two year but within three years	Portion due over three year but within four years	Portion due over four year but within five years	Portion due over five years	Total
Hire-purchase contract receivables	3,082,423	888,207	473,199	225,430	79,625	24,004	4,772,888
Less unearned interest income	(666,277)	(207,882)	(85,032)	(30,714)	(8,178)	(3,373)	(1,001,456)
	2,416,146	680,325	388,167	194,716	71,447	20,631	3,771,432
Less allowance for expected credit loss	(1,259,292)	(207,057)	(96,995)	(42,760)	(13,373)	(2,449)	(1,621,926)
Net	1,156,854	473,268	291,172	151,956	58,074	18,182	2,149,506
<i>(in thousand Baht)</i>							
Hire-purchase contract receivables	4,862,725	1,436,968	677,772	298,200	113,748	13,881	7,403,294
Less unearned interest income	(1,080,572)	(344,904)	(132,684)	(44,735)	(11,391)	(828)	(1,615,114)
	3,782,153	1,092,064	545,088	253,465	102,357	13,053	5,788,180
Less allowance for expected credit loss	(343,697)	(60,586)	(19,543)	(5,613)	(1,701)	(179)	(431,319)
Net	3,438,456	1,031,478	525,545	247,852	100,656	12,874	5,356,861

31 December 2022

Hire-purchase contract receivables	4,862,725	1,436,968	677,772	298,200	113,748	13,881	7,403,294
Less unearned interest income	(1,080,572)	(344,904)	(132,684)	(44,735)	(11,391)	(828)	(1,615,114)
	3,782,153	1,092,064	545,088	253,465	102,357	13,053	5,788,180
Less allowance for expected credit loss	(343,697)	(60,586)	(19,543)	(5,613)	(1,701)	(179)	(431,319)
Net	3,438,456	1,031,478	525,545	247,852	100,656	12,874	5,356,861

SG Capital Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2023 (Unaudited)

As at 30 June 2023 and 31 December 2022, carrying amount and allowance for expected credit loss for electronic appliances, others and vehicles hire-purchase contract receivables were as follows:

	Electronic appliances and others				Vehicles				Total			
	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets with credit impairment	Total
30 June 2023												
Hire-purchase contract receivables*												
Within credit terms	686,934	2,731	4,453	694,118	217,297	11,646	-	228,943	904,231	14,377	4,453	923,061
Overdue:												
1 - 30 days	340,414	5,507	7,322	353,243	160,696	28,164	-	188,860	501,110	33,671	7,322	542,103
31 - 60 days	-	513,252	57,813	571,065	-	130,060	-	130,060	-	643,312	57,813	701,125
61 - 90 days	-	365,682	406	366,088	-	76,326	-	76,326	-	442,008	406	442,414
more than 90 days	-	-	1,038,084	1,038,084	-	-	124,645	124,645	-	-	1,162,729	1,162,729
Hire-purchase contract receivables*	1,027,348	887,172	1,108,078	3,022,598	377,993	246,196	124,645	748,834	1,405,341	1,133,368	1,232,723	3,771,432
Less allowance for expected credit loss	(59,859)	(583,798)	(900,463)	(1,544,120)	(3,679)	(13,480)	(60,647)	(77,806)	(63,538)	(597,278)	(961,110)	(1,621,926)
Total	967,489	303,374	207,615	1,478,478	374,314	232,716	63,998	671,028	1,341,803	536,090	271,613	2,149,506

*Hire-purchase contract receivables net of unearned interest income

SG Capital Public Company Limited

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2023 (Unaudited)

	Electronic appliances and others				Vehicles		Total
	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	Assets without a significant increase in credit risk	Assets with a significant increase in credit risk	
31 December 2022							
Hire-purchase contract receivables*							
Within credit terms	2,085,624	38,853	2,124,477	321,634	8,067	329,701	2,454,178
Overdue:							
1 - 30 days	933,462	12,179	945,641	154,821	10,271	165,092	1,110,733
31 - 60 days	-	367,065	367,065	-	165,086	165,086	532,151
61 - 90 days	-	938,384	938,384	-	111,383	111,383	1,049,767
more than 90 days	-	-	600,987	-	-	40,364	641,351
Hire-purchase contract receivables*	3,019,086	1,356,481	4,976,554	476,455	294,807	811,626	5,788,180
Less allowance for expected credit loss	(70,652)	(111,387)	(405,973)	(2,353)	(10,380)	(25,346)	(431,319)
Total	2,948,434	1,245,094	4,570,581	474,102	284,427	786,280	5,356,861

*Hire-purchase contract receivables net of unearned interest income

SG Capital Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2023 (Unaudited)

Modification of hire-purchase contract receivables

The financial statements for the six-month period ended 30 June 2023 and 2022 includes the following changes through various types of modification:

	2023		2022	
	Before modification	After modification <i>(in thousand Baht)</i>	Before modification	After modification
Modification of hire-purchase contract receivables				
- Six-month period ended 30 June	<u>36,784</u>	<u>35,606</u>	<u>263,037</u>	<u>260,692</u>

Cash collection under modification of hire-purchase contract receivables for the six-month period ended 30 June 2023 and 2022 were Baht 36.95 million and Baht 22.44 million, respectively.

As at 30 June 2023 and 31 December 2022 modified hire-purchase contract receivables have remaining balances of Baht 260.71 million and Baht 517.06 million, respectively. Partial of the receivables are also received the provision of financial assistance to the debtors affected by the Covid-19 relief program.

5 Loan receivables

	Portion due within 1 year		Portion due after 1 year		Total	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
			<i>(in thousand Baht)</i>			
Loan receivables	2,251,715	1,988,788	7,679,452	7,070,395	9,931,167	9,059,183
Add accrued interest receivable	<u>75,884</u>	<u>49,945</u>	<u>-</u>	<u>-</u>	<u>75,884</u>	<u>49,945</u>
	2,327,599	2,038,733	7,679,452	7,070,395	10,007,051	9,109,128
Less allowance for expected credit loss	<u>(169,283)</u>	<u>(32,473)</u>	<u>(192,952)</u>	<u>(39,922)</u>	<u>(362,235)</u>	<u>(72,395)</u>
Net	<u>2,158,316</u>	<u>2,006,260</u>	<u>7,486,500</u>	<u>7,030,473</u>	<u>9,644,816</u>	<u>9,036,733</u>

For the three-month and six-month periods ended 30 June 2023 (Unaudited)

At 30 June 2023 and 31 December 2022, carrying amount and allowance for expected credit loss for loan receivables were as follows:

	Vehicles			Debt consolidation			Others			Total
	Assets without significant increase in credit risk	Assets with a significant increase in credit risk	Total	Assets without significant increase in credit risk	Assets with a significant increase in credit risk	Total	Assets without significant increase in credit risk	Assets with a significant increase in credit risk	Total	
			(in thousand Bafiy)							
30 June 2023										
Loan receivables										
Within credit terms	6,338,799	39,428	6,378,227	425,877	10,675	436,552	6,775,351	39,428	6,814,779	
Overdue:										
1 - 30 days	1,617,050	-	1,683,289	-	2,998	2,998	1,624,233	66,239	1,690,472	
31 - 60 days	-	-	651,757	851	-	851	-	653,229	653,229	
61 - 90 days	-	-	352,397	394	-	394	-	353,721	353,721	
More than 90 days	-	-	487,460	3,764	-	3,764	-	494,850	494,850	
Net carrying amount	7,955,849	1,109,821	9,553,130	430,062	13,673	443,735	8,399,584	1,112,617	9,512,201	
Less allowance for expected credit loss	(52,789)	(51,022)	(103,811)	(13)	(3,208)	(3,221)	(56,459)	(61,173)	(117,632)	
Total	7,903,060	1,048,799	8,951,859	426,854	10,465	437,319	8,343,125	1,051,444	9,394,569	

For the three-month and six-month periods ended 30 June 2023 (Unaudited)

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Modification of loan receivables

The financial statements for the six-month period ended 30 June 2023 and 2022 includes the following changes through various types of modification:

	2023		2022	
	Before modification	After modification (in thousand Baht)	Before modification	After modification
Modification of loan receivables				
- Six-month period ended				
30 June	<u>16,320</u>	<u>15,838</u>	<u>23,842</u>	<u>23,842</u>

Cash collection under modification of loan receivables for the six-month period ended 30 June 2023 and 2022 were Baht 19.52 million and Baht 3.19 million, respectively.

As at 30 June 2023 and 31 December 2022 modified loan receivables have remaining balances of Baht 185.80 million and Baht 193.29 million, respectively. Partial of the receivables are also received the provision of financial assistance to the debtors affected by the Covid-19 relief program.

6 Deferred tax assets

	At 1 January	(Charged) / credited to: Profit or loss (in thousand Baht)	At 30 June
<i>Deferred tax</i>			
2023			
<i>Deferred tax assets</i>			
Allowance for expected credit loss	113,778	292,517	406,295
Allowance for decline in value of asset foreclosed	5,800	7,940	13,740
Provision for employee benefits	4,828	(211)	4,617
Deferred interest subsidies income	2,600	(1,702)	898
Right-of-use assets	370	24	394
Fee income	8,047	(904)	7,143
Loss carry forward	-	270,486	270,486
Total	<u>135,423</u>	<u>568,150</u>	<u>703,573</u>
<i>Deferred tax liabilities</i>			
Commission paid	(18,510)	(1,249)	(19,759)
Total	<u>(18,510)</u>	<u>(1,249)</u>	<u>(19,759)</u>
Net	<u>116,913</u>	<u>566,901</u>	<u>683,814</u>

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7 Interest-bearing liabilities

	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>	
Current		
Short-term loan from financial institution	-	55,000
Current portion of long-term loan from financial institution	-	10,476
Lease liabilities	11,700	9,018
Non-current		
Long-term loans from parent company	10,072,673	11,172,673
Long-term loan from financial institution	-	3,919
Lease liabilities	20,413	11,768
Total	10,104,786	11,262,854

As at 30 June 2023, the company had unsecured interest-bearing liabilities.

The Company entered into loan agreements with the parent company in the amount of Baht 10,073 million (31 December 2022: Baht 11,173 million), interest rate of 5.25% - 6.06% per annum (31 December 2022: 5.25% - 6.06% per annum). The interest rate shall be calculated from an average interest rate of the parent company's debentures, which were issued each time, add mark-up. The interest shall be paid by monthly. The loans will be matured in September 2024 to September 2025.

8 Segment information and disaggregation of revenue

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

Geographical segments

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

Timing of revenue recognition

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

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9 (Loss) earnings per share

<i>For the three-month period ended 30 June</i>	2023 <i>(in thousand Baht / thousand shares)</i>	2022 <i>(in thousand Baht / thousand shares)</i>
(Loss) profit attributable to ordinary shareholders of the Company (basic)	<u>(1,918,517)</u>	<u>151,368</u>
Weighted average number of ordinary shares outstanding (basic) as at 30 June	<u>3,270,000</u>	<u>2,450,000</u>
(Loss) earnings per share (basic) <i>(in Baht)</i>	<u>(0.59)</u>	<u>0.06</u>
 <i>For the six-month period ended 30 June</i>	 2023 <i>(in thousand Baht / thousand shares)</i>	 2022 <i>(in thousand Baht / thousand shares)</i>
(Loss) profit attributable to ordinary shareholders of the Company (basic)	<u>(2,286,874)</u>	<u>306,907</u>
Weighted average number of ordinary shares outstanding (basic) as at 30 June	<u>3,270,000</u>	<u>2,450,000</u>
(Loss) earnings per share (basic) <i>(in Baht)</i>	<u>(0.70)</u>	<u>0.13</u>

10 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in thousand Baht)</i>
2023				
Annual dividend	20 April 2023	18 May 2023	0.11	359,693
Dividend paid				<u>359,693</u>
 2022				
Annual dividend	20 April 2022	12 May 2022	0.18	441,000
Dividend paid				<u>441,000</u>

11 Financial instruments

Carrying amounts and fair values

Fair value of long-term loans and lease liabilities with fixed rate and remaining maturities greater than 1 year is estimated by using a discounted cash flow calculation applying interest rates current being offered on similar instruments.

Fair value of cash and cash equivalents, other receivables, trade account payables, other payables and short-term loan approximates their carrying amounts in the statements of financial position since such financial assets and liabilities have short maturity periods.

Concentrations of credit risk

The Company monitors concentrations of credit risk by type of financing which credit risk concentration of hire-purchase contract receivables more than 35% and loan receivables more than 40% are in retail group comprising of owned-business.

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*Expected credit losses increase
for the six-month period ended 30 June*

	2023	2022
	<i>(in thousand Baht)</i>	
Hire-purchase contract receivables	3,086,746	75,871
Loan receivables	310,654	19,859
Other receivables	-	1,010
	<u>3,397,400</u>	<u>96,740</u>

The information on the expected credit loss expense of hire-purchase contract receivables is included in Note 2.

12 Commitments with non-related parties

	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Leasehold improvement and equipment	718	-
Intangible assets	2,525	-
Total	<u>3,243</u>	<u>-</u>
<i>Other commitments</i>		
Bank guarantees	510	510
Total	<u>510</u>	<u>510</u>