

# MICROLEASING

## SUSTAINABLE LIVING, THRIVING TOGETHER.



Annual report 2023  
(56-1 One Report)





# VISION MISSION CORE VALUE

## VISION

The Company is committed to be the leader of used trucks financial services provider in Thailand

## MISSION

### To our Customers and Business Partners :

Ensure excellent services. Maintain strong relationship and satisfy the needs of our customers and business partners.

### To our Employees :

Quality and professional workplace. Openness and honesty. Fair share of benefits to all our employees.

### To our Shareholders :

Sustainable growth with good corporate governance and transparency to maximize shareholders' value.

### To our Society :

Cooperate with society and government to develop our country's economy in order to create a sustainable and prosperous society.

## CORE VALUE

"Moral, Industrious, Candid, Robust, Objective (MICRO)"  
Positive Attitude, Learn & Share, Team Spirit, Work-Life Balance,  
Passion to Drive Innovation.







# CONTENT

Vision Mission Corporate Value	1
Message from the Chairman	5
Message from the Chairman of the Executive Committee	7
Message from the Founder	9
Board of Directors and Executive Management	10
Financial Highlight	12

PART 1

Business Operation and Performance

1.	Business Operation and Performance	16
2.	Risk Factors	64
3.	Business Drive for Sustainability	76
4.	Management Discussion and Analysis	118
5.	General Information and Other Important Information	144

PART 2

Corporate Governance

6.	Corporate Governance Policy	152
7.	Corporate Governance Structure and Important Information about the Board, Sub-Committee, Executives, Employees and Others	162
8.	Report of key Corporate Governance Performance	190
9.	Internal Control and Related Transactions	198

PART 3

Financial Statement

Attachment

1.	Details of Directors, Executives Persons with controlling power person Assigned the highest responsibility in accounting and finance and Company secretary	278
2.	Detail about the directors of the subsidiary company	296
3.	Detail of the internal audit supervisor and risk management complianace supervisor	300
4.	Assets for business operations	302
5.	Policy and guidelines for corporate governance and code of conduct	152
6.	Report of the Audit Committee	310





## MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

In the preceding year of 2023, the Thai economy, post-COVID-19, experienced a gradual recovery. Thailand, however, displayed a slower recovery compared to global counterparts due to its significant reliance on the tourism sector. This dependence resulted in an economic standstill for over two years. Encouragingly, the overall outlook for the Thai economy has started to improve, with private consumption showing signs of ongoing recovery driven by an improved labor market and household income. Nevertheless, potential risks to the Thai economic recovery persist, especially concerning costs, living expenses, and the mounting household debt.

The resolution of the Monetary Policy Committee (MPC), which increased the policy interest rate by 0.25%, marking the highest in nine years, has introduced higher financial costs for the business sector. This poses a risk of reduced profits for businesses, and the foreseeable trend of rising loan interest rates could further escalate financial burdens. Additionally, the resurgence of inflation poses challenges, impacting the operations of Microleasing Public Company Limited. Environmental conservation trends add another layer of complexity to the business structure, requiring adjustments. The government's emphasis on tax incentive policies for environmental considerations may necessitate changes, prompting Microleasing and affiliated companies to adapt operational plans to align with evolving regulations.

Despite these challenges, Microleasing Public Company Limited remains committed to good corporate governance. This commitment encompasses the structuring and management mechanisms within the organization, fostering relationships between the board of directors, executives, employees, and shareholders to achieve objectives and create sustainable value for the business. The Board of Directors oversees the following outcomes (Governance Outcome):

1. Competitiveness and Performance with Long-Term Perspective: Achieving competitiveness and good operating results while considering long-term impacts.
2. Ethical and Responsible Business: Conducting business ethically, respecting the rights of shareholders and stakeholders.

3. Good Corporate Citizenship: Benefiting society and minimizing negative impacts on the environment.
4. Corporate Resilience: Demonstrating the ability to adapt under changing factors.

In addition to systematic supervisory control, the company adheres to regulations that mandate fair internal auditing, disclosure of information to management, and an evaluation of the effectiveness and efficiency of the internal control system, both in finance and administration. This promotes work performance to achieve objectives and organizational goals, acting as a consultant to management to enhance work efficiency and resource utilization.

Although the company's operating results fell short of the goals in the past year, the Board of Directors, the management team, and I remain vigilant and proactive. Collaborative efforts with the management team and all relevant departments have improved the loan approval process and enhanced the screening of quality debtors. Plans are underway to expand the product group and services, aiming to expedite problem-solving and swiftly achieve the company's set goals.

In closing, on behalf of the Board of Directors, Microleasing Public Company Limited expresses gratitude to shareholders, customers, business partners, financial institutions, executives, employees, and all stakeholders. Your collective contribution has been instrumental in the company's success and development. We sincerely hope that together, we can propel the company forward steadily and sustainably in the future.

(Assistant Professor Krit Umpote)  
Chairman and Independent Director





# MESSAGE FROM THE EXECUTIVE CHAIRMAN

In the year 2023, the Thai economy has been gradually recovering from the impact of COVID-19. However, various external and internal economic risk factors persist, exerting influence. Notably, fluctuating world oil prices, stemming from conflicts in the Middle East, and high household debt contribute to the challenges. The growth of the export sector remains weak, and an increase in policy interest rates, combined with inflation and higher living costs, further compound the situation. Additionally, critical weather conditions, such as drought and the PM 2.5 dust crisis, have led to a growth rate approximate 2%, below initial expectations.

These factors continue to impact the Thai economy in 2024. In the business sector, adaptation is essential for survival and growth. Rising costs, including labor, energy, and raw materials, pose challenges. Uncertainty surrounds the government's economic stimulus policy, hindering the full recovery of purchasing power.

The ability to navigate economic challenges reflects on a company's performance. Even if operating results fall short of expectations, maintaining a strong financial position is crucial. Focus on efficient work systems and ongoing development is paramount. The capability to repay customer debts, amidst economic uncertainties, directly affects the company. Despite potential setbacks, a robust financial position and liquidity, coupled with careful risk management, position us well, maintaining a favorable bad debt to total loans ratio.

In the ever-evolving digital era, the financial business landscape witnesses increased competition. New players from diverse industries, including the consumer finance sector, present challenges. As part of our response, "Microleasing Public Company Limited" is concentrating on providing used truck loans. Strategic adjustments, such as operating a subsidiary, "Micro Fin Company Limited" (MFIN), offering personal loans, aim to diversify income streams. Plans include expanding the product portfolio and leveraging the Ecosystem Business Model for collaborative growth within our interconnected business ecosystem.

In conclusion, we express gratitude to shareholders, customers, business partners, and benefactors for their trust and support. Special thanks to the executives and employees for their dedication in driving the organization to success. Despite short-term uncertainties, we are confident in the company's long-term outlook. Operating with discipline, adhering to moral principles, and prioritizing sustainable growth, we look forward to the continued success of our organization.

**(Mr. Wisarn Boornasuntikoon)**  
Chairman of Executive Committee and  
Managing Director





## MESSAGE FROM THE FOUNDER

For over three decades, Microleasing Public Company Limited has been at the forefront of business operations. From its humble beginnings as a used truck loan provider, Microleasing has successfully expanded its reach. With a wealth of experience, the company boasts a dedicated team of executives and personnel possessing profound knowledge, understanding, and expertise in the industry. This, coupled with a commitment to a sustainable organizational development strategy based on the ESG concept, has shaped Microleasing into a stalwart entity.

At the heart of Microleasing's mission is the commitment to providing integrated financial solutions for the **"underbanked,"** individuals lacking access to traditional banking facilities. The company is poised to contribute towards enhancing the quality of life for such individuals, steadfast in its dedication to supporting diversity in business. Microleasing aims to elevate technology and innovation across its product spectrum while employing market development strategies for continued expansion. The portfolio includes entities such as Micro Insurance Broker Company Limited, operating in insurance brokerage services, Micro Plus Leasing Company Limited, specializing in motorcycle loans, and MICRO FIN Company Limited, offering collateralized and unsecured loan services all aligned with ESG principles.

Guiding the organization to success requires a shared vision anchored in six key concepts:

1. **Determined to Create Positive Impact:** Utilizing knowledge and expertise to enhance the lives of employees, shareholders, and business partners by fostering meaningful and valuable relationships.
2. **Focus on Regional Growth:** Instilling a regional focus in the organizational DNA to provide services on par with regional counterparts.
3. **Commitment to Continuous Innovation:** Bringing continuous innovation to address evolving needs and challenges, ensuring preparedness for the future.
4. **Customer-Centric Belief:** Treating customers as a source of inspiration, striving to understand their needs and exceeding expectations both today and in the future.

5. **Empowering Personnel:** Recognizing the vital role of people in the organization and fostering their capabilities through opportunities and encouragement, allowing every employee to reach their full potential.

6. **Collective Progress for Stability and Prosperity:** Fostering a culture of learning, experimentation, collaboration, and communal effort to enhance the quality of life for all.

The organization is poised for continuous growth and advancement. It is imperative that all individuals engaged in our business—be they employees, shareholders, or business partners be motivated to share a unified vision, working collaboratively toward a common goal. In closing, I express heartfelt gratitude to our esteemed shareholders, dedicated business partners, valued customers, financial institutions, relevant government and private agencies, and all stakeholders. Special acknowledgment is extended to the executive team whose unwavering confidence, support, dedication, and collaborative efforts have been instrumental in fortifying the organization, fostering stability, and paving the way for sustained success.

The organization will grow and progress. All personnel involved with the business must be encouraged, whether they are employees, shareholders, or business partners, to have a vision in working towards the same goal. Finally, I would like to thank shareholders, business partners, business partners, customers, financial institutions. Related government and private agencies and all stakeholders, the executive team, who have given confidence and provide support, dedication, and cooperation to work with full strength and ability, which is considered important to help create stability and strength for the organization better, leading to sustainable success.

(Mr. Thammasak Auchyawat)  
Founder



1. Assistant Professor Krit Umpote  
• Independent Director  
• Chairman

2. Mr. Weidt Nuchjalearn  
• Independent Director  
• Vice Chairman  
• Member of Audit Committee  
• Chairman of the Risk Management Committee

3. Mr. Chalong Luengprasit  
• Independent Director  
• Chairman of the Audit Committee  
• Chairman of the Nomination Remuneration Committee

4. Mr. Thammasak Auchyawat  
• Director  
• Member of Nomination and Remuneration Committee

5. Dr. Pijak Chantaviroj  
• Independent Director  
• Member of Audit Committee  
• Member of Nomination and Remuneration Committee

6. Mr. Keittipong Toemkunanon  
• Director

7. Mr. Kitsada Auchyawat  
• Director  
• Executive Director  
• Assistant Managing Director of Credit Operations

8. Mr. Wisarn Booranasuntikoon  
• Director  
• Chairman of Executive Committee  
• Member of Risk Management Committee  
• Managing Director

9. Mrs. Rotsanan Yingthaweesak  
• Director  
• Executive Vice President  
• Senior Deputy Managing Director

10. Mr. Tanyakon Autchayawat  
• Director  
• Member of Risk Management Committee  
• Executive Director  
• Assistant Managing Director of Credit Operations

11. Mr. Jedsada Auchyawat  
• Director  
• Member of Risk Management Committee  
• Executive Director  
• Deputy Managing Director of Credit Operations

12. Mr. Preeda Iramaneerat  
• Member of Risk Management Committee  
• Executive Director  
• Deputy Managing Director of Resources and Investment

13. Mr. Kandanai Chonsuwat  
• Member of Risk Management Committee  
• Executive Director  
• Deputy Managing Director of Accounting and Finance  
• Company Secretary

14. Mr. Wisan Wethayanukool  
• Member of Risk Management Committee  
• Executive Director  
• Chief Financial Officer





# ORGANIZATIONAL STRUCTURE AND OPERATION OF THE GROUP COMPANY

Statements Of Comprehensive Income (Million Baht)	Consolidated Financial Statements		
	2021	2022	2023
Statements of comprehensive income (Million Baht)			
Total current assets	4,034.5	5,511.4	5,374.0
Total liabilities	2,076.1	3,363.9	3,242.5
Total shareholders' equity	1,958.4	2,147.5	2,131.5
Interest income from hire purchase	503.9	706.2	782.9
Total revenues	632.4	853.7	919.3
Selling and administrative expenses	186.2	291.5	322.1
Total expenses	341.8	625.2	815.6
Profit before income tax expenses	227.4	81.5	(98.3)
Profit for the year	187.4	65.2	(80.1)
Basic earning per share	0.20	0.07	(0.056)
Ratio			
Liquidity ratio	2.12	1.67	1.46
Interest rate received (%)	15.90	16.14	16.91
Interest rate paid (%)	4.59	5.77	6.45
Interest Rate Spread (%)	11.31	10.37	10.46
Net Interest Margin (%)	13.91	12.78	12.22
Net Profit Margin (%)	29.63	7.63	(8.71)
Return on equity (%)	9.92	3.17	(3.74)
Return on assets (%)	5.53	1.36	(1.47)
Debt to equity ratio (Time)	1.06	1.57	1.52





PART I

# BUSINESS OPERATION AND PERFORMANCE

MICRO LEASING PUBLIC COMPANY LIMITED  
/ ANNUAL REPORT 2023





# ORGANIZATIONAL STRUCTURE AND OPERATION OF THE GROUP COMPANY

## 1. BUSINESS OVERVIEW AND POLICY

Micro Leasing Public Company Limited (“Company”) operates business in providing hire purchase loans for used trucks to individuals and corporations who want to purchase used trucks for commercial purpose, such as used 6-wheel trucks, 10-wheel trucks and trailers. Moreover, the Company provides loans for other large commercial vehicles, such as tractors and various special trucks to larger customer groups. The Company focuses on providing hire purchase loans for used trucks of which models and brands are well accepted in the trading market, such as ISUZU, HINO and FUSO, etc. The period of hire purchase agreement lasts 12 – 60 months. In addition, the Company provides other financial services or other forms of loans to meet customer’s

financial demand, such as liquidity enhancing loan which holds truck registration transfer book as collateral to add on the hire purchase loans and refinancing loans services for current customers who have good installment payment records and prefer further financial liquidity.

The Company also provides other services related to hire purchase business which is the Company’s main business, such as insurance coordination services, credit limit protection insurance and car insurance and compulsory car insurance renewal service, etc. The hire purchase loan for used trucks business is the Company’s main business, accounted for 95% of total credit amount each year.

### COMPANY CREDIT SERVICE OVERVIEW



The Company focuses on the low-end customer group who has limited access to financial resources of large financial institutions but wants to purchase used trucks to do business, such as hired goods transportation or goods transportation within business. As the hire purchase loan provider, the Company is the owner of the trucks until customers or purchase hirers pay the last installment completely

as stated in the agreement, then the ownership will be transferred to the purchase hirer. The hire purchase loan business of the Company is different from leasing which allows the lessee to choose to renew the agreement or to return the asset to the lessor when the last payment is made completely according to the agreement.



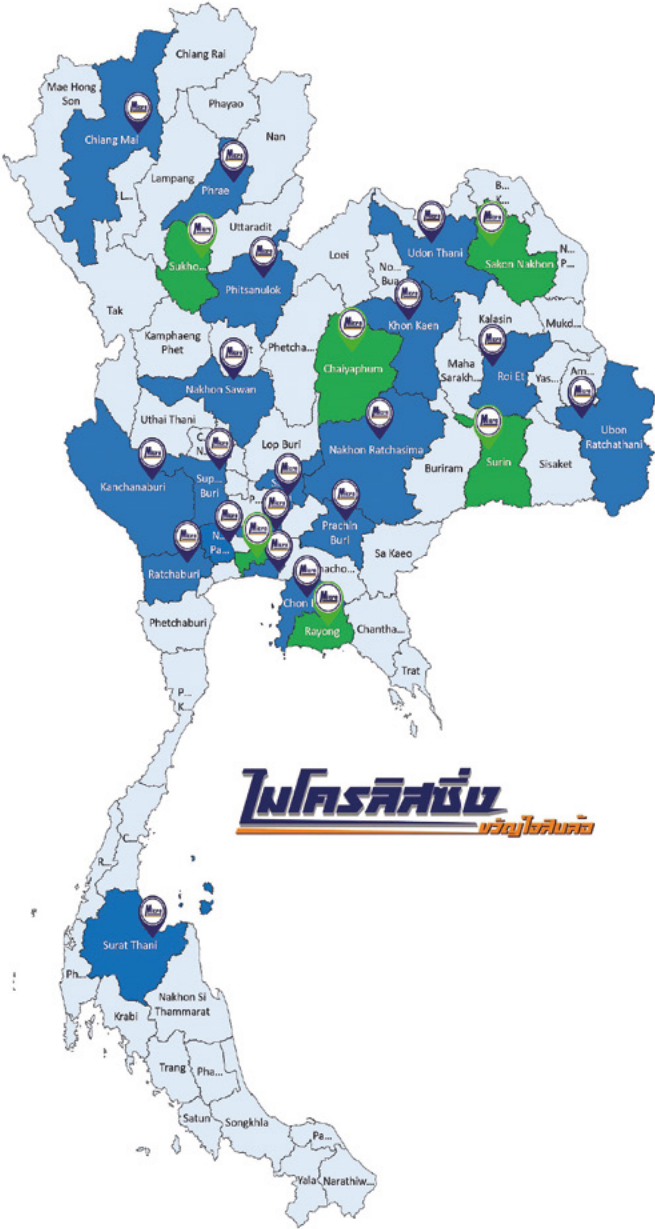


Providing hire purchase loan services, the Company receives the interest income and fees as the return on credit providing. The interest rate stated in the hire purchase agreement is the flat rate of 8-15% per year. The interest shall be calculated from the full amount of principle throughout the agreement period or equivalent to the effective interest rate or EIR of 15-25% per year. The current hire purchase loan portfolio of the Company (as of 31 December 2023) has the average EIR of 18% per year. The Company's hire purchase loans of used trucks mostly have the 4-5 year of agreement period and have credit amount of 70-85% of estimated prices of

hire purchase trucks. The Company has the policy that controls the credit limit at the maximum of (including the insurance premiums and credit limit protection insurance) not higher than 90% of truck selling price or not higher than 120% of collateral appraisal price (whatever price is lower) Process of collateral valuation and credit limit setting.) Thus, the purchase hirer must make the down payment for at least 10% of the truck selling price to the operators of used truck tents or the previous truck owners in order to take the cars for further usage.

The Company has the Credit Analysis Department, Marketing Department and Collateral Assessment Department that have experiences and special skills in marketing the used trucks hire purchase loans. The Marketing Department and branches officers are responsible for new customer recruitment by aiming to build good relationship with used truck tent operators who are the important channel of the Company. The used truck tent operators who become the Company's partners shall be considered and approved on their history, qualification and creditability according to the Company's policy.

Currently, the company's head office is located in Nakhon Pathom Province. Its 25 branches were located in the regions all over the country.



List of Company Branchs of December 31, 2023

- |                               |                         |
|-------------------------------|-------------------------|
| 1. Headquarter/ Nakorn Pathom | 12. Surat Thani branch  |
| 2. Ratchburi branch           | 13. Samut Prakan branch |
| 3. Kanchanaburi branch        | 14. Pathum Thani branch |
| 4. Supanburi branch           | 15. Phrae branch        |
| 5. Nakorn Ratchasima branch   | 16. Prachin Buri branch |
| 6. Chonburi branch            | 17. Udon Thani branch   |
| 7. Khon Kaen branch           | 18. Chiang Mai branch   |
| 8. Pitsanulok branch          | 19. Roi Et branch       |
| 9. Saraburi branch            | 20. Ra Yong branch      |
| 10. Ubon Ratchathani branch   | 21. Sukhothai branch    |
| 11. Nakorn Sawan branch       | 22. Bangkok branch      |
|                               | 23. Sakon Nakhon branch |
|                               | 24. Surin branch        |
|                               | 25. Chaiyaphum branch   |

HISTORY

Micro Leasing (Public) Company Limited was previously named Micro Leasing Company Limited when being established on 7 November 1994 by Mr. Thammasak Auchyawat and 30 other shareholders. The initial registered capital was 1 million Baht. The main business was to provide services for used car hire purchase loans. Later the Company mainly focused on commercial car hire purchase loan, such as 6-wheel truck, 10-wheel truck and 12-wheel truck, etc.

Mr. Thammasak Auchyawat and family, the key men in the Company establishment, had knowledge and experience in car and truck spare part trading for over 20 years before entering the hire purchase loan business. Moreover, other shareholders also had knowledge and experience in cars, trucks, car spare parts and truck spare parts businesses and also were brand name car dealers. Thus, the Company had the credible team of knowledgeable and specialized personnel to well ensure the hire purchase loan services.

In the first stage of business, the Company provided hire purchase loan services for used trucks mainly in Nakorn Pathom. Then, the executives saw the opportunity for business growth in capital demand of many retail customers and SMEs and decided to expand the used truck hire purchase loan business to other provinces throughout the country.

The Company focused on hire purchase loans for used truck segment where there were few players and low competitive. Although the used truck hire purchase loan business had higher risk than new truck hire purchase loan and such risk got higher with the longer service period of collaterals, the Company ensured the appropriate risk compensation with the higher interest rate of hire purchase loans. Most hire purchase trucks were used in the transportation service sector where the assets were used to generate incomes which continuously returned cash flow to pay for interests and principles of the Company.

In the previous year, the Company focused on providing services of used truck hire purchase to individual customers and corporate customers mainly in the used truck tent operator channel. Later, the Company expanded business to hire purchase services for other commercial vehicles, such as tractors and special trucks, i.e. bulk feed truck (silo) or hazardous substance truck, etc., which were high value assets. As a result, the Company had higher average credit rating per contract and increased loan amount respectively. Later, the Company added new financial products in other categories, i.e. liquidity enhancing loans and refinancing loans, in order to meet financial needs of customers who wanted complete working capital.



Significant Changes and Development

- |      |   |
|------|---|
| 1994 | Micro Leasing Company Limited was established on 7 November 1994 by Auchyawat family and 30 other shareholders with the initial registered capital of 1 million Baht. The Company started with hire purchase business for used 6-wheel trucks and 10-wheel trucks as main products, servicing to customers in Nakorn Pathom and nearby provinces. The first headquarter was the 1 commercial building located on Songpol road, Muang district, Nakorn Pathom. |
| 2000 | The Company expanded its customer base to other provinces in the Central region with the new branches in Ratchaburi (2000), Kanchanaburi (2002), and Supanburi (2008) respectively.   |
| 2002 | The 3-storey office building was established on the 1 rai land on Petchkasem road, Muang district, Nakorn Pathom as the Company's new headquarter.  |
| 2009 | The credit service was expanded to the North-Eastern region with the new branch in Nakorn Ratchasima.   |
| 2014 | The credit service was expanded to the Eastern region with the new branch in Chonburi.  |
| 2015 | The paid-up capital was increased to 500 million Baht by issuing and offering the new ordinary shares to existing shareholders according to the shareholding proportion.  |

	<p>The increased paid-up capital was used in credit business expansion. The new branches were opened in various regions continuously to provide convenience to customers in many provinces. Four new branches were opened in Khon Kaen, Pitsanulok, Saraburi, and Ubonratchathani, as the contact point for customers in Central and North -Eastern regions.</p>	<p>Increasing the registered capital from 700 million Baht to 935 million Baht to support the issuance and offering of the new 235 million ordinary shares at the par value of 1 Baht/share for general public allocation. In addition, the Company had following significant changes:</p> <p>Being a member of Thai Hire-Purchase Association (THPA) to receive information and movement in the hire purchase industry to support the Company's business conduct. Adding the installment payment channel with Counter Service as an option for customer convenience.</p> <p>Developing the information technology system to enable customers to contact the Company via the Company's website where customers can find the preliminary important information of the loan application, such as fees and service charges in loan application, and other public relation information of the Company.</p>	<p>Company Limited No.1/2021 due B.E. 2023.</p> <ul style="list-style-type: none"><li>• In July, Rated “98 points (4TIA)” based on Quality of Annual General Meeting arrangement (AGM Checklist) by Thai Investors Association.</li><li>• In October, Issuance the Name-Registered Non-Subordinated Unsecured and 2 years with debenture holders’ representative divided into 500,000 units. Face value per Unit 1,000 Baht, total issue amount 500,000,000 Baht, rate 5.25%, pay interest every 3 months and green shoe offer in the amount of not more than 350,000, units, total issue amount 350,000,000 Baht due B.E. 2023, name that “Debentures of Micro Leasing Public Company Limited No.2/2021 due B.E. 2023. (“Debentures series.1”)</li><li>• In October, Issuance the Name-Registered Non-Subordinated Unsecured and 3 years with debenture holders’ representative divided into 500,000 units. Face value per Unit 1,000 Baht, total issue amount 500,000,000 Baht, rate 5.50%, pay interest every 3 months and green shoe offer in the amount of not more than 350,000, units, total issue amount 350,000,000 Baht due B.E. 2024, name that “Debentures of Micro Leasing Public Company Limited No.2/2021 due B.E. 2024. (“Debentures series.2”)</li><li>• In October, has established a subsidiary under the company name “ Micro Insure Broker Company”</li><li>• In November, Rate “<b>Very Good</b>” or 4 Star based on Corporate Governance Report of Thai Listed Companies by Thai Institute of Directors (IOD)</li></ul>	<p>million baht and the Issuance namely Debentures of Micro Leasing Public Company Limited No. 2/2022, series 2, due 2025, in the amount of 478.90 million baht total of 800 million baht.</p> <ul style="list-style-type: none"><li>• In May, expanding credit services by opening a branch in Sakon Nakhon, Surin and Chaiphaphum.</li><li>• In May, Microleasing has recieved ISO/IEC 21007:2013 Certification to raise the standard of information technology services</li><li>• In August, Rated “<b>99 points (4TIA)</b>” based on Quality of Annual General Meeting arrangement (AGM Checklist) by Thai Investors Association.</li><li>• In October, The issuance of 2 series. of debentures, namely Debentures of Micro Leasing Public Company Limited No. 2/2022, series 1, due 2024, in the amount of 558.50 million baht and the Issuance namely Debentures of Micro Leasing Public Company Limited No. 2/2022, series 2, due 2025, in the amount of 269.10 million baht total of 827.60 million baht.</li><li>• In November, Rate “<b>Very Good</b>” or 4 Star based on Corporate Governance Report of Thai Listed Companies by Thai Institute of Directors (IOD)</li></ul>
2016	One new branch was opened in Nakorn Sawan to meet customer demand in increasing hire purchase. As of the end of 2016, the Company had the loan net of over 1,000 million Baht.			
2017	The credit service was expanded to the South region with the new branch in Surat Thani.			
2018	<p>The capital was increased for 200 million Baht for business expansion by issuing 2,000,000 new ordinary shares at the par value of 100 Baht per share offered to existing shareholders according to the shareholding proportion. As a result, the Company had the increase in paid-up capital from 500 million Baht to 700 million Baht, consisting of 7,000,000 ordinary shares at the par value of 100 Baht per share.</p> <p>Moreover, the Company had significant changes as follows:</p> <ul style="list-style-type: none"><li>• Applying for the membership of National Credit Bureau or “NCB” to access to customer credit information for consideration on credit approval in order to minimize the number of customers who had high risks in paying back to the Company.</li><li>• Beginning to use Bill Payment system and Barcode scanning to receive installment payment, instead of cash, from customers at branches to provide convenience to customers and to reduce the risk of employee corruption.</li><li>• Developing and improving the information technology system and increasing the number of employees to support business growth.</li></ul>	2020	<p>In the process of system development to use Mobile Application for credit services to help employees in collecting data integrity and improving credit analysis accuracy, expected to be complete and effective by the first year of 2021 onward. Micro Leasing (Public) Company Limited was registered in the Stock Exchange of Thailand on 1 October 2020 as the first day.</p> <ul style="list-style-type: none"><li>• The company has expanded its services to 7 branches in various regions, namely Samutprakan, Pathumthani, Phrae, Prachinburi, Udonthani, Chiangmai and Roi-Et.</li><li>• In March, the Company was MICRO Company Rating BB+ “Stable”.</li><li>• In April, the issuance and offering the debentures in the amount not exceeding 2,000 million baht.</li><li>• In May, Issuance the Name-Registered Non-Subordinated Unsecured and 2 years with debenture holders’ representative divided into 500,000 units. Face value per Unit 1,000 Baht, total issue amount 500,000,000 Baht, rate 5.55%, pay interest every 3 months, name that “Debentures of Micro Leasing Public</li></ul>	
		2021		
			2022	
				2023
2019	Transforming the status of the Company from company limited to public company limited and changing the name from Micro Leasing Company Limited to “ <b>Micro Leasing (Public) Company Limited</b> ” and changing the par value of share from 100 Baht/ share to 1 Baht/share.		<ul style="list-style-type: none"><li>• In January, Established a subsidiary under the name Micro fin Co., Ltd.</li><li>• In March, has jointly invested with the company Micro Plus Leasing Limited and expanding credit services by opening branches in Rayong and Sukhothai</li><li>• In April, expanding credit services by opening a branch in Bangkok and The issuance of 2 series. of debentures, namely Debentures of Micro Leasing Public Company Limited No. 1/2022, series 1, due 2024, in the amount of 321.10</li></ul>	<ul style="list-style-type: none"><li>• In June, The issuance of 2 series. of debentures, namely Debentures of Micro Leasing Public Company Limited No. 1/2023, series 1, due 2025, in the amount of 302.90 million baht and the Issuance namely Debentures of Micro Leasing Public Company Limited No. 1/2023, series 2, due 2026, in the amount of 249.90 million baht total of 552.8 million baht.</li><li>• In August, Rated “100 points (5TIA)” based on Quality of Annual General Meeting arrangement (AGM Checklist) by Thai Investors Association.</li><li>• In November, Rate “<b>Very Good</b>” or 4 Star based on Corporate Governance Report of Thai Listed Companies by Thai Institute of Directors (IOD)</li></ul>



Vision, Mission and Corporate Value

Vision

The Company is committed to be the leader of used trucks financial services provider in Thailand

Mission

To our Customers and Business Partners:

Ensure excellent services. Maintain strong relationships and satisfy the needs of our customers and business partners.

To our Shareholders:

Sustainable growth with good corporate governance and transparency to maximize shareholders value

To our Employees:

Quality and professional workplace Openness and honesty Fair share of benefits to all our employees.

To our Society:

Cooperate with society and government to develop our country's economy in order to create a sustainable and prosperous society.

Corporate Value

The Company defined the corporate value as “M I C R O” for employees to hold as the practice guideline in operations as follows:  
“Morality Candidness Industriousness Robustness Objectivity”

Business Goal and Business Practices

The Company commits to be the leader of the hire purchase for used trucks services in the country. The Company’s goal is to expand hire purchase customer base by opening branches in all regions of the country together with human resource and information technology development to enable the Company to provide credit services to customers with cautiousness for the sustainable growth in the future.

As for the short term business plan in the next 3-5 years, the Company will maintain its focus on the hire purchase for used trucks services to support the demand of operators who want to buy used trucks for business operations. This segment is expected to continue growing and the market competitiveness is still low. Moreover, the used truck hire purchase business gives higher return on interest income and profit margin than new truck hire purchase and has lower risk than individual hire purchase. Normally, the Company can sell trucks at auction at the price closed to the remaining debt or at no significant loss. So the Company can avoid competing with large financial institutions which have lower operating costs in new truck hire purchase market.

In the next 3 - 5 years, the company aims to provide complete services and product support to truly support customers for business operations and operations. By focusing on maintaining the existing customer base and expanding the new customer base. Through expanding the partner base of used truck tent assemblers Adjusting branches to suit service areas in various regions To provide used truck leasing services of the company covering all areas and being able to reach customers all over the country. To maintain the quality of the loan portfolio to 5,000 million baht by 2024, it is expected that the main source of funds will be from borrowing from financial institutions and issuing debentures.

Company's Strengths

- 1.) One of market leaders in used truck hire purchase market which has potential to grow continuously
- 2.) Fast loan service for highest customer satisfaction

Currently the Company is one of the leaders in used truck hire purchase loan provider service. The Company has experience and special expertise in business for over 29 years. Its executive team and personnel have knowledge and understanding in the used truck hire purchase loan market and have special skills in used truck price evaluation. These are the Company’s significant business advantages.

The Company provides loan service for used truck hire purchase in 25 branches in all regions throughout the country. The Company also recruits new customers through used truck tent operators and dealers, the Company’s partners, which have been increasing continuously. The Company currently has almost 422 used truck tent operators and over 235 dealers in the system. They are located in many provinces and ready to introduce the hire purchase loan service to customers who are interested in used truck hire purchase for business.

The company has a policy to provide hire purchase loans with an emphasis on quick approvals. To meet the client’s capital needs on the basis of prudence and caution. due to the speed of service It is an important factor that makes used truck tent operators to recommend customers to choose the company’s hire purchase service. The approval of the company’s credit will be a close collaboration between branch staff and head office. so that credit checks and approvals can be carried out quickly. and keep up with the business opportunities of customers The company determines the credit approval process from the district level. which is supervised by various district managers who has a long experience in the inspection of truck hire purchase loans with the company for flexibility and speed but still maintains prudence and conciseness at present, the Company can approve credits to customers within 3-5 days after receiving complete documents for requesting credit from customers.



### 3) Various loans services in responding to capital demand of targeted customers

The company has a policy to focus on supporting funding sources for small entrepreneurs or small entrepreneurs who want to buy trucks for business use. This is part of helping the government to support funding sources. To enhance careers and income for small entrepreneurs who have limited access to funding from large financial institutions. In addition to providing loans for second-hand trucks, the company also provides additional loan services to meet the diverse financial needs of the target customers. Including providing advice on business operations and funding systematically at present. The company offers liquidity enhancing loans and refinancing loans. To provide customers with a source of working capital for business use for business to run smoothly including to increase the liquidity of daily spending.

### 4) Standard credit review system to screen customers similar to other large hire purchase loan providing companies.

The Company takes the credit consideration process as first priority and aims to develop tools for reviewing and screening good customers who pass the Company's credit approval criteria under the framework of Credit Risk Control Policy which was approved and regularly reviewed by the Board of Directors. Moreover, the Company aims to update Credit Policy to be in accordance with relevant regulations and changing situations and also improves the credit consideration process to be concise and discreet in order to control the debtor quality to be at good and appropriate level. The Company developed tools to be the

standard of reviewing and screening credit customers like other large hire purchase loan providers in the same industry did. At present the Company's important tools used to review credit approval includes verification of correctness and completeness of the identity document, checking on source of income and domicile of residence, assessment of debt payment ability through debt-to-income ratio analysis, checking on debt payment record from Credit Bureau, and checking on bankruptcy history. All information will be used in Credit Scoring Model. Customers' credit scores must pass the minimum requirement set by the Company to be qualified for loan application.

### 5) Personnel team with expertise and experiences in hire purchase business and used truck condition inspection

Used truck hire purchase loan business is considered a risky business compared to new truck hire purchase loan business. The risk in used truck hire purchase loan business depends on the quality of debtor and collateral truck. The long service life trucks can deteriorate quickly, resulting in the risk in the collateral selling price that may not be worth the remaining debt. However, the Company can set the higher hire purchase interest rate to compensate the higher risk of such collateral selling price.

The Company has a Risk Management Policy to manage such risk concisely before credit approval. The policy allows hire purchase loan only for used truck with no longer than 25 years of service and the loan to value limit must not exceed the criteria set by the Company. Moreover, the Company has the credible team

with expertise and specialization on used trucks. The Company's executives also had over 20 years of experiences in trading car and truck spare parts business before entering the hire purchase loan business. The professional team had high experiences in condition inspection of used trucks, inspecting the editing chassis and the proof of car registration, and also had good knowledge of used truck market prices. So the Company can set the appropriate credit limit which does not exceed the value of collateral trucks which helps reduce the risk from credit loss significantly.

### 6) Network of over 420 partners of used truck tent operators and dealers throughout the country

The Company's new customers recruited from the channel of used truck tent operators were accounted for 80% of total credit amount each year. (Another 20% were from walk-in customers and from branch staff's customer acquisition.) Thus, the used truck tent operators were important partners in new customer acquisition. At present, the Company has almost 420 partners who are used truck tent operators in the regions throughout the country. 380 of them are regular partners who are used truck agents in the metropolitan area and other provinces. And over 235 partners are agents who help recruit new hire purchase loan customers for the Company. The Marketing team and branches officers were responsible for contacting and taking care of the relationship with these operators.

In the future, the Company will continue to focus on expanding its credit customer base through the expansion of the trading partner base, which is primarily a used truck tent operator. by focusing on building good relationships from responsible branch departments and high-level executives including head office coordination. Fast and convenient both before and after the sale coupled with efficient customer service to create the highest satisfaction for customers who apply for loans which is a customer of both the company and the second-hand truck tent operator. Branch loan officers will provide services and coordinate closely with second-hand truck tent operators. In order to provide credit services to customers quickly. In addition, the company also provides services to facilitate operators of used truck tents in various forms, such as car transfer services at the Department of Transportation. with fast and punctual payment of car payments to used truck tent operators.

With experience and expertise in hire purchase loan business for over 29 years, the

Company currently has almost 420 partners including used truck tent operators and agents throughout the country. The Company shall utilize this advantage to create the business competitiveness through the good relationship with and motivating return to tent operators and agents when they encourage customers to choose the Company's services. For example, the partners will receive the commission when they get new customers to do agreement with the Company. The partners who can reach the target will receive sales incentives. The strengthening and expansion of relationships with these partners will give opportunities and channels to business growth in the future.

### 7) Effective debt collection system which helps decrease NPL amount continuously.

The Company sees the importance of the risk management in debtor quality by increasing the intensity and developing various tools for credit approval review. The Company also uses the efficient debt tracking and collection system aiming to reduce the number of non-performing loan (NPL) debtors to the low level or not higher than the average rate of the industry. At present, the debt tracking and collection process is under the responsibility of the Debt Management Department at the head quarter. They work closely with branch officers. The debt collectors were hired from the outsourcing companies in order to reach debtors in various areas thoroughly. The Company set the regulations and practices in debt tracking and collection clearly and concretely to reduce the risk from complaints about unfair debt collection. Debtors will be informed on details of the late fines and follow-up fees by phone calls and written notices during the collecting process.

### 8) Information System specially developed for modern and high security company

The Company developed the information system to connect communication between head quarter and branches for the fast and secure information transfer. The credit approval could be processed quickly and created highest satisfaction to customers. The information system that the Company developed was specially designed to match the Company's hire purchase business. The Company used this information system to establish information base of customers who used the Company's loans services. The system collected customer's profile and career, payment record and utilized them for credit analysis and marketing planning to maintain existing customers and recruiting





new customers efficiently. The security of such system included granting of individual rights with access to information and requiring encrypted code before sending the data.

In the past, the company has achieved ISO/IEC 27001:2013 certification, elevating the standard of service in the field of information technology, including Data Leak Protection (DLP). This certification was obtained in the year 2565. Subsequently, in the year 2566, the company took further steps to enhance cybersecurity measures by planning and implementing additional strategies. Specifically, the company has plans to strengthen cybersecurity by implementing a “Security Operation Center (SOC)” into the existing security processes. This initiative aimed to instill confidence in customers, partners, and other stakeholders by demonstrating the company’s commitment to essential measures for safeguarding organizational data and prioritizing data security.

### Competitive Strategy

According to the 3 – 5 year business plan, the Company will continue to focus on used truck hire purchase loan since it created higher interest rate than new truck hire purchase loan. Moreover, there are not many players in the market since it requires knowledge and special skills in inspecting condition of used trucks which are hire purchase collaterals. The Company set the strategy and direction of business to create competitive advantage and increase market shares by utilizing such expertise and specialization on used trucks for business expansion and for stable and sustainable growth in the future as follows:

### Marketing Strategy

- To grow the hire purchase loan portfolio to 5,000 million Baht by 2024 focusing on the proactive competition to gain market shares from local entrepreneurs who often offer higher interest rate since they have higher financial costs. The Company plans to promote its marketing and PR campaign to larger areas via new branches and to increase the number of marketing and credit staff.
- Maintain existing customer base and expanding new customer base by focusing more on SME entrepreneurs because they are the group that wants to use a lot of trucks for business focusing mainly on the business of transportation of goods and consumables To reduce the risk of income volatility of loan applicants and study from external factors as well as analyze the country's economic direction in the next 2 - years, such as farmers’ customers which incomes fluctuate

according to the economic conditions of the country. As of December 31, 2021, the Company had agricultural loan receivables. Accounted for 12.9% of all hire purchase receivables.

- To revise credit portfolio by increasing the proportion of high return loans, such as hire purchase loans for tractors since most tractors’ loan-to-contract balance has high value and tractors have short service life which helps the Company reduce the risks of collateral quality.
- Emphasis on providing credit through quality used truck tent operators by preparing dealer profiles and focusing on selecting used truck tent operators to become partners. of the company, such as selling second-hand trucks that meet the condition No car registration history or no complaints from customers, etc.
- To emphasize on the Company’s PR and relationship with business partners, such as used truck tent operators, with continuous sales promotion campaign, i.e. giving away gifts or premiums, offering reasonable compensation, providing various forms of convenience, such as truck ownership registration transfer, fast cash payment transfer, aiming to create highest customer satisfaction.

### Operational Strategy

- To develop tools to check customer’s credit to ensure the concise and discreet credit approval in order to reduce business risks, such as improving and developing Credit Scoring Model to suit each type of debtors and to always be updated with changing situation.
- To improve the information technology system and increase efficiency of credit approval process to be fast, accurate and satisfactory for customers, such as utilizing Mobile Application system to increase competitive advantages and support other types of credit business expansion in the future and improving the operating system and data base server to build service stability.

### Financial Strategy

- Adjust the financial structure to be appropriate. and focus on liquidity management In order for the company to have liquidity to support the goals of the company’s credit business policy, such as issuing long-term bonds with a term similar to the average term of hire-purchase contracts. and controlling the debt-to-equity ratio to be as specified by financial institutions, etc.
- To Find an appropriate source of funding. In order for the company to have costs that are

competitive with other operators, such as issuing both short-term and long-term bonds, etc.

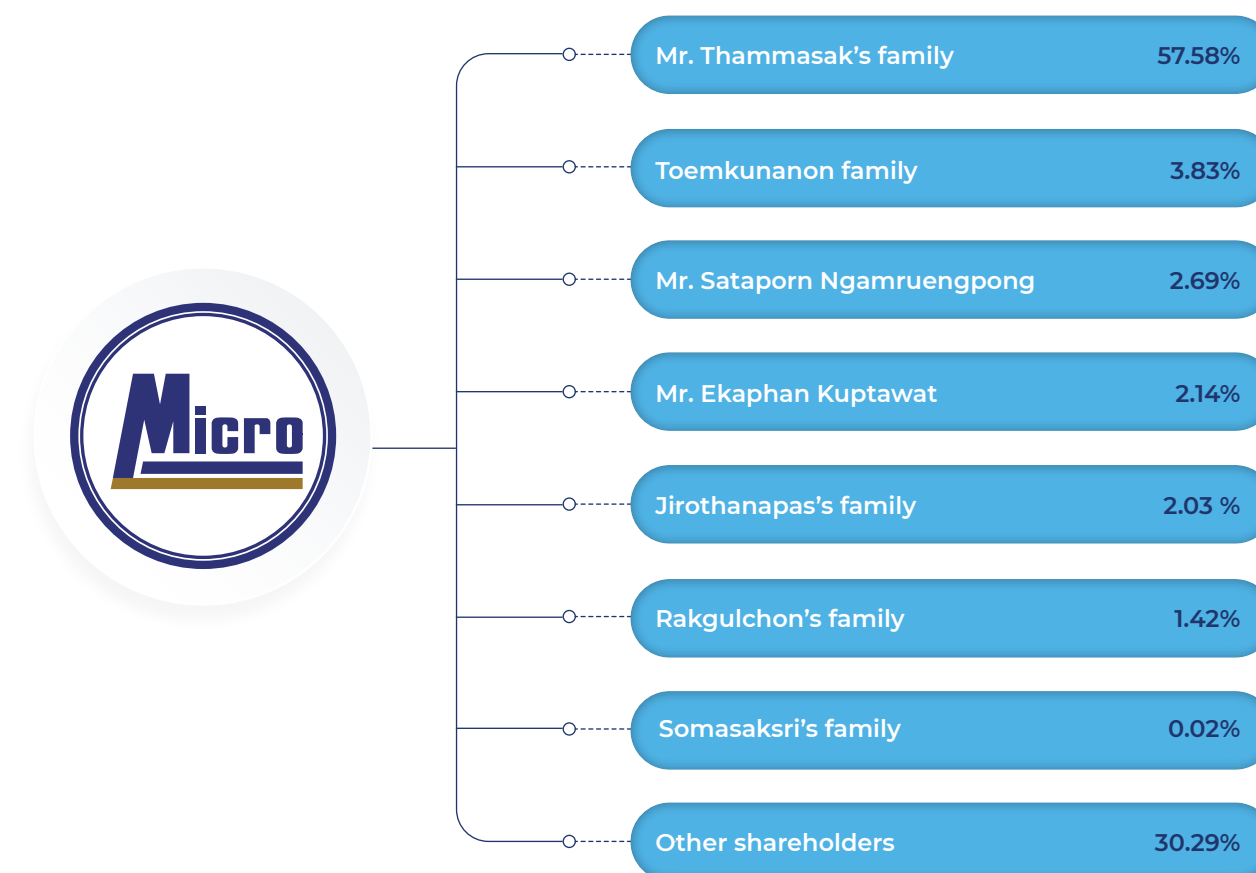
- Adjust business plans to be more efficient. To reduce operating costs and strengthen the company’s competitiveness, such as adjusting the service format of branches in the form of service points. This will include only the loan staff section. By the administrative work, contract work and other document work Human resources will be shared with other nearby branches. that has full personnel (Full Branch) In addition, in some processes The company hires through outside agencies. (Outsourcing) to reduce employee costs which are fixed expenses for more efficient management. Especially the travel costs of following up and seizing cars in areas far from various branches. travel expenses of a trip to court for legal action, and the truck registration book transfer process at the Department of Transportation.

### Human Resource Strategy

- Develop and promote learning of marketing and credit department employees. To support the expansion of the used truck leasing base to cover a wider service area.
- To sustain valuable employees of the Company with appropriate and fair remuneration and benefits, in accordance with the Company’s performance and individual’s performance.
- To emphasize on people development in Credit Department to be equipped with knowledge and special skills through training. The training sessions are conducted at the training center at head quarter and on site to transfer knowledge of the qualification of loan applicant and the collateral condition inspection in order to build the working standard and support business growth in the future.

### Shareholding Structure

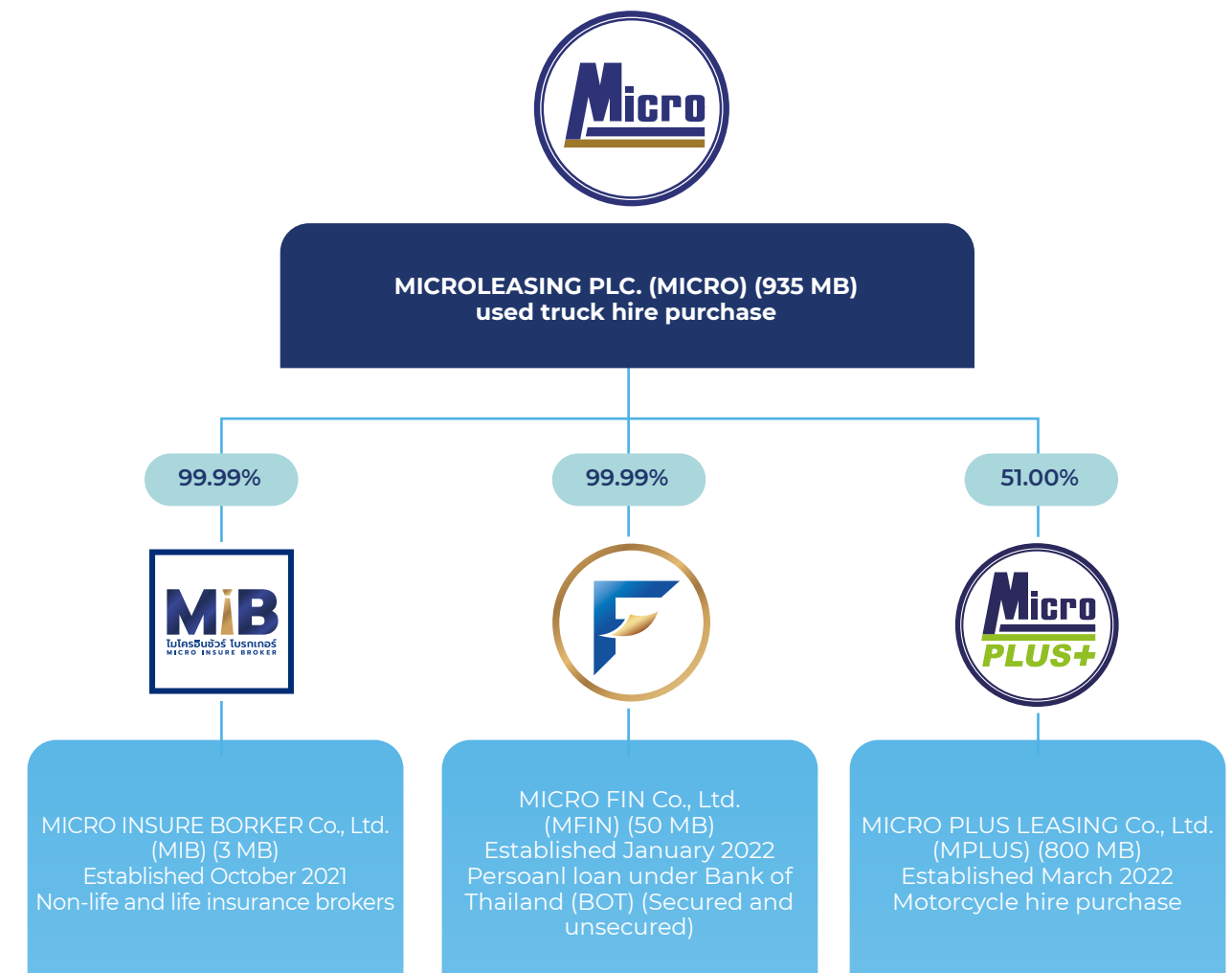
Chart of the Company’s Shareholding Structure as of December 31, 2023:



As of December 31,2023 the major shareholders of the Company included family members of Mr. Thammasak Auchyawat, accounted for 57.58% of total issued and sold shares of the Company.



## STRUCTURE HOLDING COMPANY



Subsidiary	Type of Business	Registered Capital (Million Baht)	Structure of Holdings (%)
Micro Insure Broker Co., Ltd. Company registration number: 0735564007704 863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000 Phone: 034 109 228	operate non-life and life insurance brokers.	3	99.99
Micro Fin Co., Ltd. Company registration number: 0735565000690 863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000 Phone: 034 109 227	operate personal loan Secured and unsecured.	50	99.99
Micro Plus Leasing Co., Ltd. Company registration number: 0735565002854 863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000 Phone: 02 114 3459	operate motorcycle hire purchase.	800	51.00



## BUSINESS OVERVIEW

The Company operates a business of providing services on hire purchase loans for used trucks, such as 6-wheel truck, 10-wheel truck, and 12-wheel truck, etc. The Company aims to provide hire purchase loans for used trucks since the hire purchase loan for used trucks can set higher interest rates than new trucks. Moreover, there are not so many players in this market. Most trucks used as loan collaterals are used for commercial operation, such as transporting products for commercial purposes or transporting products within the Company. Thus, they are assets that generate incomes to their owners to repay for the principles and interests successively.

The company provides hire purchase loans for used trucks. Emphasis is placed on types, models and

brands of trucks with high liquidity in the market, such as ISUZU, HINO and FUSO brands, etc. The credit limit is determined based on the condition of the truck, brand, age and liquidity in trading in the second-hand market. including the qualifications of the hire purchase loan applicant The company has set up a policy and process for screening customers, both natural persons and juristic persons applying for hire purchase loans carefully and concisely. By focusing on customers with regular income who have a career related to the type of car or own a business. who wish to purchase second-hand trucks for use in business to bring certain and stable income.





Income Structure of the Company and its subsidiaries

The Company and its subsidiaries' income structure in 2021 - 2023 is shown below:

Incomes	Operation by	2021		2022		2023	
		THB Million	%	THB Million	%	THB Million	%
Interest income from hire purchase -used trucks	Parent Company	503.9	100.0	671.0	95.0	648.9	82.9
Interest income from hire purchase -new motorcycles	A subsidiary	-	-	35.2	5.0	134.0	17.1
Interest income from hire purchase		503.9	79.7	706.2	82.7	782.9	85.2
Interest income from loans	A subsidiary	-	-	-	-	1.0	0.1
Non-life and life insurance commission	Parent company and its subsidiaries	71.1	59.3	74.80	53.4	47.8	38.3
Other fee and service income	Parent company and its subsidiaries	48.8	40.7	65.4	46.6	76.9	61.7
Fee and service incomes		119.9	19.0	140.2	16.4	124.7	13.5
Other incomes <sup>1</sup>		8.5	1.3	7.3	0.9	10.7	1.2
Total incomes		632.3	100.0	853.7	100.0	919.3	100.0

<sup>1</sup> Other incomes include bad debt recovery, gain from sales of assets and income interest etc.

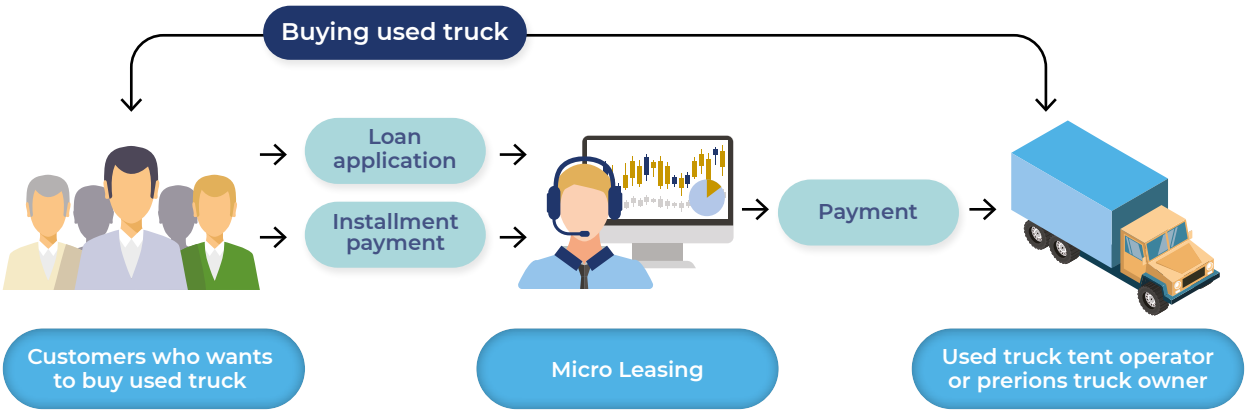
In the years 2021 - 2023, the Company and its subsidiaries have income totaling amount is Baht 632.3 million, Baht 853.7 million and Baht 919.3 million, respectively. The Company and its subsidiaries' main income from interest income on hire purchase, totaling amount for the year ended 31 December 2021 - 2023 is Baht 503.9 million, Baht 706.2 million and Baht 782.9 million, respectively, or 79.7%, 82.7% and 85.2% of total incomes. This follows an increase in the proportion of new motorcycle hire purchases, which have higher interest rates than truck hire purchases. Therefore, The Company and its subsidiaries have a policy to set the interest rates and fees that reflect the risk of the Company and its subsidiaries appropriately by considering the age and condition of collaterals, financial costs, operating costs, market conditions on the date of signing hire purchase agreement and relevant legal requirements.

Micro Fin Company Limited (subsidiary) has operated lending business in quarter 2, 2023 resulting in increased interest income from loans.

Fee and service incomes included interest penalty income fee, debt collections fees and insurance commission. In the years 2021- 2023, the Company and its subsidiaries have fee and service income amounting to Baht 119.9 million, Baht 140.2 million and Baht 124.7 million, respectively or 19.0%, 16.4% and 13.5% of total income. Mainly fee and service income is insurance commission fee for non-life and life which are related to the new hire purchase contract for used truck and new motorcycle for deduce credit risk of the Company and its subsidiary' receivables.

Overview of hire purchase loan service

Truck hire purchase loan is a form of loan service providing with objectives to provide the alternative funding sources or enhance liquidity for individuals or business owners who do not have to invest in buying such assets with their own cash. The hire purchase loan service includes 3 relating parties, that is, 1) customer of purchase hirer, 2) used truck tent operators or previous truck owner, and 3) the Company which provides hire purchase loan service.



Regarding hire purchase loan service for used trucks, when customers agree to purchase trucks from used truck tent operators or previous owners, they must submit documents required for loan application to credit officers at the Company branches. Credit officers will collect documents, do preliminary review, and consider the qualification of applicants before submitting the information to authorized approver. The approval for customer and the information used in the consideration will be sent to the Credit Department in head quarter for review again before preparing the agreement to be signed in further step.

When customers agree to sign hire purchase agreement with the Company which provides hire purchase loan service, the Company shall pay the truck value to used truck tent operators or previous owners after the truck ownership is transferred to the Company. Then, customers will pay monthly installments to the Company while they can occupy and utilize hire purchase truck along the hire purchase period. The maintenance and other occurred expenses, i.e., annual vehicle tax renewal and insurance fees will be responsible by customers. The ownership of the truck belongs to the Company and shall be transferred to customers when they complete the last installment payment according to the agreement. If customers cannot pay the installments or have 3 outstanding installments, the Company will send registered notices to customers and surety to let them pay the overdue installments

within 30 days after receiving notices. If the payment is not made within the deadline, the hire purchase agreement will be held cancelled. The trucks will be confiscated and sold at auction.

Providing hire purchase loan service for used trucks, the Company has over 100 credit officers at head office and branches to coordinate with almost 400 used truck tent operators who are partners with the Company and over 200 agents in the regions. Thus, the Company can access potential customers all over the country.

Products and Services

The Company provides services for used truck hire purchase loans, liquidity enhancing loans, and refinancing loans to retail customers, both individuals and corporates. The category of loan services is as follows:

1. Hire purchase loans for used truck

The Company provides services for used truck hire purchase loans to individual customers and corporate customers who want to purchase used trucks for business operation purpose. The company mostly provides credit at approximately 80-90% of estimated prices of collateral trucks. The maximum credit limit will not exceed 90% of trading prices or 120% of estimated prices

of collaterals (whatever price is lower) Thus, customers will pay cash for the difference to sellers and pay monthly installments of the hire purchase amount to the Company. Such assets' ownership will be transferred to customers when they complete the installments payment according to the agreement to the Company.

A car that can be used to apply for a hire purchase loan from the company Must be commercial vehicles such as 6-wheel trucks, 10 wheels, 12 wheels, tractor trailers and trailers covering leading brands such as ISUZU, HINO, and FUSO. Used or used trucks The customers who apply for the loan must genuinely wish to purchase the said vehicle for use in their business operations. In order to have cash flow back to pay principal and interest continuously. The company has no policy to accept that the engine and body parts are separated. and then assemble it yourself in Thailand Because such cars are not popular in the market. causing problems with resale prices For registered trucks, companies have different criteria for consideration. To be suitable for the type of vehicle that affects both quality and price. The Company focuses on hire purchase loans for used truck since the Company has the profes-

sional executives and team with knowledge and specialization in inspecting the used truck history by checking the body and Chassis number to assess the history and usage condition of the trucks. So the Company can set the appropriate credit limit which does not exceed the value of collateral trucks. This helps the Company reduce the risk from credit loss significantly. Moreover, the executives have knowledge about all spare parts of used trucks. If the trucks confiscated from customers need to be repaired, the Company will surely find the sources of appropriate priced spare parts which can help reduce the risk of loss from auction.

The Company's policy accepts only trucks that have been used for not over 25 years. Over 60% of hire purchase trucks of the Company at present have been used for 6-20 years. The hire purchase loans for trucks during these ages allows the Company to set the interest at higher rate than trucks with less years of service. The interest rate goes with the risk of collaterals.

Considering credit approval, the Company considers the qualification of credit applicants and ability to pay back. The term of payment

can be 12 - 60 installments depending on the ability to pay back of the applicants. The interest rates of loans are flat rates over the term of the contracts and depend primarily on the age of the collateral. The hire purchase interest rates are 8-15% per year over the term of contracts or equivalent to the Effective Interest Rate (EIR) of 15-25% per year. The Company's hire purchase loan portfolio (as of 31 December 2021) was the EIR at the average of 17% per year.

The Company provides refinancing loans only to customers who have good records of installment payment to the Company. The Company has not yet provided a refinancing loans service to external customers. The interest rates of refinancing loans are the flat rate of 8-15% per year over the term of contract and are equivalent to the normal interest rates of used truck hire purchase loans.

## 2. Liquidity enhancing loans

The Company provides liquidity enhancing loans or collateral loans to general retail customers who are owners of trucks and want working capital to enhance liquidity for their businesses. Customers who own trucks can use their trucks as collateral for credit applying with the Company. Loan applicants must own the trucks for not less than 3 months to ensure their true ownership. The vehicles that will be used to apply for liquidity enhancing loans with the Company include commercial vehicles or various types of trucks similar to the used trucks for hire purchase loans, such as 6-wheel truck, 10-wheel truck, 12-wheel truck, etc. At present, the Company provides service of liquidity enhancing loans in the form of hire purchase agreement only. Customers who want to apply for the loans must submit the real vehicle registration book to the Company as collateral. Then the vehicle's ownership will be transferred to the Company. During the loan installment payment period, customers can still occupy the vehicles and use them as normal. The ownership will be transferred to customers when they complete the last installment payment as per contract. The process of loan consideration and interest rate frame of liquidity enhancing loans is the same as normal hire purchase loans for used trucks.

## 3. Refinancing loans

The Company provides refinancing loans to customers who have good records and are in the process of used truck hire purchase installment with the Company. That means if customers are in the process of installment payment according to the hire purchase contract with the Company, they can apply for refinancing loans by applying for the new hire purchase loan contract, replacing the existing one. The collateral trucks will be assessed for the new prices as new collaterals. Customers will receive cash for the difference of the loan amount of the new contract and the remaining balance of the previous contract for their financial liquidity support.

## 4. Non-life insurance and life insurance broker service business

The company operates as a non-life insurance broker and a life insurance broker under the Micro Insurance Broker Company Limited ("MIB"), which was registered as a limited company on October 8, 2021. The registered and paid-up capital is 3,00,000 baht, divided into 300,000 ordinary shares with a par value of 100 baht per share. Currently, the company ("MIB") holds 29,998 shares in the brokerage, representing 99.99 percent of the total number of shares sold.

## 5. Secured personal loans and without collateral

The company operates personal loan business with collateral. And without collateral under Micro fin Public Company Limited ("MFIN"), which was registered as a limited company on January 20, 2022 with a registered capital and paid-up capital of 50 million baht, divided into 500,000 ordinary shares with a par value of 100 baht per share. The Company holds 499,997 shares, representing 99.99 percent of the total shares sold.

## 6. Motorcycle hire purchase loan

The company operates motorcycle hire purchase business under Micro Plus Leasing Public Company Limited ("MPLUS") which was registered as a limited company on March 23, 2022, with a registered capital and paid-up capital of 800 million baht, divided into 8,000,000 ordinary shares with a par value of 100 baht per share. The Company holds 4,080,000 shares, representing 51.00 percent of the total shares sold.

Currently, there are a total of 8 branches providing loan services, namely Bangkok branch, Nakhon Pathom branch, Nakhon Ratchasima branch, Khon Kaen branch, Udon Thani branch, Sakon Nakhon branch, Phitsanulok branch and Chiang Mai branch.

### Examples of trucks or collaterals for which the Company provides hire purchase loans.



<sup>1</sup> Other vehicles include water truck, liquid truck, special truck, such as bulk feed truck (silo) or hazardous substance truck, etc.



New loans

New loan amount classified by type of product.

1. New loan classified by shares of loan products.

Shares of loan products	2021		2022		2023	
	THB Million	%	THB Million	%	THB Million	%
Hire purchase loans for used truck	2,208.8	100.0	2,226.5	81.5	1,191.3	68.6
Motorcycle hire purchase loan	0.0	0.0	504.9	18.5	525.0	30.2
Personal Loan	0.0	0.0	0.0	0.0	21.1	1.2
Total	2,208.8	100.0	2,731.4	100.0	1,737.4	100.0

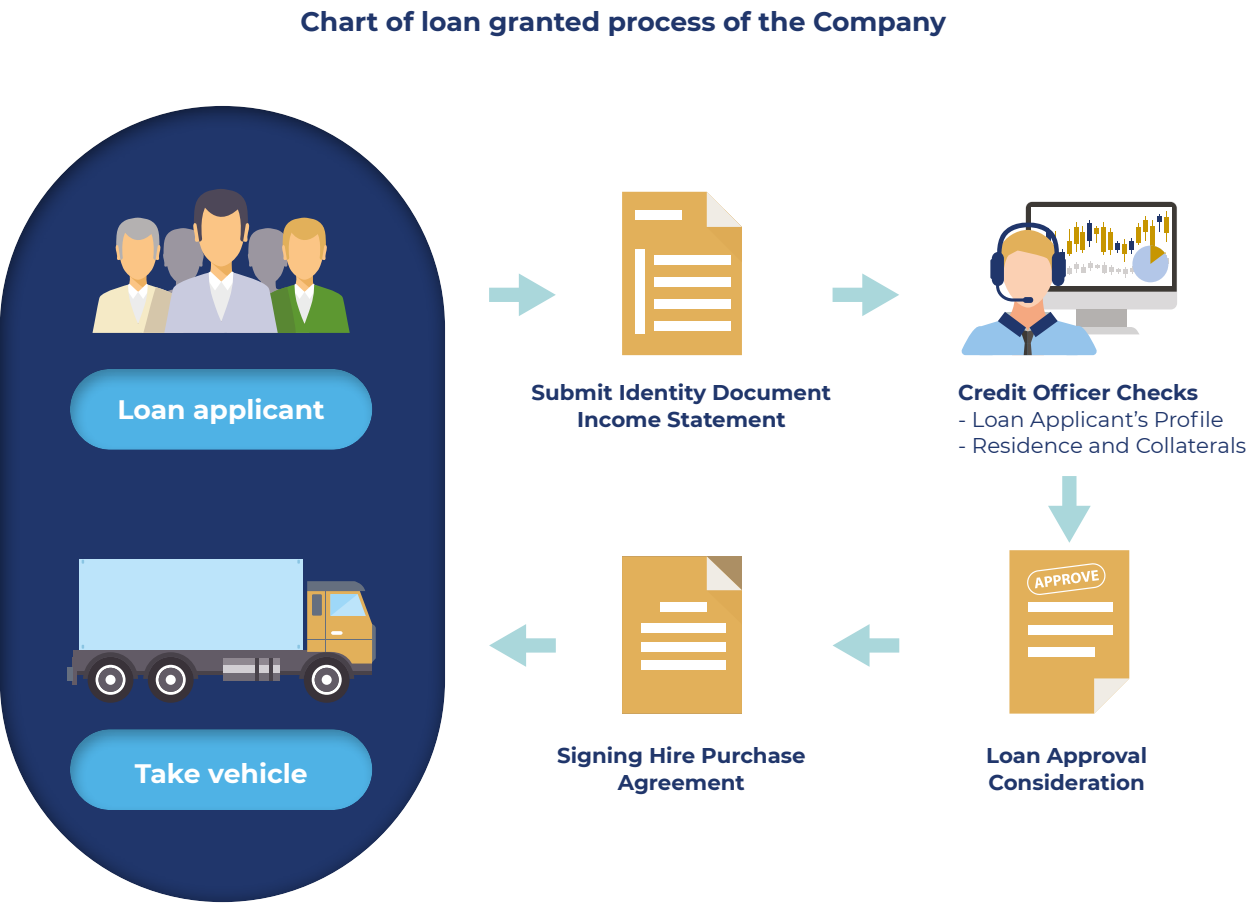
2. Balance of account receivables classified by type of loan products.

Type of loan products	2021		2022		2023	
	THB Million	%	THB Million	%	THB Million	%
Hire purchase loans for used truck <sup>1</sup>	3,795.9	100.0	4,429.0	89.3	3,759.7	82.7
hire purchase loans for new motorcycle <sup>1</sup>	0.0	0.0	528.2	10.7	767.4	16.8
Personal Loan <sup>2</sup>	0.0	0.0	0.0	0.0	20.8	0.5
Total	3,795.9	100.0	4,957.2	100.0	4,547.9	100.0

<sup>1</sup> Net of deferred fee income, commission expenses and initial direct cost of hire purchase and undue output tax.  
<sup>2</sup> Net of deferred initial direct cost of loan and include accrued interest receivables.

Loan service process

Providing hire purchase loan services, the Company considers the qualification of loan applicants and surety to assess their ability to pay debt, inspects and assesses the quality of collaterals to set the appropriate credit limits.



The significant business process of hire purchase loan service consists of loan information checking, loan approval consideration, hire purchase agreement signing, installment receiving, debt tracking and collection, and collateral auction. Each process has the following significant detail:

Loan Application Process

Customers who want to apply for hire purchase loans with the Company can apply at the branches or the head office in Nakorn Pathom. The Company's customers can be classified into 2 groups as follows:

1. Individual customers

This customer group is general individual customer with the age of over 20 years who want to hire purchase trucks as working tools to generate incomes. Individual customers must have stable income occupations which can be examined, such as regular employees, shop owners, farmers or personal business owners. The Company may not consider the approval or take consideration for a special case on some occupations, such as the occupations with high risk of death or with a lot of location moves which make it difficult to track.

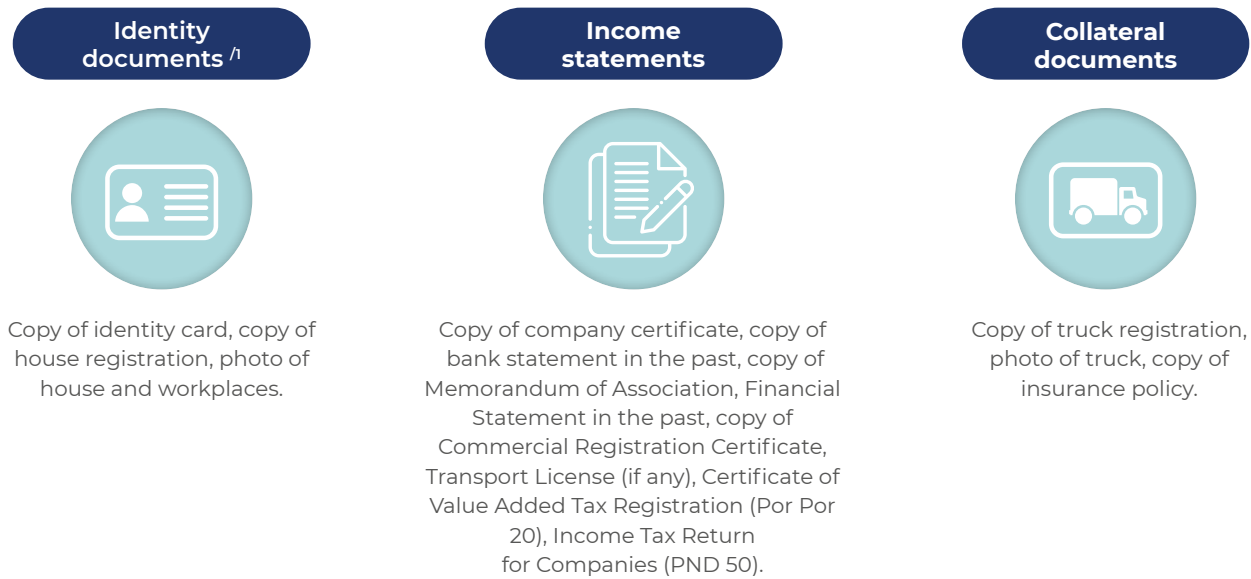
2. Corporate customers

Corporate customer group is registered as a juristic entity, i.e., partnership or company limited, for not less than 1 year with over 1 million Baht of registered capital, of which authorized director has Thai nationality. Corporate customers must have objectives of hire purchase for used trucks for business operation or income generation which is in accordance with their business.

At present, all corporate customers of hire purchase loans are external persons. In the past,

the Company never granted loans to directors, executives, major shareholders of the Company or any persons related to them.

For loan application, customers must prepare their own documents and documents of their surety. The Company requires loan applicants to have surety in all cases since the hire purchase trucks are big trucks which result in the high value contracts. Required documents include identity documents, income statements, and documents of collateral trucks as shown in the following samples:



<sup>1</sup> In the case that a loan applicant is the owner of business or corporate, the identity documents of authorized persons will be used instead.

Credit Management Officers will ask for preliminary information of loan applicants, such as purpose of loan application, and preliminarily check the truck valuated prices on the rate book of used trucks from the Appraisal Section. Customers shall be informed about the preliminary information, such as estimated credit limits, estimated expenses or fees from loan applying process.

**Process to review and assess the ability to repayment of loan applicant.**

Credit Management Officers will check the correctness and completeness of identity documents and income statements of loan applicant and surety before going to the residence of loan applicant, taking photos of loan applicant's and surety's

residences, to confirm the correct residence location which will be used later for debt collection and truck confiscation if customers do not repay the installments. Then, the branch loan officer will send the loan applicant's information to the head office for verification as follows: Watch list of the company, credit bureau, past payment history, Bankruptcy history and various debts.

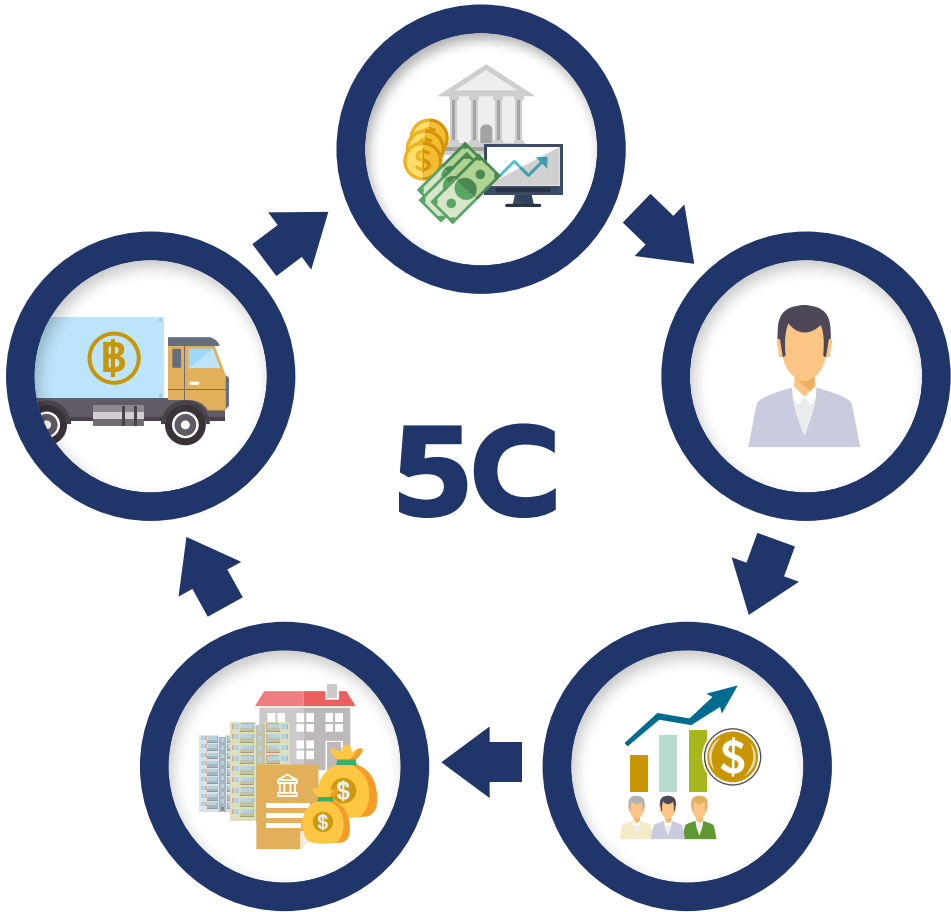
Moreover, credit officers at the branches will check the correctness of collateral ownership documents, such as copy of vehicle registration and photos of collateral trucks, before sending to the collateral assessment department at the head office to assess the collateral condition, considering type, age, brand, condition and popularity in the market to estimate their values for hire purchase loan.



Credit officers at the branches will gather all acquired information to do the Credit Score model to know the preliminary risk level of customer's default. The Company developed the Credit Scoring system to assess customer's risks. If customer's preliminary credit score is lower than the Company's criteria, the branch officers will ask for additional documents, such as other sources of income, to bring the

applicant's credit score up to pass the minimum criteria set by the Company.

The customer's credit score model assesses the debt payment records with Credit Bureau and the ability to repay debt at present by considering the following 5C criteria:





- (1) **Character:** customer's character is considered from the record of their installment payment in the past or the record of default which can be checked with the National Credit Bureau (or "NCB" or Credit Bureau), the bankruptcy records and the execution of purchase hirers.
- (2) **Capacity:** the ability to repay debt is considered from occupation, source of net income after expenses and other existing debts, as stated in NCB documents.
- (3) **Capital:** customer's capital comes from financial position analysis in other areas, i.e., properties or buildings owned by customer.
- (4) **Collateral:** the value of collaterals is based on the hire purchase truck's good condition, popularity, acceptance in the market, and easily trading. The record of surety must be credible and has solid source of income and good financial position enough to be able to repay loans for loan applicants.
- (5) **Condition:** other external factors include economic condition or political situation at that moment which may affect financial status or career of loan applicants and their business partners' creditability.

In the case that loan applicants never have any records in NCB, the Company may request for the documents showing their installment payment to other companies (which are not member of NCB) to assess their ability to repay debt. In such case, loan applicants will get diminishing Credit Score compared to other applicants who have records in NCB system. If the loan applicants do not have any loan payment records with any companies, they will not get any score in the payment record topic in the Credit Score Model. But if the applicants' total scores from other topics are high enough to pass the minimum criteria, the Company shall consider approving the loans for them.

When the Credit Score Model is done, credit officers at the branches will prepare the report of loan application information, report of documents checking and other information regarding loan application. All relevant documents, including hire purchase agreement request form, checking list for correct and complete hire purchase documents, estimated price of trucks from collateral assessment department, documents of checked credit records and bankruptcy records of applicants, photos of residence, photo and copy of hire purchase truck registration, credit scores, preliminary approved credit limits and interest rates, will be submitted to the authorized persons for loan approval.

#### Process of collateral assessment and credit limit setting

Before credit approval, the Company shall assess the condition and value of hire purchase trucks to set credit limits. The Company shall consider: (1) trading price, (2) reference price from Rate Book, and (3) estimated truck price, as follows:

#### Trading prices

are the prices that customers agree to trade with truck tent operators or previous owners. The Company has a policy to set credit limit at the maximum of not higher than 90% of trading prices. However, although trading price is an external factor which is out of the Company's control, the Company prepares the risk prevention measure for the case that some tent operators might set the unrealistically high trading prices by setting the policy to allow the highest credit limits at 90% of trading price in general case and can apply only when the loan is introduced by the Company's A class tent operator only. One of the important criteria that the Company uses to classify the A class tent operator's qualification is the trading price of the truck must be defined according to the usage condition.

#### Reference prices

are the prices used as reference for estimated prices of trucks. The Rate Book includes prices of each model and each brand of trucks, surveyed by the Collateral Assessment Department, from credible sources of information, such as Truck2hand website which is the largest website popular for trading used trucks and has a lot of truck samples, and from the real trading cases from the Company's truck tent partners. The Company has a policy to regularly review reference prices every 6 month in order to make the Rate Book reflect the updated market prices of trucks.

#### Estimated prices

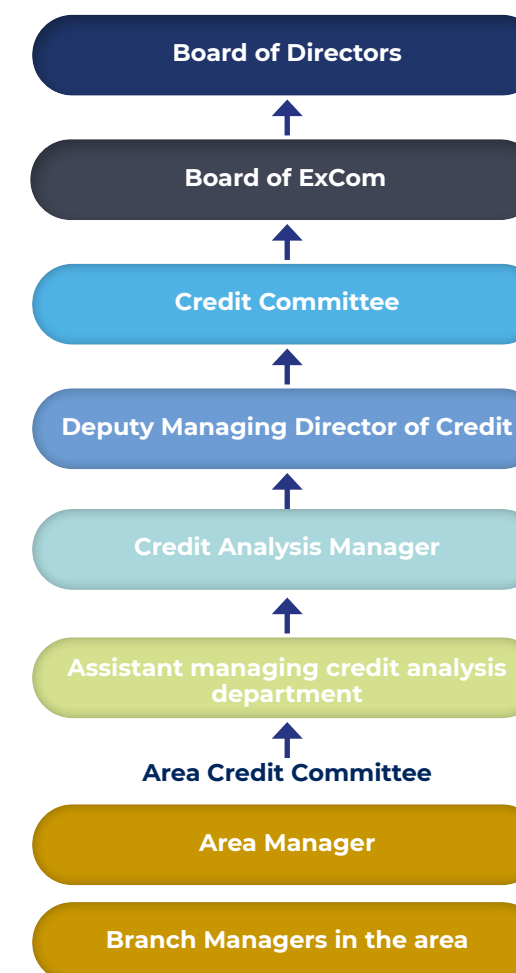
are the prices estimated from the real condition of trucks being put on hire purchase. The Collateral Assessment Department of the Company will assess the condition of truck by component, i.e., tractor, frame, engine, gear system, chassis, tire, and trailer. The highest estimated price must not exceed the Rate Book set by the Company.

The Company has a policy to set credit limits including insurance premiums and credit limit protection insurance, at not higher than 90% of truck's trading price or not higher than 120% of collateral's estimated price (whatever price is lower.) As a result, the credit limits of some cases can be as high as 120% of collateral's estimated prices. For example, a used truck has very good condition because it was repaired and changed many spare parts until its condition is better than a sample truck which was referenced in the Rate Book. So the trading price of this truck is high and its estimated price is higher than the reference price in the Company's Rate Book. However, since the Company's policy requires the estimated price not to be higher than the Rate Book price, the Company's estimated price of this truck is lower than the estimated price considering real condition. As a result, in some cases, the Company's approved the loans at higher prices than the estimated prices.

Nevertheless, most of the Company's approved credit limits are approximately 70-80% of estimated collateral prices.


#### Process of Loan Approval

The Company's loan approval consideration is conducted on the concise and discreet basis, leading to stable incomes. The Company set the approval authority framework for loan approval to authorized persons in respective order, depending on Credit Line, Loan to Value ratio, and Credit Score of loan applicants. The authorized persons can be the board including the Area Credit Committee level, consisting of Area Manager and all Branch Managers in that area. The approval authority framework can be increased respectively from Deputy Managing Director of Credit, Credit Committee, and Executive Committee up to Board of Directors.



**Accumulated credit limit:** not higher than 2.5 million Baht  
**LTV:** not higher than 80% of truck body and credit limit protection insurance  
**Credit Score:** not lower than 70%

In this regard, over 90% of the Company’s hire purchase loans are considered by the Area Credit Committee which supervises the credit approval of the branches. The Company divided the branches management into 5 areas according to the branch location in the province as follows:

	<b>Area 1</b>	Supanburi, Saraburi, Nakorn Sawan, Pathum Thani
	<b>Area 2</b>	Chonburi, Samut Prakan, Prachin Buri, Rayong
	<b>Area 3</b>	Pisanulok, Phrae, Chiang Mai, Sukhothai
	<b>Area 4</b>	Nakorn Ratchasima Khon Kaen, Ubonratchathan, Udonthani, Roi Et, Sakon Nakhon, Chaiyaphum, Surin
	<b>Special Area</b>	Nakorn Pathom, Ratchburi, Kanchanaburi, Surat Thani, Bangkok

Area Manager has duty to regulate, supervise, promote and support business operation of each branch under that area to ensure the efficiency and consistency with the policy of head quarter. The Area Credit Committee have authority to approve credit limit of not over 2.5 million Baht per customer, calculated from existing agreement’s loans plus new agreement credit limit. The highest credit amount that Area Credit Committee has authority to approve is not higher than 80% of collateral’s estimated price and not higher than 90% when including accident insurance premiums and credit limit protection insurance. Moreover, customer’s credit score must not be lower than 70%. The authorized persons of credit approval at the area level include Area Manager as Chairman of the Committee and all Branch Managers of that area as Credit Directors. The credit approval of any customers at the area level must receive majority votes from the board. The Area Credit Committee meeting shall submit the minutes of meeting to the Credit Analysis Department at the head office for further review and evidence.

If the applied credit is not within the scope of approval of the area committee, such as the customer’s accumulated credit limit is higher than 2.5 million Baht or the customer wants to apply for more than 80% of the collateral’s estimated price (or 90% when including insurance premiums), branch officer will send the request to head office for consideration according to the authority table of the Company. The authorized persons at the head office include Assistant Managing Director – Credit, credit committee, executive committee, up to the board of directors. The credit approval at the head office has the credit analysis team from the head office to perform the duty in re-examining the credit analysis of the branches.

In this regard, the Company has a policy defining the maximum single lending limit of a customer to be 30 million Baht for individual customer and 50 million Baht for corporate customer, respectively.

If the credit consideration is in line with the credit approval criteria of the Company, the authorized approver will inform the approval result to the branch so that the branch can inform the customer further. In general, if the credit application and documents are complete, the Company will take 2-5 working days for consideration and approval.

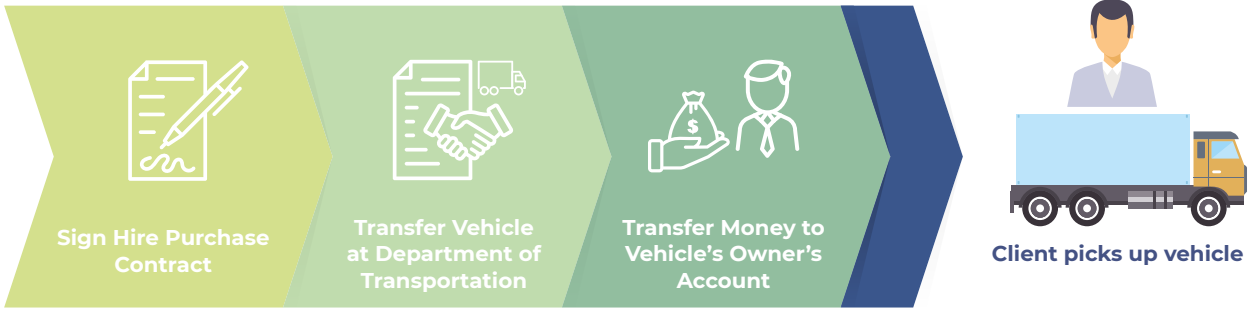
**Process of making hire purchase agreement**

When the credit application is approved by area committee or head office, the branch credit officer will inform the credit department to prepare the hire purchase agreement and review the correctness of all documents before making hire purchase agreement. Then, the branch officer will call to inform the customer and make an appointment for signing the hire purchase agreement. The Company’s hire purchase agreement uses the standard format reviewed by the legal department of the Company to be effective as required by law. Moreover, the branch officer will prepare the “loan amount and expenses quotation” for customer to summarize all the credit approval information and identify the fees for doing the agreement, such as a new account opening fee, stamp fee, etc. The finance department will prepare the payment for used truck tent operator or previous truck owner. In this regard, the truck for hire purchase deal with the Company must have the second-class insurance policy, at least in the first year of hire purchase, stating the Company as the beneficiary in order to reduce the risk that may occur from damages of the trucks, both for the case of damage or loss.

When customer signs in the contract and documents for hire purchase contract completely, the credit operation department will propose 2 sets of contracts (original and duplicate) to the Company’s authorized person to sign.

After customer signs on the hire purchase contract, the branch credit officer shall transfer the truck ownership registration to the Company at the Department of Transportation. Then, finance

department will transfer money to the bank account of the used truck tent operator or previous truck owner as the payment of the truck. Customer shall pay installments according to the agreed condition and can take the truck for further use. In this regard, the Company can transfer the payment of the truck to the tent operator or the previous owner within 1 working day after the transfer of truck ownership is finished.



**Process of keeping contracts and collateral documents**

When the branch credit officers receive the registration book back from the Department of Transportation, they shall keep the original hire purchase contract and the real registration book in the safety box in the “Hong Mun Kong” (stable room) of each branch, putting in order by contract number and customer’s code. To receive or to borrow such documents, there must be a record of such action in the document control registration form every time and must be signed for approval by the authorized person. The branch manager is responsible for the Hong Mun Kong and shall copy all documents in a digital filing format as backup information in case the original copies are lost.

**Process of receiving installments**

At present, the Company uses the Bill Payment system in receiving installments from customers. Customer can use a Pay Card which identifies customer’s information, company’s information and amount of payment or a payment form enclosed with the monthly installment receipt to pay for installments in the Bill Payment system by scanning a Barcode at any leading bank of the country. Another option is to pay on the Mobile Banking Application of the banks. The Company has opened accounts with 2 banks which support payment from all banks through the Cross-Bank Bill Payment. In addition, in 2019, the Company added another payment channel through Counter Service at any 7-Eleven branches where there is a sign of Counter Service.

Such bill payment system not only provides convenience to customers but also helps reduce the corruptions of branch officers. After implementing such system, the Company announced to cancel the cash payment at all branches. Moreover, the Company does not have a policy to send branch officers to collect cash payments from customers outside the branches. In the case that any branch officer goes out to visit a customer and the customer wants to pay cash for an installment, that branch officer shall suggest or take the customer to the nearest bank to make the installment payment to the Company’s account.

In the case that the installment payment is made at the bank, customer shall receive a temporary receipt from the bank and the original receipt / tax invoice will be sent to customer by the head office afterward. At the end of the day, the Company’s finance department at the head office will review the payment transaction from customer. If the amount is fully paid, the finance department will issue the receipt/ tax invoice for customer. All receipts shall be issued from the head office’s system. If any payment transaction is found overpaid or incomplete, the finance department will inform the debt collection department and branch officers to follow up with customer for the full amount repayment. If customer makes a defaulted payment of installments, the Company shall proceed on the regulations of debt tracking and collection.



Process of debt collection

The Company has a policy to manage the debt collection efficiently by defining that the branch officer has duty to monitor payment record of customers closely to get customers to pay their installments on time to maintain the not-too-high outstanding debt balance in the system. 5 days before the due date, customers shall receive SMS as a reminder from the Company. However, if a customer makes a defaulted payment or does not pay installment by due date, the Company shall proceed on the debt collection as following process:

Note: At present, the Company charges for late payment penalty fees and collection fees as deemed appropriate. When the due date is on or getting close, the Company will remind debtors for the penalty fees and collection fees via the calls or reminder letters. If there is a change in the late payment penalty fees or collection fees, the Company will call to inform customers verbally and put the notice at the branch office. The Company shall manage for reminders in written in the future.

The Company defines the process of debt collection for the case that customer makes defaulted payment. Starting with a call to a customer for debt collection, the officer records the debt collection information in the system. If a customer has the outstanding 1-2 installments, the Company will issue a payment reminder letter. If a customer cannot be reached, branch officers will go to collect debt at the customer's or surety's house. If a customer has the outstanding 3 installments, the Company will issue the termination letter to notify customer to pay the remaining debt within 30 days. If a customer does not pay within the due date, the Company will track customer to collect debt and confiscate the vehicle which shall be further sold at auction.

In tracking to collect debts and confiscate trucks, the branch officers and debt collection team from head office will coordinate with the collection agencies in local area to increase the efficiency of debt collection. However, in the case that the Company tracks a customer but cannot find him, the Company will submit the case to a lawyer to take legal action against customer and surety but will send the notification to warn customer and surety before the submission. In this regard, the Company gives importance to the defined regulations in tracking and collecting debts so that the legal filing shall be fair to customer within the framework of the Debt Collection Act 2015 and other relevant announcements.

Process of closing account

When a customer pays complete installments as per contract, the finance department and branch officers will check the accuracy of all installments payment to ensure there is no outstanding installment or penalty fees. Then, branch officer shall prepare the original registration book and transfer documents for customer and will call customer to pick up the registration book or send to customer by registered mail as per the informed address. Customer can bring the documents to process the registration of ownership transfer at the Department of Transportation accordingly.

Process of collateral collection

In the case that customer does not come to pay all the debt within 30 days from the date of contract cancellation notification, External debt collection company can go to confiscate the collateral trucks at once. After the collateral confiscation, the Company will send the notification to customer and surety to give them a chance to redeem the collateral within 7 days from the confiscation date. Customer can exercise his right for collateral redemption according to the outstanding debt in the hire purchase contract. If the hire purchase customer does not exercise such right, the Company will give the same right to the surety. The customer has options to exercise the right to redeem collateral or to accept that the Company will sell the collateral trucks at auction and the customer will have to pay the difference (if any) to the Company. By not paying for 7 days over the due date, the customer shall be considered refusing to exercise the right of collateral redemption and enable the Company to sell such collateral at auction at once.

Process of collaterals auction

When the hire purchase customer refuses to redeem the collaterals, the Company shall cancel the use of such vehicles at the Department of Transportation and sell the confiscated vehicles as soon as possible in order to avoid the price decreasing until it is not enough to pay for the outstanding debt. All confiscated trucks are kept at the parking lot of confiscated vehicles of the Company, which is located on the 5-Rais rented land near Banglane Road in Nakorn Pathom, in order to provide convenience to customers who are interested in buying trucks, including both used truck tent operators and general end users. The parking lot is very safe with surrounded gates to protect the company's assets. Before the auction, the credit analysis department will gather all confiscated trucks during that period to estimate the selling prices and propose to 2 Assistant Managing Directors to sign for approval of the confiscated truck auction.

PARKING LOT OF CONFISCATED VEHICLES OF THE COMPANY IN NAKORN PATHOM



Truck details can be tracked through the following channels:

- 1. Line @Microleasing Channel
- 2. Facebook Channel
- 3. Tik Tok Channel
- 4. You Tube Channel
- 5. Public relations in front of the company parking.
- 6. Branch and Employee
- 7. Auction channels through 4 auction companies such as Apple Auction Company, Union Auction Company, Siam Inter Auction Company, and United Crane Auction.

The Company shall send the detail of confiscated trucks to the used truck tent operators interested in offering the prices and shall publicize the truck auction on the Company's website. In the collateral auction, the Company shall consider the highest offer prices at that period which must not be lower than the estimated prices approved by Assistant Managing Directors. In this regard, the Company emphasizes to sell confiscated trucks to the used truck tent operators because it can close the deals faster than selling to end users. The used truck tent operators usually pay by cash in full amount. In the past 2 years, the Company sold confiscated trucks to the used truck tent operators and agents for 75% of the value of total confiscated trucks. Another 25% was sold to end users. The end user customer who

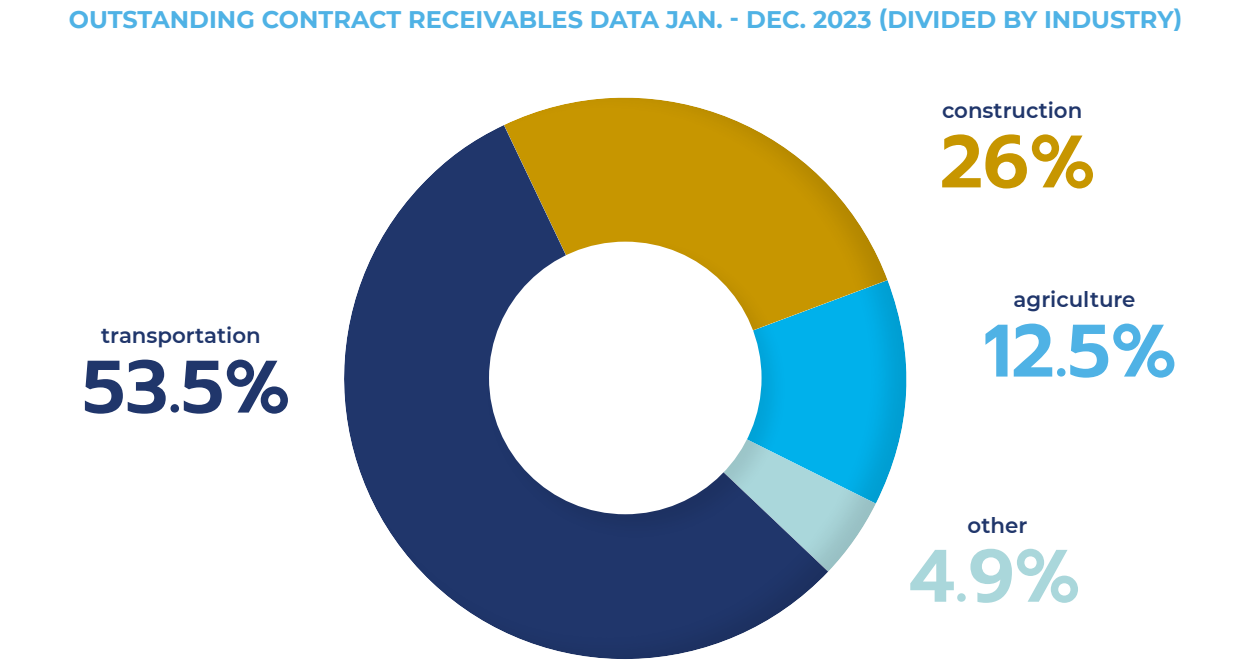
are the real users of the trucks can also apply for the truck hire purchase loan agreement with the Company. The Company shall use the same credit analysis method for consideration as they do in the normal used truck hire purchase agreement.

In selling the confiscated trucks to the used truck tent operators, most purchasers are trade partners who introduce hire purchase loan customers to the Company. However, the Company arranges the selection system that selects purchasers who offer the highest price during the same period for the sake of transparency and fairness.

In this regard, the Company does not have a policy to sell confiscated trucks by bidding since the bidding offer prices usually are lower than the individual offer prices. Moreover, the Company has a network of the used truck tent operators, who have long term partnership with the Company, which can be another channel for the fast and effective sales of confiscated trucks. However, in the case that the value of confiscated truck sales is not worth the outstanding debts, the Company can file a claim for the missing amount and enforce the case to seize the debtor's properties for further auction. In this regard, the legal action against debtor and surety depends on the consideration of the prosecution expenses and the outstanding debt after the sales of collateral assets.

Customer’s characteristics and target group

The company provides hire-purchase loans to individual and juristic customers who want to hire-purchase used trucks for use in their occupation to generate income. by focusing on customers with regular income from occupation, owners. Businesses or farmers who want to buy trucks for use in transporting goods. or providing commercial services such as industrial transportation building materials and consumer products, etc.



From the above diagram Most of the Company’s customers today are from the transportation industry. Such customers mainly want to use trucks for transportation of agricultural goods and consumer goods, followed by customers who want to use trucks in the construction and agricultural industries. More than 56% of the total of all loan amounts are customers from the central region of the country.

New Loan amount by customer group

New Loan amount by customer group	2021		2022		2023	
	THB MB	%	THB MB	%	THB MB	%
Individual customer	2,153.4	94.5	2,153.8	96.7	1,155.3	97.2
Corporate customer	124.5	5.5	72.6	3.3	33.0	2.8
Total	2,277.9	100.0	2,226.4	100.0	1,188.3	100.0

The Company’s customer group consists of individual customers and corporate customers, introduced to the Company by the truck tent operators or used truck agents. In the year 2023, the Company’s hire purchase loans for individual and corporate customers were 97.2% and 2.8% of total loan amount, respectively. The Company focuses on the fast and efficient loan services, considering the convenience of customers and tent operators as priority. The continuous development of after-sales services is also taken into consideration to maintain current customer base and expand to new customer group. As a result, the past record shows that existing customers who complete their installment loans with the Company come back for the Company’s hire purchase loan services when they want to buy the new used trucks.

The company has a policy to focus on expanding the new customer base through building relationships and continually increasing the number of used truck tent operators and brokers who are partners with the company. Including branch expansion in the province by focusing on establishing branches in provinces with high industrial growth or in areas where there is a dense number of used truck tent operators It has a location on the main road and can easily travel to connect with other provinces in order to provide services of the company to cover and be able to reach more target customers in the future.

However, since the Company’s main customer target group is the customer group that uses trucks for commercial services, the Company has the risk that such customer group may be sensitive to the domestic economy or the ability to repay debt may change. For example, if hire purchase customer is a farmer, his ability to repay debts may depend on the harvest season or the purchasing power may decrease from the price drop of agricultural crops due to the slowdown of domestic economy or slower recovery than expected. To reduce such risk, in the previous year, the Company turned to focus more on the customer group in the consumer goods transportation industry because consumer goods are necessary for daily life and its demand and supply do not change according to the season. So the transportation operators who are the Company’s hire purchase customers have consistent income and can repay the installments continuously. In addition, the Company gives importance to the careful approval of loan application in consideration of various factors, including the collateral’s quality and loan applicant’s qualification. The Company has a policy to provide hire purchase loan services to customer groups of which the Company has already assessed the risk of debt payment ability. Loan applicants must have purpose to use trucks in business to generate incomes. They must also have a good financial record, credible financial position,

certain occupation, stable income and earn enough to pay for installments as per contract. In addition, loan applicant and surety must not be bankrupt or have a record of prosecution and shall sign in the letter of consent for the company to check their credit information.

As for other services of loan providing, such as liquidity enhancing loan, at present the Company does not have much of such loan services because this customer group base is still small in the market. Since most trucks are usually under contract with other financial institutions or other financial service companies, the truck owners have not yet owned the trucks completely. Thus, most customers of this kind of loans are the old customers who have completed their hire purchase loan payment with the Company and come back to apply for loans to increase their liquidity. Nevertheless, in the future, the Company plans to study and survey market to approach another group of customers, the SMEs who have already had ownership on the trucks, in order to expand customer base of this credit type.

Pricing policy

Interest rate

The Company has a policy to define the interest rate of hire purchase for each customer that appropriately reflects the risk of loan approval. The key factors that the Company use to define the hire purchase interest rate are the financial costs of the Company and other factors that have effect on the Company’s financial costs in the short run, such as the state economy of the country, the trend of changes in market interest rates, and the government policy that could affect the Company’s business conduct and the trend of interest rates of other entrepreneurs the industry. Moreover, the Company also considers operational costs, qualifications and risks of collaterals, considering mainly on the age of collaterals.

Credit limit

In most cases, the Company’s approves the credit limit at 80% of the collateral’s estimated prices which depends on the vehicle’s type, model, brand, age, and usage condition. The hire purchase credit limit, when including the accident insurance premiums and credit limit protection insurance, must not be higher than 90% of such truck trading price or not be higher than 120%. Should there be any changes from the existing policy, the Credit Committee shall present the issues to the Board of Directors for further approval.



### Installment amount and installment payment period

The Company shall define the amount of installment and term of payment in compliance with the ability to pay debts of customers, in consideration of the ability to generate incomes and Total Debt Service Ratio (TDSR) which should be at the appropriate level to reduce the risk of defaulted debt payment. The Company defines the minimum TDSR level which varies to the level of risks or net income of loan applicants with the criteria that after deducting total loans, the customer must have Residual Income enough for living. The customer group whose income is lower than 50,000 Baht per month is considered the sensitive income group. The Company will define the TDSR level of this group lower than other groups to reflect such risk. If the loan applicant's TDSR does not pass the minimum criteria defined by the Company, the Company shall not approve the loan to such customer.

The term of payment depends not only on the ability to repay debts of customers but also on the age of the collateral trucks. The term of payment for a truck with less years of service is longer than an older truck. However, the term of payment shall not be longer than 60 installments. However, the company is in the process of considering extending the maximum installment period to not more than 72 installments.

### Sales channels

The Company provides 5 contact channels of hire purchase loan services for customers as follows:

#### 1. Contact the used truck tent operators or agents who are trade partners with the Company.

At present, the Company has almost 422 trade partners of used truck tent operators in various regions all over the country. About 372 of them are regular partners, an increase of 27%, who are used truck tent operators located in the provincial areas and other provinces. The branch's marketing officer and credit officer are responsible for contacting and maintaining relationships with these operators. The used truck tent operators are considered as the important trade partners who introduce hire purchase loan customers to the Company. The Company provides hire purchase loan services to customers through this channel for about 80% of total loan amount each year.

In this regard, the Company does not have any (Exclusive Agreement) with any operators and does not approve revolving credits to such

operator group.

#### 2. Introduction by the agent network

At present, the Company has the network of registered agents in the system for over 235 agents throughout the country. They recruit new customers interested in hire purchasing trucks for the Company. The Company provides hire purchase loan services to customers via this channel for about 10% of total loan amount each year.

#### 3. Introduction by Company's employees

The Company shall send credit officers located at the branches in every region of Thailand to visit customers in various places to publicize and introduce the hire purchase services of the Company in order to accomplish the loan target of each branch.

#### 4. Direct contact to the Company or its branches

Customers who know and receive information of the Company from advertisement, such as newspaper, radio, billboard, etc. can contact the Company to request for the credit application services at any branch or at the head office directly. As of 31 December 2023, the Company had total of 25 branches all over various provinces in every region of the country. The Company's branch is open for service on Monday – Saturday: 8.00 – 17.00 hrs.

#### 5. Contact via online channels (Online Channel)

At present, the company has developed and improved through the use of Digital transformation strategy. to meet the needs of specific consumers including a new way of living (New normal) that is expected to depend on various transactions through more online channels This allows the company to add more contact channels, either Facebook: <https://www.facebook.com/Microleasing> or Line official: @microleasing. making it more convenient for consumers.

In this regard, those who recruit new customers for the Company shall receive a "Commission" which is defined as a percentage of total interest income as per contract and shall not be over the maximum commission rate per contract defined by the Company. Such rate will vary to the type of introducer. The Company will pay commission to introducer when introduced customer's qualification passes the requirement and get into the hire purchase agreement with the Company. Such commission is a one-time payment, cannot be recalled, and is the rate in accordance with the general practice of the industry.

### Product or service sourcing

#### 1. Source of funds

In the beginning stage of business, the source of funds for credit business expansion mainly came from the shareholders' capital, both in the form of capital increase in the company and loans from connected persons. The loan application to financial institutions during the beginning of business was limited because the credit policy of financial institutions was quite strict and the Company's business could be considered as competitor of some financial

institutions. However, in 2018, the Company received the short-term credit limit from the financial institution for the first time to increase its liquidity. The operating result giving continuous retained earnings and the decreasing proportion of Non-Performing Loans, as a result of the concisely implementation of the credit approval policy and the effective debt collection enable the Company to receive more credit limits from other banks, respectively. As of 31 December 2022, the Company has short-term credit limit from the banks in total of 1,500.00 million Baht, consisting of 246.47 million Baht of used credit limit and 1,160.00 million Baht of unused credit limit.

Sources of funds	2021		2022		2023	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Loans from financial institutions	690.5	24.5	246.5	4.6	308.7	5.9
Loans from connected persons	150.8	5.3	30.0	0.6	80.0	1.5
Loans from other persons	16.0	0.5	200.0	3.8	310.0	6.0
Debenture	1,052.9	37.4	2,680.5	50.6	2,384.0	45.7
Shareholder's fund	1,958.4	69.6	2,140.1	40.4	2,131.5	40.9
<b>Total source of funds</b>	<b>3,868.6</b>	<b>100.0</b>	<b>5,297.1</b>	<b>100.0</b>	<b>5,214.3</b>	<b>100.0</b>
<i>Unused credit limit</i>	1,340.0		1,160.0		998.9	

Note: The above funding did not include debts in hire purchase contracts due to their insignificant amount and excluded other debts, such as trade payables and accrued income tax, etc., since such debts come from normal business operations.

As of December 31, 2023, the Group has loans (Before deducting allowance for expected credit losses) in the amount of 4,547.0 million baht, with the source of funds from shareholders' equity. consisting of paid-up capital, legal reserve and retained earnings totaling 2,131.5 million baht, representing a combined proportion of 40.88%, debentures 2,384.0 million baht, representing 45.72% of the total capital. While loans from financial institutions amounted to 308.7 million baht, representing 5.92% of total funds. Loan from related person 80.0 million baht, equivalent to 1.53% of total capital and loans from other persons of 310.0 million baht, representing 5.9% of total funds, respectively.

Nevertheless, the Company expects that the proportion of loans from directors or shareholders will be decreasing respectively in the future. After being listed in the Stock Exchange of Thailand, the Company will have source of funds from Initial Public Offering (IPO) and other sources of funds, i.e., issuance of debentures and bill of exchange, which can support the Company in managing liquidity for operations sufficiently. The Company shall gradually return the loans to such directors accordingly.

## 2. Liquidity Management

From the financial position structure of the Company at present, most of the Company's source of funds consists of the fund from the owner and the short-term and long-term loans for business operations including loans from financial institutions, loans from external persons, and loans from shareholders, directors or persons involving those people. Most loans' period of

payment is within 1-3 years. The main business of the Company is the hire purchase loan service of which the contract payment period is 4-5 years resulting in the Maturity Mismatch. Moreover, there is also the Interest Rate Mismatch since the interest rate that the Company receives from the hire purchase contract is Fixed Rate while some loans' interest is the Floating Rate which goes up and down along the country's economic condition.

### PROPORTION OF LOANS AS OF DECEMBER 31, 2022 BY TYPE OF INTERESTS



The Company gives importance to the liquidity risk management to reduce the risk of the inability to repay debt or obligation when reaching due date, or the inability to find source of funds in time for a sufficient amount as needed to expand business, or the ability to find source of funds but at the unacceptably high financial costs which can affect the Company's incomes and performance. In this regard, the total loan amount of the Company as of December 31, 2022 was 3,082.7 million Baht with the payment due as follows:

Debt obligation to be repaid (viabilities)	December 31, 2021		December 31, 2022		December 31, 2023	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Within 1 year <sup>1</sup>	467.7	24.5	978.1	31.0	1,240.4	40.2
Over 1 year but not over 2 years	997.1	52.2	1,182.1	37.5	1,218.0	39.5
Over 2 years but not over 3 years	353.5	18.5	796.7	25.2	536.0	17.4
Over 3 years	92.4	4.8	200	6.3	88.3	2.9
<b>Total</b>	<b>1,910.2</b>	<b>100.0</b>	<b>3,156.9</b>	<b>100.0</b>	<b>3,082.7</b>	<b>100.0</b>

<sup>1</sup> Consisting of short-term loans from financial institutions, short-term loans from other persons and connected persons, and long-term loans from financial institutions – within 1 year due payment as shown in the Company's statement of financial position.

Considering hire purchase receivables as of December 31, 2022 excluding receivables more than 3-months overdue and debtors currently under legal action, the Company's due payment installments are as follows:

Hire purchase receivables (Excluding NPL)	December 31, 2020		December 31, 2021		December 31, 2023	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Within 1 year	1,097.2	29.9	1,435.5	30.3	1,275.6	29.6
Over 1 year but not over 2 years	840.1	22.9	1,159.2	24.5	1,169.5	27.1
Over 2 years but not over 3 years	789.5	21.6	1,086.4	23.0	955.5	22.1
Over 3 years	937.2	25.6	1,050.2	22.2	913.2	21.2
<b>Total</b>	<b>3,664.0</b>	<b>100.0</b>	<b>4,731.3</b>	<b>100.0</b>	<b>4,313.6</b>	<b>100.0</b>

As of December 31, 2023 the Company had loans due within 1 year of 1,240.4 million Baht, including of debenture 1,083.2 million Baht, Bank loans 157.2 million Baht of debenture, which were higher than the amount to be received from debtors within 1 year which was 39.4 million Baht.

The short-term loan from another financial institution was the revolving credit. When the repayment is complete, the Company can apply for the new loan at full credit limit continuously.

In addition, considering the long-term loans with over 1 year but not over 3 years due of 1,754.0 million Baht and the amount to be received from the over 1 year but not over 3 years receivables of 2,135.7 million baht, long-term loans due over 3 years in the amount of 88.3 million baht and the amount received from debtors over 3 years in the amount of 918.8 million baht, the Company will have enough fund for loan repayment in the long term.

Being aware of the significance of the liquidity management, the Company requires the accounting and finance department to assess the financial position of the Company and estimate the Company's liquidity at least 30 days in advance in order to assess the net liquidity and the liquidity trend of the Company. They shall assess the factors that could have effect on business conduct of the Company in the near future and report to the Executive Committee in time.

In addition, the Company has a policy to restructure the financial structure by finding source of funds for the future. The Company may consider sourcing more funding from financial institutions in the appropriate proportion and in accordance with the needs of the Company to increase liquidity when necessary. Such funding could be the long-term loans with fixed interest rate which is in line with the loan repayment period of the Company's receivables to reduce the risk of interest rate fluctuation and the risk of fund sourcing inconsistent with the cash flow in the future. The Company shall consider the appropriate ratio of short-term loans and long-term loans in consistent with the market condition and ability to repay debt of the Company. The Company shall manage such risks carefully and concretely in consideration of the appropriate financial costs, repayment period, and the maintenance of various financial ratios in the defined level. Moreover, the Company plans to diversify the risks of funding to other sources, such as issuance of Debt Instruments and Equity Instruments, in order to be able to manage financial costs and liquidity efficiently.



Conditions required to comply with loan agreements from financial institutions.

As of December 31, 2023, the Company had short-term and long-term loans from 4 financial institutions to which the Company put on collaterals as per general conditions of borrowing, such as guarantee deposit, land, and building, claim for repayment from hire purchase receivables, and guarantee by directors or shareholders, etc. However, such loan agreement had significant condition with which the Company must comply, that is, the Company must maintain the financial ratios according to the bank's terms and conditions. If the Company cannot maintain such financial ratios as required and does not comply with other conditions of the loan agreement, the Company may face the risk of the suspension of credit limit or the immediate recall of all principles, which shall have effect on the liquidity and business conduct ability of the Company. The financial ratios complying with the bank's terms and conditions are as follows:

Financial Ratios maintaining	Bank conditions	December 31, 2023
Total Debt to Equity Ratio	Not more than 2 Times	1.46 Time
Total financial institution loans to total receivable value ratio	Not more than 70%	6.82%
NPL ratio	Not more than 5.0%	4.69%
Proportion of 4 major shareholders to registered capital	More than 50%	55.92%

The Company is aware of the significance of the compliance with the financial institution's requirement and has operated at its best to maintain the financial ratios according to the bank's terms and conditions. As of December 31, 2023, the Company had the financial ratios as per the bank's requirement.

Industry condition and competition

The main industry relating to the hire purchase loan business is the loan industry which has direct relations with the economic condition of the country and the domestic truck industry. The overall picture of each industry in the past year is summarized as follows:

Overview of domestic economy and credit business

The factors influencing credit extension in 2023 include the expanding household debt. In the second quarter of 2023, household debt amounted to 16.07 trillion-baht, expansion represents a 3.6% increase compared to the corresponding quarter of the previous year. After seasonal adjustment, the growth rate slightly decreased by 0.1 percent compared to the previous quarter. The household debt-to-gross domestic product (GDP) ratio remained stable at 90.7 percent, maintaining the level observed in the preceding quarter.

Table presented household debt (loans from financial institutions)

At the end of the period	2019	2020	2021				2022				2023	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Value of household debt (Trillion baht)	14.20	14.76	14.86	15.01	15.07	15.32	15.40	15.52	15.68	15.88	15.96	16.07
% YoY	4.9	3.9	4.6	4.9	4.0	3.8	3.6	3.4	4.0	3.7	3.6	3.6
% QoQ (Seasonal adjustment)	N.A.	N.A.	2.8	0.1	2.3	0.1	2.5	-0.1	2.0	-0.2	2.3	-0.1
Proportion to GDP (%)*	84.1	94.2	95.5	94.2	94.2	94.7	93.8	92.8	91.5	91.4	90.7	90.7

Source: Bank of Thailand

Credit for almost every type has expanded, with the growth contribution of household debt primarily coming from debts for purchasing real estate and personal consumption. This is because these two categories of debt constitute the majority of all household debts. In the second quarter of 2023, credit for real estate expansion increased by 4.9 percent, closely resembling the previous quarter, driven by the recovering demand for residential properties. Despite factors such as increased borrowing costs or higher interest rates on loans, real estate credit has remained robust. On the other hand, credit for personal consumption has expanded by 5.5 percent, a slight increase from the previous quarter's 5.4 percent, in line with consumer confidence, which has improved as reflected in increased spending on non-durable goods. Meanwhile, credit card debt has expanded at a slower pace, with a growth rate of 2.5 percent, down from the previous quarter's 5.7 percent. Auto loan credit has seen a modest increase of 1.0 percent, attributed to tightened borrowing conditions.

Table presented the value, proportion, and growth rate of household debt, Classified by purpose.

At the end of the period	Unit (Trillion baht)	Propor- tion (Percen- tage)	2021				2022				2023	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Household loans	16.07	100.0	4.6	4.9	4.0	3.0	3.6	3.4	4.0	3.7	3.6	3.6
Real estate purchase	5.41	33.7	6.0	6.0	5.4	5.2	5.9	4.8	5.1	5.2	5.0	4.9
Vehicle purchase or hire purchase	1.83	11.4	2.9	2.6	0.3	1.2	0.6	0.3	1.2	-0.3	-0.3	1.0
Own business	2.88	17.9	4.4	5.8	5.4	4.3	4.8	3.5	3.1	2.0	0.8	0.5
Personal consumption	4.36	27.1	6.7	6.5	4.6	4.1	3.5	3.9	5.2	4.7	5.4	5.5
- Personal loan	3.09	19.2	7.7	6.5	4.3	3.0	1.7	1.0	1.7	1.7	2.5	3.1
- Personal Loan under Supervision <sup>/1</sup>	0.81	5.0	2.0	7.6	10.0	12.0	12.7	14.4	17.7	18.4	18.5	18.0
- Credit card	0.46	2.8	6.0	4.4	-0.5	1.6	2.8	9.2	12.2	5.2	5.7	2.5
Other <sup>/2</sup>	1.60	9.9	-2.2	-0.5	0.3	0.6	1.3	0.9	2.3	3.9	4.0	2.8

<sup>/1</sup> Personal loan under supervision refers to uncollateralized personal loans, hire purchases, and leasing loans on goods of which the licensed lenders are usually not in the business of selling. Excluded from this category are Loans for hire purchases and leasing of automobiles and motorcycles, Loans for education, Loans for working abroad, Loans for medical care and Loans pertaining to employee benefits under an agreement between the employers and the lenders.

<sup>/2</sup> Composing of Securities loans, Educational loans and loans that cannot be classified objective.

Source: Bank of Thailand

Non-performing loans increased, especially vehicle purchase or hire purchase. In the second quarter of 2023, consumer debt of non-performing loan (NPL) of commercial banks was worth 147-billion-baht, accounting for 2.71 percent of total loans, increasing from 2.68 percent from the previous quarter. The types of loans that have more problems are vehicle purchase or hire purchase are beginning to see an increase in NPL debt, with outstanding non-performing loans on vehicle purchase or hire purchase expanding as high as 40.9 percent, or accounting for 2.05 percent of total loans, increasing from 1.89 percent in the previous quarter. Meanwhile, the proportion of other types of loans remained stable or decreased. In addition, when considering debt that is overdue for 1 - 3 months (SML), it is found that the overall proportion of SML to total loans remained stable at 6.7 percent, but vehicle purchase or hire purchase were still the only type of loan where this proportion continued to increase. It stood at 14.4 percent, increasing for the seventh consecutive quarter.

Source: Office of the National Economic and Social Development Council

Table presented Consumer debt of non-performing loan (NPL)

At the end of the period	2020				2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
NPL (Billion baht)	1.56	1.53	1.44	1.44	1.49	1.50	1.50	1.44	1.47	1.43	1.41	1.40	1.44	1.47
% YoY	23.6	19.7	8.3	2.7	-4.8	-1.4	3.7	-0.5	-1.5	-5.1	-6.0	-2.3	-1.7	2.7
% per total loan	3.23	3.12	2.91	2.84	2.92	2.92	2.89	2.73	2.78	2.69	2.62	2.62	2.68	2.71

Source: Bank of Thailand

Table presented the proportion of non-performing loans by purpose to total loans (percentage)

At the end of the period	2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Housing Loan	3.74	3.66	3.62	3.52	3.51	3.38	3.25	3.01	3.16	3.16
Vehicle	1.56	1.61	1.72	1.50	1.47	1.48	1.66	1.88	1.89	2.05
Credit card	3.04	3.51	3.00	2.25	2.78	2.68	2.46	3.12	3.11	2.98
Other	2.46	2.47	2.43	2.33	2.49	2.35	2.22	2.40	2.33	2.32

Source: Bank of Thailand

Demand for business loans in the third quarter of 2023 continues to increase in all business sectors. Especially service sector businesses following the recovery of the tourism sector Including increasing it for all business sizes to use as working capital for operations. In addition, large businesses in certain fields require more credit to finance mergers and acquisitions and invest in fixed assets. For the fourth quarter of 2023, businesses are likely to continue to demand more loans in all business fields. In line with the trend of economic recovery. Especially large businesses to invest in fixed assets Accumulate inventory and mergers and acquisitions, including for refinance during periods of rising borrowing costs. Some businesses are likely to revert to securing funds through loans due to rising costs in the bond market. Small and Medium-sized Enterprises (SMEs)

require loans for inventory accumulation and working capital. The increased costs of borrowing may lead to a deceleration in the demand for credit among SMEs in the foreseeable future. Meanwhile, the demand for export credit has continued to decline since the second quarter, aligning with the gradual slowdown in the merchandise export sector.

In the third quarter of 2023, credit standards for corporate loans remain stringent, with some financial institutions remaining cautious in granting loans to large businesses. Especially businesses that face fluctuations in commodity prices while lending standards for SMEs have been eased slightly, partly due to increased competition in lending among government agencies, along with improved views on business trends and the overall economy.





In addition, some financial institutions support giving more loans to SMEs according to government policy. For the fourth quarter of 2023, credit standards for corporate loans are likely to continue to be stringent, with some financial institutions increasing caution in lending to new customer groups, including SMEs that face challenges in adapting to sustainability. Environmental (green transition) according to large businesses in the production chain, whereby financial institutions may consider increasing margins for high-risk customers. Including adjusting the collateral conditions and additional loan contract conditions.

Overall demand for household loans in the third quarter of 2023 remains like the previous quarter. But decreased for vehicle purchase or hire purchase where loan contract conditions are still strict due to deteriorating loan quality. and other consumer loans where borrowing costs have increased and consumer confidence has decreased. However, demand for credit card loans continues to increase in line with demand for consumer spending, including the purchase of durable goods. Similarly, the demand for housing Loan is benefited by the promotional promotions of entrepreneurs in the real estate market, for the fourth quarter of 2023, demand for household loans is likely to increase in almost all loan types. Especially other consumer loans and credit card loans. according to consumer confidence that tends to improve. Meanwhile, demand for vehicle purchase or hire purchase loans has not yet recovered from tight loan contract conditions and higher borrowing costs. As of the second quarter of 2023, household debt has increased. Meanwhile, households' loans repayment ability has slightly decreased. However, there is an issue that needs to be emphasized, namely the risk of Thai farmers being stuck in a debt trap. and accelerating the implementation of debt restructuring measures for debtors affected by COVID-19.

Demand for household loans in the third and fourth quarters of 2023 remained stringent. Especially for vehicle purchase or hire purchase loans. Some financial institutions are still concerned about the credit risk of borrowers and the risk of collateral. In addition, the quality of car leasing loans is expected to continue to deteriorate. However, the loan approval rate tends to improve. Especially for housing loans following higher competition in lending between financial institutions due to outstanding supply in the real estate sector that is still high.

Source: Bank of Thailand

**Domestic Truck Industry**

The tendency of the automotive industry in 2023, there is a continuous growth trend, following the recovery of the economy and economic activities

in the country. The domestic car production is expected to recover to pre-COVID-19 levels (in 2022) within the year 2024. However, there is still a need to monitor the risks from the export sector, which is expected to contract due to reduced demand from major trading partners. The passenger car market remains a significant driving force, benefiting from the recovery of the labor market both in terms of employment and improved income. Meanwhile, commercial vehicle sales show a slowing expansion compared to the previous year, as they face pressure from reduced income among agricultural workers.

In the truck sector, there has been a slight adjustment in the first-time registration figures (red plates), showing a modest decline compared to the previous year. Part of this can be attributed to the trend of reduced demand for land transportation of goods in line with the export sector. However, there is still support from investments in construction, coupled with improved cross-border trade and transit, contributing to the overall positive adjustment.

For the first-time registration figures (red plates) of passenger vehicles, there is a growing trend, aligning with the demand for tourist shuttle buses that are recovering. Additionally, there is a boost from the shift in policies transitioning from conventional passenger buses to electric-powered buses.

As for the motorcycle market, production volumes have expanded slightly, but export figures have slowed down due to the economic downturn in the European and United States markets. Meanwhile, domestic sales continue to grow consistently, driven by the recovery of income in the service sector. However, there has been a slight deceleration in income for agricultural workers.

Source: Economic Intelligence Center / Siam Commercial Bank

**Law and related regulations applied for the Company's business conduct**

The company ("micro") is not financial institution under control of Bank of Thailand, and not under Civil and Commercial Code section 654 which specify that the interest rate that credit provider can charge from debtor shall not exceed 15% per year because Micro business is Hire-Purchase, not Personal Loan. In addition, Micro business is not under control of the Office of the Consumer Protection Board, Title Enforce Hire-Purchase of car or motorcycle business are not under consumer protection in contracts format too. Because Micro's business provide credit to credit applicant only second hand truck which use in business sector, not in personal sector. So, interest rate, fine or fees that Micro charge from credit applicant can collect without related law and regulations under control by every government bureau.



## Used truck Hire-Purchase Business

At present law, guidelines or regulations related to Hire-Purchase business in Thailand are the announcement of Bank of Thailand and Office of the Consumer Protection Board. However, the announcement of Bank of Thailand conduct only financial institution that controlled by Bank of Thailand including Commercial Bank, Financial company, Credit Foncier Company and some Non-Bank such as credit card business and personal loan business under conducting of Bank of Thailand. Thus, that announcement is not cover Micro business.

Since the first publication in BE.2555 of the announcement of the Office of Consumer Protection Board, Title Enforce Hire-Purchase of car or motorcycle business are not under consumer protection in contracts format, until the second publication in BE.2558 and the last publication, that enter into force at present, 1 July BE.2561, all of them intent to protect debtor who use car or motorcycle that hire-purchase in personal object only, not include the debtor who is Juristic person or debtor who has objective of business purpose. Because “car” in this announcement are personal car or personal truck that use for personal object only, not use for business object. So, that announcement is not conduct to Micro business because Micro provide credit especially for the debtor who has business object only.

### Increase liquidity credit or secured credit

About the beginning of BE.2562, Bank of Thailand started to conduct Non-Bank strictly. It issued the announcement called sor.nor.sor.2/2562 for setting the guidelines of conducting secured car registration loan or car registration pledge loan, that one type of loan agreement, and the companies which are under that announcement such as car registration pledge's credit provider call for the loan applicant put the car registration such as car registration book, motorcycle registration book, agriculture vehicles registration book, truck or other car to the credit provider and the loan applicant must sign in advance into transfer car agreement and any documents related, that announcement force the credit providers must have paid capital minimum of 50 million Baht and they can charge the interest and fees not exceed 28% per year, however that announcement is not cover to Micro business because Micro business is truck registration secured loan which is one type of hire-purchase agreement which loan applicant must transfer truck or another secured car to Micro while signed contract, as a result Micro can charge the interests and fees without enforcement of any regulations.

However, if in the future that announcement (or another) expand to Micro business, Micro will still charge same interest rate to nowadays because at present Micro's interest is 8-15% per year which include every fees (Effective Interest Rate 15-25% per year) that is not over to interest rate provided by that announcement.

So, at present, 3 types of Micro business that consist of hire-purchase of second hand truck, increase liquidity loan or secured loan and Re-financed loan are not under the conduct or control of Bank of Thailand or another government bureau, nowadays Micro is not limited or impacted from the ceiling of interest rate or fee that set by some bureau, however, Micro still conduct to any Act or importance regulations that are:

### 1. Debt tracking and collection

The Company must comply with the Debt Collection Act B.E. 2558 (“Debt Collection Act”), including various announcements. Issued by virtue of the Section of the Act, such as the announcement of the Debt Collection Supervisory Board regarding the number of times to contact the debt collection. which requires the debt collector to contact the debtor or the person whom the debtor has specified has been informed of debt collection not more than 1 time per 1 day, effective from 21 November 2019 onwards. However, the Act does not have a requirement for late penalty charge. or the charge of tracking fees in any way and the announcement of the Debt Collection Supervisory Board about the rate of fees or any expenses in debt collection which requires debt collectors to charge fees or any expenses in debt collection as follows: Not more than 50 baht per debt collection cycle In the case that the debtor has an outstanding debt in one installment and does not exceed 100 baht per debt collection cycle In the event that the debtor has overdue debt for more than one period It is effective from 13 September 2021 onwards.

### 2. Termination of the contract and seizing of guarantees or secured asset

Micro must strictly comply with Civil and Commercial Code in some related provision such as termination of the contract in case of debtor default to pay 3 time contiguous, Micro will not seize the guarantee asset immediately except noticed to termination of the contract and put the time to debtor for paying outstanding debt.

## Research and development

Micro Group has always focused on research, development, and adoption of modern technologies to improve our services. The company has a dedicated Information Technology team to study and develop new technologies to improve the efficiency of the company's business operations and customer service experience. Our research and development projects focus on transitioning our business process to digital (Digital Transformation) and the company continues to make strategic investments to develop and improve our infrastructure and IT capabilities. During the implementation of information technology projects, we focus on using technology in key business processes such as customer acquisition and relationship management, loan application process, credit analysis, debt collection, loan portfolio tracking, branch administration, and internal working processes using various information technology systems that we developed, such as the Mobile POS Application Version 2.3.0 for credit officers, pricing evaluation system, credit analysis system, Enterprise Resource Planning (ERP) system, Robotic Process Automation (RPA) system, Business Intelligence (BI) system, Data Warehouse system, and Artificial Intelligence (AI) system.

At the same time, the company places a high emphasis on the security of information technology systems and the protection of personal data. Over the years, the company has continuously enhanced its information technology security systems. Since the year 2022, there has been a consistent effort to improve security measures. In the year 2023, the company engaged consultants to conduct regular Vulnerability Assessments, and during the same year, it successfully underwent an ISO/IEC 27001:2013 certification audit for the second consecutive year. This certification reaffirms the company's commitment to providing standardized technology services.

In 2024, the company has plans to integrate technology for cyber-attack prevention, employing Artificial Intelligence (AI) to replace human security processes. Furthermore, there are plans to apply for ISO 29110 certification for software engineering practices and to upgrade the ISO/IEC 27001 standard to ISO/IEC 27001:2022, as the latter is set to be deprecated in 2025. These initiatives aim to reinforce confidence among system users, including customers and partners. The company has also demonstrated a commitment to information security and data leak prevention (DLP) by implementing additional measures, such as the establishment of a Security Operation Center (SOC). This move further instills confidence in customers,

partners, and other stakeholders, assuring them that the company has implemented necessary measures to protect organizational data. These ongoing efforts underscore the company's dedication to maintaining a secure technology environment and ensuring the utmost safety of data.

Information technology system development There is still continuous system development to make the system more efficient in serving customers and partners, including affiliated companies, such as the personal loan service system. System for providing services to customers and partners with Mobile Application, using cloud technology in the form of Hybrid Cloud, developing data connections both within the group of companies. or with external service providers through the API system, Automation development through RPA technology, including the development of Credit Scoring Models in new formats in order to help increase the company's credit granting opportunities to qualified target groups. and reduce the risk of lending at the same time.

Furthermore, the company is committed to leveraging technology tools and creating new platforms to enhance customer and partner acquisition channels, both for its credit and insurance broker businesses. The company aims to increase efficiency in risk analysis and continuously improve online services to elevate customer experience and satisfaction.

In the realm of research and development, the company focuses on utilizing data to conduct analyses and develop credit products tailored to the needs of target groups. The product development team compiles data and surveys customer service usage requirements.

In terms of services, the company analyzes the geographical location of partners to use as information for workforce planning, emphasizing convenience and prompt responsiveness to partner needs, ensuring high-quality service.

Regarding products, the company compiles both quantitative and qualitative credit analysis data to evaluate and devise strategies for effective sales promotion. Additionally, the company conducts ongoing monitoring and assessment to design special programs for high-quality partners (Preferred partners).



# SECURITIES AND SHAREHOLDERS INFORMATION

## SECURITIES

### Amount of registered capital and paid-up capital

As of 31 December 2023, the company has a registered capital of 935,000,000 baht as follows common stock amount 935,000,000 shares par value of 1 Baht per share.

### Share transfer restrictions.

The company has no restrictions on the transfer of shares. The transfer of shares must not cause the foreign shareholding of more than 49% of the total voting shares of the Company. After the offering of common shares to the public this time. If the transfer of shares of any person makes the foreign shareholding proportion more than 49% of the total voting shares of the company. The company has the right to refuse to register the transfer of such shares.

### Shareholder

Shareholding structure as of 31 December 2023 as follows:

Major Shareholders	Amount	%
1. Mr. Thammasak Auchyawat	218,910,000	23.41
2. Mr. Kitsada Auchyawat	128,750,000	13.77
3. Mr. Jedsada Auchyawat	123,150,000	13.17
4. Mr. Tanyakon Autchayawat	52,050,000	5.57
5. Mr. Keittipong Toemkunanon	28,000,000	2.99
6. Mr. Sataporn Ngamruengpong	25,185,500	2.69
7. Mr. Ekaphun Kupatawat	20,017,600	2.14
8. Mrs. Thanida Jirothanapas	18,842,700	2.02
9. Mrs. Wanna Auchyawat	16,548,000	1.77
10. Mr. Athon Jirothanapas	15,825,900	1.69
11. Other shareholders	287,720,300	30.77
Total	935,000,000	100.00

## Dividend Payment Policy

The Company's dividend payment policy is to pay at least 40 percent of its net profit of the separate financial statements and after deducting corporate income tax and various reserves. However, The subsidiaries will consider paying dividends based on the net profit after the deduction of the corporate income tax each year. However, this will depend on the investment plan and other factors. The annual dividend payment under the above policy must be approved by the Board of Directors and must be presented for approval to the shareholders meeting respectively, except when it is an interim dividend payment, under such policy, it must be approved by the Board of Directors, then the Board of Directors will report to the shareholders at the next shareholders' meeting.

## Issuance of Other Securities

### 1. Senior debentures

The unsecured debentures, of Micro Leasing Public Company Limited No.2/2021, Set 1 due B.E.2023 and Senior debentures, The unsecured debentures, of Micro Leasing Public Company Limited No.2/2021, Set 2 due B.E.2024

Issued Date	Symbol	Issue Size	Interest Rate	Term	Maturity Date
29 Oct 2021	MICRO23OA	203,600,000	5.50	3 years	29 Oct 2024

### 2. Senior debentures

The unsecured debentures, of Micro Leasing Public Company Limited No.1/2022, Set 1 due B.E.2024 and Senior debentures, The unsecured debentures, of Micro Leasing Public Company Limited No.1/2022, Set 2 due B.E.2025

Issued Date	Symbol	Issue Size	Interest Rate	Term	Maturity Date
26 April 2022	MICRO244A	321,100,000	5.40	2 years	26 April 2024
26 April 2022	MICRO254A	478,900,000	5.65	3 years	26 April 2025



3. Senior debentures

The unsecured debentures, of Micro Leasing Public Company Limited No.2/2022, Set 1 due B.E.2024 and Senior debentures, The unsecured debentures, of Micro Leasing Public Company Limited No.2/2022, Set 2 due B.E.2025

Issued Date	Symbol	Issue Size	Interest Rate	Term	Maturity Date
6 Oct 2022	MICRO24OB	558,500,000	5.50	2 years	6 Oct 2024
6 Oct 2022	MICRO25OA	269,100,000	5.70	3 years	6 Oct 2025

4. Senior debentures

The unsecured debentures, of Micro Leasing Public Company Limited No.1/2023, Set 1 due B.E.2025 and Senior debentures, The unsecured debentures, of Micro Leasing Public Company Limited No.2/2023, Set 2 due B.E.2026

Issued Date	Symbol	Issue Size	Interest Rate	Term	Maturity Date
1 Jun 2023	MICRO259A	558,500,000	6.20	2 years 3 months	1 Sep 2025
1 Jun 2023	MICRO269A	269,100,000	6.50	3 years 3 months	1 Sep 2026

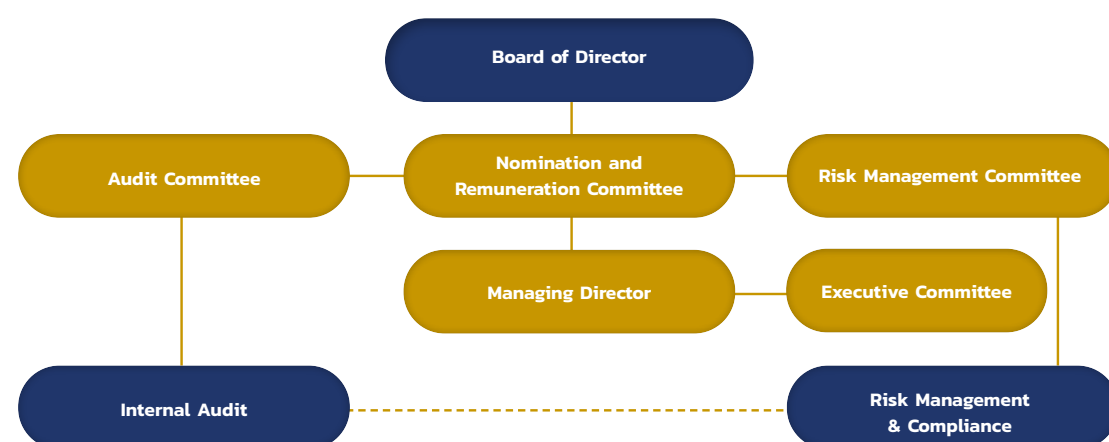


# RISK MANAGEMENT

The company is committed to creating awareness and creating a culture of risk management for the organization for the benefit of adding value and creating sustainable returns for all stakeholders, under the balance between risk, cost, and return. The company has set policies, criteria, processes, and appropriate guidelines, and an acceptable risk management framework to cover risks in each area as much as possible, including credit

risk. Operational Risk Market Risk Liquidity Risk Technology Risk Strategic Risk and operational risks, etc. The Company has guidelines for increasing the importance of setting up a system for controlling, monitoring, and evaluating risks on a regular basis. To ensure that the risks are at an acceptable level under the various limitations that the company has and that the business can be operated appropriately. Risk management structure.

## Risk management structure.



The Board of Directors has assigned the Risk Management Committee inspection committee, Nomination and Remuneration Committee, and the management department, including the risk management and corporate governance departments, together with the operating units involved in the monitoring process to manage various risk issues to be at an appropriate level comply with the law rules that are specified, up-to-date, and appropriately keeping up with changes in various situations that occur.

The Company has adopted the principles of good corporate governance for listed companies of the Office of the Securities and Exchange Commission, and Corporate Governance of Thai Listed Companies by the Thai Institute of Directors Association to determine the principles of corporate governance and related practices of the Company. The Company management structure has been established to be transparent, have checks and balances, and be auditable to provide supervision according to international practices with the Three Lines of Defense principle, which consists of business entity Regulatory agencies and internal audit unit which is independent of the management, is responsible for supervising the Company's business to be in

accordance with relevant laws and regulations, and all three of these departments must work together through the work processes specified at each level as follows:

**First line of defense:** Business units are those responsible for managing day-to-day operational risk. To ensure that risks are considered and controlled effectively. It covers conducting business in accordance with the law and the Company's regulations.

**Second line of defense:** Regulators, namely the risk management department, are responsible for oversight. Monitor and control the risk management process, And the transaction supervision unit that is responsible for overseeing the company's operations and comply with relevant laws.

**Third line of defense:** The internal audit department is responsible for evaluating the adequacy and appropriateness of the internal control system of the company's operating processes and various work systems to support the corporate governance system. Good risk management and internal control systems and is effective and able to achieve the objectives and goals of the company.



The company has organized a policy, procedures for operating according to the process and developed the preparation of operational manuals separated by process to cover all departments, including the control and monitoring system, and report the level of risk in various areas, as well as segregation of duties and responsibilities and assign risks to Conforms to the principles of good internal control. It also emphasizes the importance of disclosing risk management information. To be consistently accurate and complete, the company has defined important risks as 3 main points based on good governance, as follows:

## 1. CREDIT RISK MANAGEMENT

The majority of the Company's credit customers are customers who do not have access to commercial bank credit services. Therefore, loans given to the Company's customers may have a higher risk of bad debt or default when compared to loans given to other companies. Borrowers with good credit history including the effects of changing economic conditions Changes in laws, policies and/or regulations of regulatory agencies.

From 2023 onwards, the Company still needs to pay more special attention to credit risk. Overall, it is at a level where it is necessary to monitor the consequences of continued impacts after the COVID-19 outbreak and other factors such as economic conditions: inflation rates have increased, an increase in oil prices, climate change and environmental problems. As a result, the burden of living expenses and business costs will increase. As a result, the default rate is in the direction of starting to increase. Therefore, in order to control the company's credit risk to an appropriate level. Therefore, it is necessary to adjust the policies and processes for credit approval. As well as following up on debts in line with the situation and trends that will occur in the future.

## 2. OPERATIONAL RISK MANAGEMENT

The company focuses on creating awareness of the importance of operational risk management and risk management in crisis situations, in order to prepare plans to deal with crises in every aspect, in order to be supported, allocate adequate resources to support important work activities in terms of work locations and human resources and in terms of welfare care, work, both physical health and mental health In order to reduce the accumulated stress from work and maintain good health of employees is important. In addition, the company also has guidelines for promoting knowledge for the development of work skills in various forms, whether It is a channel for receiving training from outside reliable agencies or organizing activities to

exchange knowledge within each other to focus on working according to the operating process with efficiency and effectiveness for all stakeholders, and aims for personnel to develop the habit of continually developing themselves and sharing knowledge.

### 2.1 Guidelines for managing operational risk of the company

The company has created a policy. and operational risk management practices and review it regularly and continuously It covers the entire work process. With the aim of creating awareness of risk management and controlling or reducing risks appropriately. From preventing risks from occurring to assessing risks from both external factors and factors within the company, including contingency plans when risks occur, details as follows.

1. The company has guidelines for preparing and review risk assessment and control self-assessment (Risk and Control Self-Assessment: RCSA) at least once a year, consisting of risk identification, risk assessment, monitoring and control and risk reporting. Any department must carry out a risk assessment. Evaluate risk control methods along with the efficiency of the tools used to control risks. Determine the maximum acceptable level of operational risk, or the acceptable level of damage caused by operational risks. Every department will check the indicators to compare it with the acceptable level of impact and report to department executives and senior executives on a monthly basis.
2. The company has risk and damage management from operations through the Loss Data tool to evaluate the impact and control the damage that has already occurred to determine and identify the cause of the event, impact control Guidelines for mitigating the damage that has occurred and determining guidelines to prevent or reduce damage. Whether it is the impact that may occur on customers, tangible assets reputation or even the personal information of customers and legal regulations. Related regulations, communication guidelines have been established and emphasized to remind, and the process of continuously following up and reporting damage incidents on a monthly basis.
3. The company has guidelines for testing business continuity plans (Business Continuity Plan Testing) and continually reviews them at least once a year. The company has improved and considered situations that may occur, covering all situations. It may occur according to the most

important processes first, and consider reviewing the list, to list the names and telephone numbers of employees in each department annually, or when there are important changes that affect the work force structure of the department. In addition, the company also tests telephone notifications (Call Tree Testing) at least once a year and has channels for communicating with each other. Through the Line Group channel (Line Application) to ensure that the company's communications can still be carried out smoothly. Keep up with the situation and never lose contact during an emergency crisis, including guidelines for consideration and determination "Business Continuity Management Policy" to be used as a guideline for minimizing impacts arising from operational disruptions, including operational, financial, legal, reputational, and other significant impacts. Especially in the case of major operational disruptions.

4. There are guidelines for arranging for testing of plans to support continuous business operations, and emergency plans in terms of operations and information technology work on a regular basis. A summary report is prepared. To report test results to management as well as summarize problems during the implementation of the test plan to find solutions to avoid such problems during the actual crisis and to provide "alternate sites" (Alternate Sites) which is prepared to be ready for use in the event of a crisis at any time to ensure that the company will be able to carry out activities related to critical work transactions (Critical Function) can still carry out In order to support continuous and uninterrupted customer service, the backup operations center can efficiently support employees who carry out important work transaction activities.
5. Anti-bribery and Anti-Corruption  
The company is committed to conducting business with transparency, honesty and in accordance with the law. Guidelines for good corporate governance and is committed to opposing bribery and all forms of corruption. It is defined as an important policy of the company, and has proceeded as follows:
- 5.1. The Company has the intention of joining a network in "Thai Private Sector Collective Action Against Corruption: "CAC" to announce the intention to be the Thai private sector collective action against corruption. It aims to receive a certificate certifying its status as a member of the Collective Action Coalition Against Corruption from the Thai Private Sector Collective Action Coalition Against Corruption Committee for the first time within 2024. In addition, the company has prepared a self-assessment to develop the anti-bribery and corruption system annually in accordance with CAC standards. In 2023, the

Risk Management and Corporate Governance Department has prepared Ready for internal inspection to consider and assess readiness. Accuracy, completeness, and adequacy according to all procedures and determine operational policies to prepare. The contents are summarized as follows:

- 5.2. The company has established guidelines for combating bribery and all forms of corruption. The prohibition of receiving or giving bribes and incentives is specified in the principles of good corporate governance, which directors, executives, and employees must strictly abide by. In addition, the Board of Directors has approved policies and measures regarding anti-bribery and corruption and preventive measures for risky activities such as gifts and entertainment, donations and payment to support activities Political assistance/support paying money or any other benefits to receive facilitation, etc. by arranging for a review of such policies and measures every 1 years.
- 5.3. The Company places importance on communicating policies and measures to prevent bribery and corruption. To lead to appropriate practices and actions both inside and outside the organization. There is continuous communication within the organization through the company's internal communication channels and various channels have been established for reporting clues and complaints by employees, and channels for stakeholders through the company's website.

### Risk Factors

Risk factors mentioned in this topic are assessed from the situation in 2023. There may also be some other risks which the Company has considered and found that they do not significantly impact on the Company business operations. Micro Leasing (Public) Company Limited or ("the Company") conducts business in hire purchase loan service for used trucks, such as 6-wheel truck, 10-wheel truck, trailer, tractor, etc. The Company has a policy to approve credit for popular trucks only, such as ISUZU, HINO, and FUSO, etc. The terms of payment are between 12-60 months and the interest rate is the Flat Rate for the whole term. Every purchase hirer must transfer the ownership of truck to the Company and give the registration book to the Company as collateral. The Company provides service channels through 25 branches all over Thailand. Moreover, the Company has business partners who are Used truck tent operators and agents throughout the country to introduce the Company's credit services. The primary target group of the Company's credit providing service includes transportation operators in various industries, such as transportation of agricultural products





and construction materials, etc. This target group has limited opportunity and option to access to the source of funds. In addition to the used truck hire purchase loan service, the Company provides other forms of loan service, such as loans with truck registration as collateral, refinancing loans, and other hire purchase services, such as coordination job to arrange and renew car insurance under the Car Accident Victims Protection Act, etc.

The Company's significant risk factors can be classified into 4 types as follows:

1. Risk from operating a used truck hire purchase business
2. Legal and regulatory risks
3. ESG risk

Details of risk factors and risk prevention guideline can be summarized as follows:

1. Risk from operating a used truck hire purchase business

- 1.1 Risk from approving hire purchase loan for used truck.

The Company has primary risk from hire purchase loan for used truck, such as risk of debtor quality and risk of collateral quality.

- (a) Risk of debtor quality or risk from non-performing loan

Since the Company's primary target group is the end users who want to hire purchase used trucks to earn income from their occupations, the Company receives the risks from their sensitivity to the domestic economy. If there is any negative change in relevant industries, such as transportation industry, agricultural industry, or construction industry, the ability to repay debt of debtors can be decreased. As a result, the Company's Non-Performing Loan or NPL will increase, which is considered a significant risk. If the debtor is unable to pay the installment on the due date, the Company may face the risk of losing a partial or the whole amount of principal if the Company cannot confiscate the collateral from the debtor. This shall have an impact on the ability to generate income and the business performance of the Company.

To reduce the risk in such matters, the Company has a policy to give importance to concise loan consideration. The process of loan consideration has been continuously improved and developed. For example, the Company has concretely set up the credit policy, the assessment of customer's ability to repay debt, the consideration of hire purchase objectives, the consideration of

guarantor quality and the regularly review of the hire purchase policy. The Company, cooperating with National Credit Bureau (NCB), uses Credit Bureau information in loan consideration to screen customers more efficiently and uses the Credit Scoring Model as a tool for loan quality assessment which covers the source of income, domicile and address of loan applicant and surety. The bankruptcy information shall also be checked via the website of the Government Gazette Office. Moreover, the Company uses the customer database system in the credit portfolio analysis in doing the Cross-selling to help customer who has good record of payment receive good offer of other suitable credit products.

In addition to the concise and concrete loan consideration, the Company gives importance to the efficient debt collection by assigning an internal unit to send a reminder message to customer before the due date of installment payment to prevent the delayed payment. In the case that a customer has one or more installment outstanding, the Company will call and issue reminder letters to the customer. If the Company cannot reach a customer, a branch officer will go to the area to find debtor or surety to discuss the problem. Moreover, the management has regularly monitored the outstanding status of debtor every month and has set a policy to pay commission to branch officers based on the non-performing loan ratio.

Moreover, the Company started to expand customer base in consumer goods transportation sector because consumer goods are necessary in daily life. Their demand and supply are not seasonal. The Company's hire purchase customers who are transportation operators have consistent incomes and can continuously repay the installments. With the policy mentioned above.

In 2023, the company had hire purchase receivables that were not overdue and overdue less than 90 days in the amount of 3,575.04 million baht, representing 95.09%, while NPL receivables or debtors with credit impairment accounted in the amount of 184.64 million baht, representing 4.91%. of all hire-purchase receivables part of which the quality of hire-purchase receivables was affected by the debtor's ability to repay debt from the spread of the COVID-19 virus. Expected credit losses cover the entire amount of non-performing loans. The Company is currently developing a credit score model to reflect the debtor's repayment ability more efficiently. And the company has followed up and debt collection closely continuously for NPL debtors in order to

<p>be able to gradually repay the debt. And some of them have debt restructuring in order to return to normal quality debt.</p>	<p>regions throughout the country, the Company is confident in its competitiveness against both old and new operators.</p>	<p>source of income, and assess the ability to repay debt efficiently. Moreover, the Company has a policy of debt collection which is efficient and in accordance with legal requirement, such as sending a message to remind customers of the installment payment before the due date, calling and sending reminder letters when the installment is 5 days up overdue. The collateral survey and tracking will be started as soon as the debtor does not pay 1 or more installments to reduce the risk that debtor will take collateral out of the area before the agreement is cancelled. In addition, the Company has a network all over the country to help the efficiency of collateral collection. The Company also hires outsourcing collection team to track the collaterals at the places where customers provide transportation service, such as factory, residence, etc.</p>	<p>1.6 Risk from significant documents loss or damage from fire</p>
<p>(b) Risk of collateral quality</p> <p>The risk from operating a used truck hire purchase business is not limited to the debtor quality like the risk from new truck hire purchase business. The Company also has the risk of collateral quality. Since collateral of hire purchase loan is used truck, its condition has aged by its years of usage. In addition, some trucks may be cut and recomposed, or their structure may be modified. If the Company cannot inspect or assess the collateral truck condition correctly, the approved credit limit could be over the true value of the collateral and thus result in the Company's credit loss significantly when debtor cannot repay the debt. As a result, the Company's financial status and business performance shall be affected. However, the experiences in used truck hire purchase business for over 29 years contributed to the Company's management team and personnels who are full of experiences and specialization in condition inspection and price appraisal of used trucks. The Company can define the appropriate credit limit according to the collateral's condition and value. Moreover, the Company also has a policy to support hire purchase loan service only for used trucks of which models and brands are popular and well accepted in the market such as ISUZU, HINO and FUSO etc.. The selection of used truck tent operators who meet the standard and sell quality trucks helps the Company screen the quality collaterals in a way. And at present, the credit term is consistent with the ability to repay debt. And the age of the trucks used as collateral.</p>	<p>1.3 Risk from depending on personnel with experience and expertise in used truck hire purchase business.</p> <p>Providing hire purchase loan for used truck service, the Company needs personnel who have experience, knowledge, and expertise in various aspects, such as marketing officers who have good relationship with used truck tent operators and agents who recruit quality customers, credit and collateral price appraisal analysts who have expertise in business to appraise quality and price of collaterals which mostly are more than 6 years old trucks with depreciation according to usage and have understanding in the main customer group who are transportation operators in various business sectors in order to be able to assess the quality of debtor correctly and concisely. Thus, the Company has risks from relying on the knowledge, expertise and experience of executives and key working team in managing business. If such personnel are absent, the Company's business operation can be affected in the short term which can cause a mistake in credit consideration or appraisal of collateral value and debtor quality, resulting in the negative impact on the Company's financial status and performance.</p> <p>However, the Company has set the clear target to motivate its executives and employees to continuously work with the Company in the long term. The executive team and key personnel in various departments have been working with the Company since the beginning of business. The Company also has a policy to transfer knowledge and experience through training courses for employees of all levels to build the working team with high potential to support the Company's efficient operations.</p>	<p>1.5 Risk from selling foreclosed assets.</p> <p>Since the Company's collaterals are used-for-work trucks that have specific usage in relevant industries, the Company may have risk in the delayed disposal of foreclosed assets or may not be able to sell such assets at the specified price or not worth the remaining debt, which shall give negative impact on the Company's financial status and business performance.</p> <p>To reduce such risk, the Company has revised the policy of foreclosed assets management by focusing on the fast and efficient disposal of assets to reduce the impact from decreasing selling price. The Company shall communicate the detailed information of confiscated trucks, such as truck photos and offering prices, to the target group, that is, used truck tent operators who are business partners of the Company and have introduced hire purchase loan customers to the Company. The confiscated truck information will also be publicized on the Company's website as another sales channel. All confiscated trucks shall be gathered in the parking lot located on Pholdamri road, Kampangsang district, Nakorn Pathom province, which is the main road that transportation operators use as a transport route, to increase the opportunities to reach target group who are interested in buying used trucks. Moreover, the Company defined the policy to approve used truck hire purchase loans only for the trucks that are popular in the market and easy to trade. The credit limit mostly approved is approximately 70-85% of the collateral's appraisal price. In the case that the truck selling price is lower than the debt, according to the hire purchase agreement, the Company can claim the remaining difference from debtor. Thus, the chance that the Company will get significant loss from the disposal of foreclosed assets is slim.</p>	<p>In conducting business of hire purchase loan for used truck service, legal agreement, and original truck registration book, which are documents of rights showing ownership of collateral's owner, are the important documents for operation and litigation when customer does not comply with the agreement. If such documents are lost or damaged from fire, there may be a negative impact on business process and performance of the Company.</p> <p>To reduce such risk, the Company assigned the branch manager to be responsible for the original agreement and truck registration book and to make electronics copy of every single document in the central system which backs up data everyday in another place to prevent the loss. Moreover, the Company requires the internal audit department to audit the completeness of the agreement and registration book at each branch every year. The branch manager is also required to summarize the audit result of registration book and agreement of new hire purchase loan each month for the credit operations manager every month. Furthermore, the document storage room (Hong Mun Kong) has the strong access control and fire insurance. The Company has never received any problems or complaints for the book or document loss.</p>
<p>1.2 Risk from business competition that may increase in the future.</p> <p>At present, there are not many operators in used truck hire purchase market. However, since this business is not under the control and governance of any government agencies, anyone who has funding for credit can enter business easily. This may lead to the higher business competition in the future which may affect the growth of credit portfolio and performance of the Company.</p> <p>However, the hire purchase loan for used truck business is the business that needs knowledge and specialization of used truck inspection. The Company estimates that the chance of new players to enter the market and create severe competitiveness is not high. With the experienced team in hire purchase loan for used truck business for over 29 years and the network of branches and partners all over the</p>	<p>1.4 Risk from collateral collection</p> <p>Since the assets used as collaterals in loan application of the Company are trucks used in business operation which are movable assets at any time, the Company has a risk of losing track of collateral collection when debtor makes defaulted payment. The Company will then lose principal and interest that the debtor does not repay at once which shall affect the Company's financial status and business performance. To reduce such risk, the Company has a policy to approve loans only for customers with domicile and residential address and their collaterals must be registered within the branch area so that the branch officers can check customer's information,</p>		<p>1.7 Risk from fraud of branch officer in credit consideration</p> <p>Since a branch officer is the one who gathers the information of customer and guarantor and assesses collateral's condition to consider the credit limit and interest rate of each customer, in the case that customer and branch officer have personal relationship or branch officer has relationship with used truck tent operator, that branch officer may assess the quality of customer or collateral incorrectly which impacts the credit consideration to be inconsistent with the ability to pay debt of customer. This shall lead to the non-performing loan which affects the Company's operation performance and financial status.</p> <p>Realizing such risk, the Company requires branch officers to send all documents of credit approval, including documents of quality assessment on debtor and collateral, to the authorized persons of each credit limit or condition which can be a form of group, such as the Area Credit Consideration Board, Assistant Managing Directors, the Credit Committee, the Executive Committee, or the Board of Directors, respectively. In addition, before doing</p>



hire purchase contract, the credit operations department from head office will review the information and all supporting documents for credit consideration again, including the review of supporting documents for creating a Credit Scoring model and the review of collateral appraisal price, etc. Moreover, the Company will pay commission to branch officers when debtor has paid at least 3 installments on time to ensure that branch officers perform their duties in assessing quality of customers and collaterals according to the policy.

## 2. Legal and regulatory risks

### 2.1 Risk of being sued by customer from debt collection.

The Company has a risk from being sued by debtor when the debt collection causes a dispute with debtor who is being tracked; for example, the debt collection that does not comply with the Debt Collection Act, the notification of the Debt Collection Supervisory Board on the number of contacts for debt collection, or other relevant notifications. In this regard, the Company is aware that such risk could occur when customer files a complaint or sues the Company for not complying with the Debt Collection Act which will cause a negative impact to the Company's reputation and competency for customer base retention and expansion. Nevertheless, the Company enjoins branch officers and debt collection officers to strictly comply with the law relating to debt collection. The Company emphasizes regular communication for correct understanding with customer and the assessment of ability to repay debt to reduce the chance of fraud payment which is the main cause of litigation. Moreover, for the case of outstanding payment, the Company has defined the guideline for debt collection to be fair and to comply with regulations of relevant notifications to reduce the risk of future litigation. In the past, the Company has never had any dispute of debt collection litigation.

### 2.2 Risk from government agencies' taking control of used truck hire purchase business.

At present, the Company's hire purchase loan for used truck business is not under control of any government agencies, including the Office of the Consumer Protection Board (OCPB) which defined the standard format of hire purchase agreement and the fine and fee charge.

The Announcement of the Committee on Contracts Re: Let the car and motorcycle hire purchase business be a contract control business B.E. 2561 (2018) set the definition of

Car, meaning a passenger car or personal truck for personal use only, without being used for transportation for their own trade or business or to pay. The Company business, however, provides services of hire purchase for used truck with commercial purposes, such as trade transportation or transportation for customer's business. Moreover, the Company's business conduct is not under supervision of the Bank of Thailand and is not under the Civil and Commercial Code, Section 654, which set the maximum interest rate for borrowing under a loan agreement not to exceed 15% per year. Since the business of the Company is to provide service of hire purchase loan, not personal loan, the Company's current business of used truck hire purchase loan service is not controlled by personal loan's regulations on content of contract and interest rate ceiling setting in any way.

Nevertheless, if, in the future, government agencies come to supervise the hire purchase loan for used truck service to manage all operators in the same standard, the Company may get such effect on business operation and lead to an effect on company performance.

The Company was aware of this risk and, thus, assigned the legal department to closely monitor the changes in requirements, law, various regulations relating to the Company's business operation. Moreover, the Company has entered the membership of the Thai Hire Purchase Business Association which helps the Company keep updated with the changes in rules and regulations quickly and provides opportunity to exchange knowledge and information with other operators to be aware of the trend and ready for it to reduce the impact of such changes.

## 3. CYBER AND TECHNOLOGY SECURITY RISKS.

Currently, changes in digital solutions play an important role in the operation of leasing services as well as customer behavior towards using technology services. In particular, financial and economic transactions or services are therefore at risk from cyberattacks financial risks in other areas are very serious, which, if they occur, will affect business operations and can cause considerable financial damage. Therefore, cybersecurity is a serious issue for the company. Along with driving innovation, the company has invested in both technological resources and dedicated efforts to prevent malicious actors from gaining access to computer systems and causing damage to information, obtaining confidential information, or disrupting various services as well as network administration. And infrastructure to remain strong to ensure that the business can continue to operate. The company

also has guidelines for protecting confidentiality and accuracy, and data availability, including the resources and infrastructure of the company.

## 4. ESG RISK MANAGEMENT

The company is concerned about the issue of environmental change. Whether it is in terms of social and environmental responsibility, and in assessing risks and impacts from such problems as well. Therefore, there are guidelines for accommodating such risks, starting from the communication process, educating, and receiving training from directly responsible government agencies. To provide confidence in conducting business and can create awareness in time with the changing situation from such external factors of and in line with the changing guidelines of the industry as well. consideration can be divided into the following issues:

### *Environmental issues*

Although the company operates a business providing leasing services for used trucks that may not be directly affected by climate change, and the environment, it cannot be avoided that there will be indirect impacts on stakeholders, such as impacts from customers who are unable to pay their installments on time due to being affected by natural disasters such as problems with dry disasters, floods, heavy rainstorms, forest or farmland fires, and others, as well as problems affecting the amount of agricultural production that decreases, causing customer income. Or the amount of transportation decreased. All of which affects the child's income and decreases as well. In addition, the company cannot avoid the possibility of environmental risks that will directly increase soon, such as the behavior of using truck types that are more environmentally conscious. Changes in official regulations or production standards and increased use of trucks due to environmental issues, etc., may have an increased direct impact and create even more indirect impacts that are difficult to avoid as well.

### *Social issues*

The company has given importance to taking care of and cares greatly about employees and personnel, because there is a belief that employees are the most important assets of the company. If the company has a shortage of employees or a problem causes employees to be unable to perform their jobs, it will directly affect business operations. And indirect effects. For example, the impact on the image, reputation, and quality of used truck leasing services. Including providing adequate and appropriate employee welfare benefits to ensure that current employees are physically healthy, and

their mental health is safe and happy at work. As a result, employees will love their work and become more attached to the company. At the same time, the company has created a policy for ethical business operations to create guidelines for dealing with each other among employees, or between executives with dignity, respect for each other, and acceptance of opinions and equality, including organizing training for employees regularly to control the quality of service to employees. Risk in dealing with trading partners is also a risk that the company is aware of the importance of. By arranging to announce business ethics guidelines to trading partners to support and encourage all groups of trading partners to have good corporate governance and have ethical standards in their work consistent with the Company.

### *Good Governance issues.*

At present, the company places importance on creating an understanding of governance principles. And good governance makes the company have to follow up and consider various legal principles and regulations for continuity and have true understanding In order to understand and be able to follow the spirit Improve accuracy and up to date with changing events. If there is an action that does not comply with the requirements of the law or regulations, it may have a significant impact on the company's reputation or business operations. Report on sustainability performance. For example, sustainability performance, business dimension. Governance and economy are based on the principles of good corporate governance. The Company is aware of the roles, duties, and responsibilities of good corporate governance, believing that corporate governance determines compliance with sustainable business practices (Sustainable Development: SD) focuses on good corporate governance and care for society and the Environment (ESG) aims to increase competitiveness and increase sustainable business value for shareholders. and considering the interests of stakeholders, resulting in continuous and stable growth in business operations.



5. FINANCIAL RISK

5.1 Risk from depending on funding from financial institution

As of December 31, 2023 the Company and its subsidiaries had total short-term liabilities of 1376.1 million baht The company and its subsidiaries had total interest-bearing liabilities of 3102.6 million baht, an increase from the previous period. The same period of 2022 was 207.4 million baht, resulting in an overview of the ratio of short-term liabilities to all interest-bearing liabilities as of December 31, 2023, decreasing from the same period of 2022, accounting for 17.7 percent.

As for the total amount of loans from financial institutions as of December 31, 2023, there were 308.7 million baht, a decrease from the same period

of 2022 at 62.5 million baht, with the ratio of loans from financial institutions to total interest-bearing debt decreased to 10.0 percent compared to the same period of 2022 at 7.9 percent.

5.2 Liquidity risk and working capital adequacy

The terms of payment of most hire purchase contracts are 4-5 years while most loans have 1-3 years terms of payment, resulting in the Maturity Mismatch, that is, the amount and period that the Company is required to repay for its loan may not match with the amount and period expected to receive installments. This maturity mismatch can cause the risk if the Company cannot find source of funds to repay its loans in time, which will result in the default payment and affect the Company's liquidity, financial status, and business performance.

However, when considering the important liquidity ratios are as follows:

Financial ratio	Unit	2021	2022	2023
Liquidity ratio	times	2.12	1.67	1.46
Interest bearing debt due within 1 year to total interest bearing debt ratio	times	0.25	0.31	0.40
Interest bearing debt to EBITDA ratio	times	6.21	12.45	23.3

However, As of December 31, 2023, the Company and its subsidiaries had interest-bearing debt to earnings before interest, income tax, depreciation and amortization ratios. and amortization (IBD/ EBITDA) was 23.3 times, the Company and its subsidiaries had interest-bearing liabilities amounting to 3,091.7 million baht, which were due within one year, amounting to 1,240.4 million baht, consisting of short-term loans. long-term loans from financial institutions in the amount of 157.2 million baht, current portion of long-term debentures in the amount of 1,083.2 million baht, and liabilities under lease agreements in one year the amount of 10.2 million baht. the company may have a risk of default on payment. If unable to provide liquidity to support the repayment of these debts Part of it came from installments expected to be paid from hire-purchase receivables due within 1 year, equal to 1,279.7 million baht.

5.3 Risk from Interest Rate Volatility

The company's main income comes from interest income from the hire-purchase business. The company will charge a fixed interest rate throughout the hire-purchase period. While loans, which are the main costs of lending, have fixed and floating interest rates. As of Dec 31, 2023, the Company has a total debt burden of 3,082.7 million baht, consisting of loans with floating interest rates of 308.7 million baht. baht and fixed interest bearing debt of 2,774.0 million baht, representing 11.1 and 88.9 percent of the total interest bearing debt, respectively. Is working capital within the company, so if in the future there is an increase in interest rates due to economic conditions will reduce the interest spread. And directly affect the operating results and profitability of the company. If the company's loan interest increases by 1 percent This will result in an increase in the cost of the company by approximately 1.6 million baht. On the other hand, if the interest rate is lowered will reduce the interest burden of the company which will benefit the Company's performance



# BUSINESS DRIVE FOR SUSTAINABILITY

Microleasing PLC has a policy aimed at driving business through Corporate Social Responsibility to create sustainable value in the process. This policy seeks to build confidence in conducting business both internally and externally, ensuring benefits not only to stakeholders but also to the environment in the long term. These guidelines have continually assisted Microleasing in enhancing its competitiveness, including adapting processes according to various business-affecting factors.

Implementing sustainable microleasing practices helps mitigate social and environmental impacts while fostering trust in the organization. It promotes a positive image by supporting various preventive measures that have a beneficial impact on the world.

## Reporting Scope

Microleasing PLC has prepared a corporate sustainability report to disclose its environmental, social, governance, and economic performance results, including those of its affiliated companies. The report covers the operating period from January 1 to December 31, 2023.

## Sustainability policy and goal

Microleasing PLC and its subsidiaries are committed to conducting business operations under principles of good corporate governance. They have established policies to develop a model for creating sustainable value for all stakeholders, encompassing employees, customers, suppliers, allies, competitors, shareholders, society, communities, and the environment. Through operational strategies, including short-term, medium-term, and long-term plans, the company has adapted to changes and managed financial cost relationships by considering impact factors. Additionally, sustainable management guidelines have been implemented to provide decision-making information across various projects. These guidelines promote increased transparency, ensuring business is conducted openly with a robust governance system and a keen awareness of social responsibility. This approach aims to create value for all stakeholders, thereby enhancing long-term sustainable business value and reinforcing Microleasing's leadership in providing comprehensive used truck financing services.

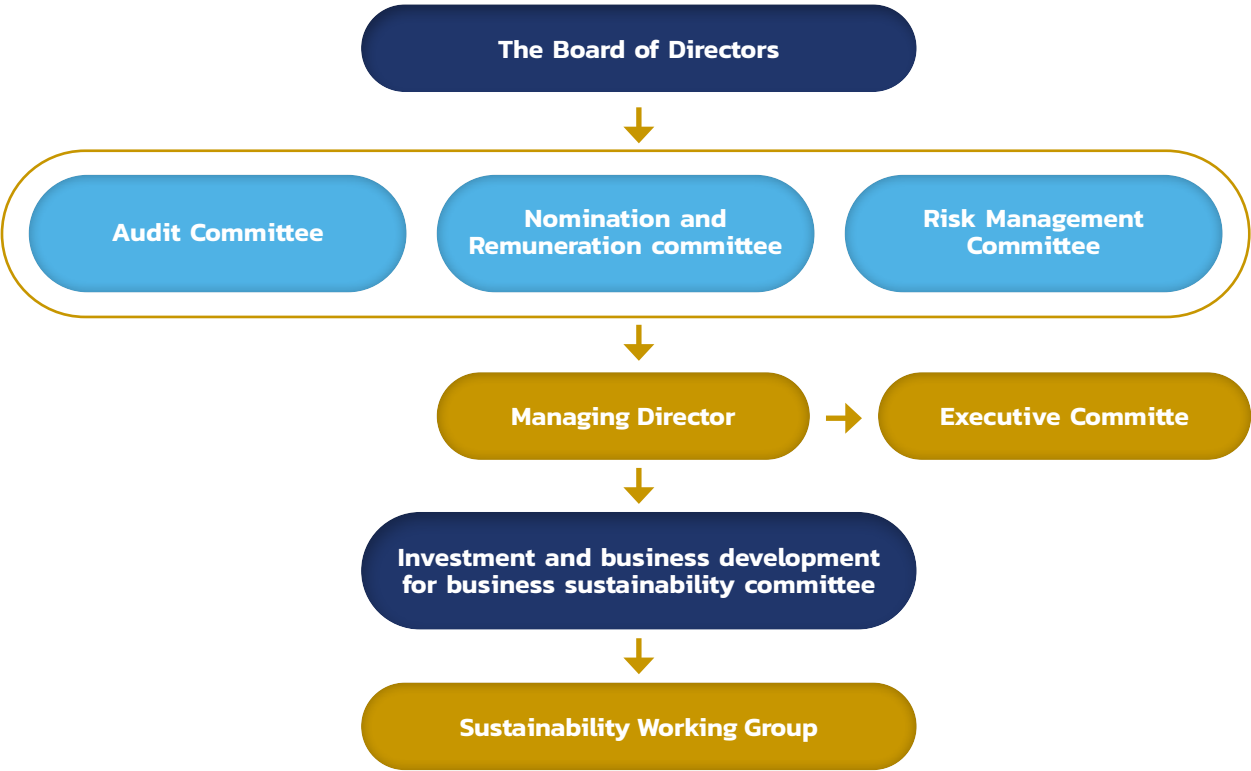




Company's Operations for the Sustainability Development

Company's Operations for the Sustainability Development

The Company has established sustainable development guidelines that are in line with the company's vision, mission, and strategy, and had executed various strategic plans to ensure such measure respond to the company's goal under competitive conditions. To support such operation, the company therefore established Investment and business development for business sustainability committee and had set the operating structure as follows:



Investment and business development for business sustainability committee

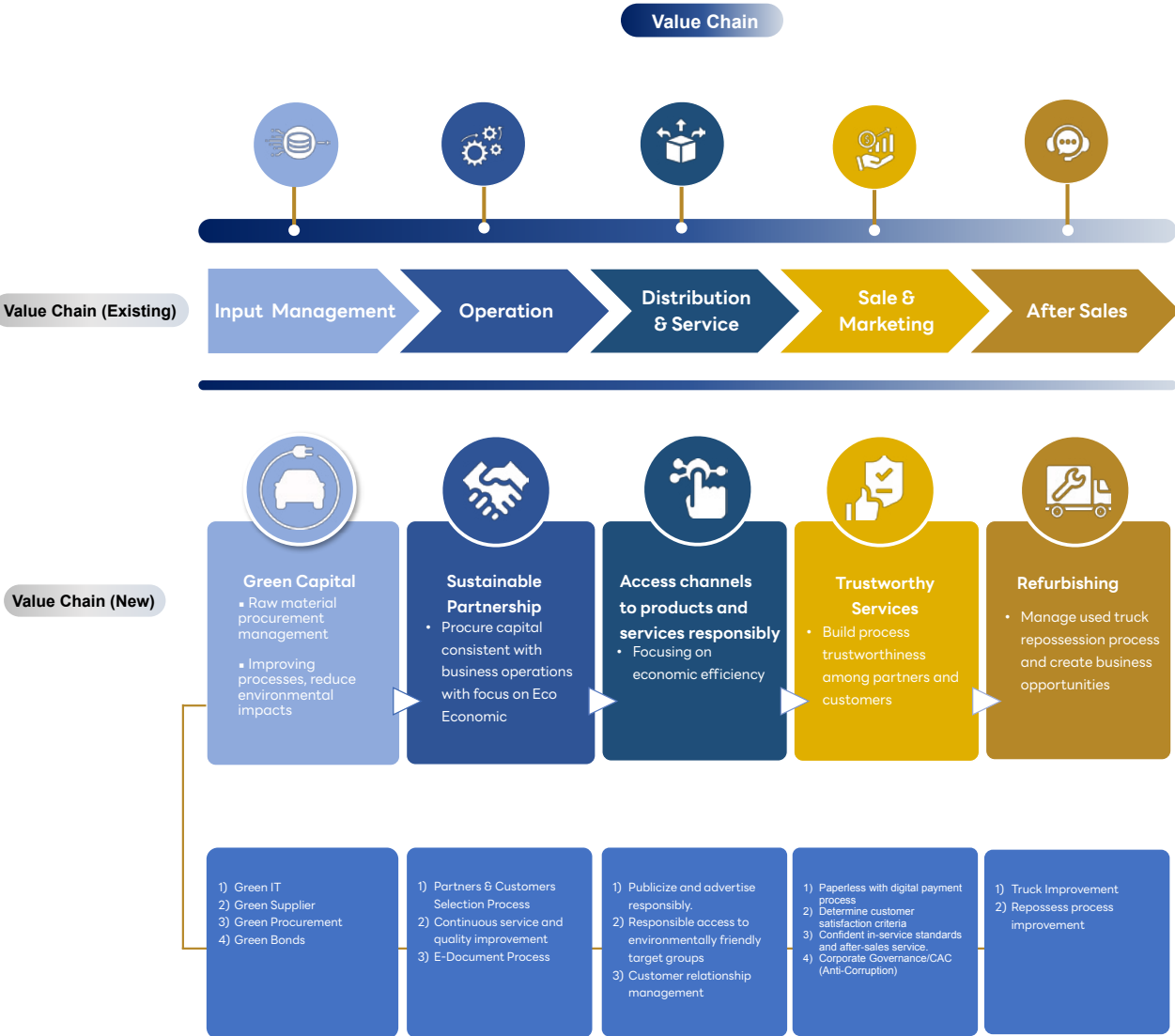
- Establish investment policy framework and investment plan
- Supervise on good governance, transparency and prevention of conflicts of interest.
- Determine strategies, directions, policies and regulations of environmental, social and governance operations or sustainability and social responsibility of the company and companies in the business group.
- Follow up on audit results and improvements on the performance of companies in the business group and report to the Board of Directors at least once a quarter.

The company established Investment and business development for business sustainability committee

where Sustainability Working Group is a chairman with a representative whom are executives as members. A working team was appointed with members from various department such as credit operation department, procurement and administration department, system and information development department (IT), Risk and Compliance department, Executive Office department, Internal Audit department, Marketing and Product department, Human Resource department, and Investor relation. As a secretary of the committee.

The Investment and business development for business sustainability committee is responsible for imposing sustainability and good governance policy that is in lined with the company's goal and strategy Sustainability working team is responsible for studying and planning activities on sustainability, as well as carrying out activities in accordance with the board of Investment and business development for business sustainability committee,also include monitoring the progress and evaluating the results of activities continuously.

Value Chain









## STAKEHOLDERS ENGAGEMENT

Micro Leasing PLC places importance on expectation and interests of our stakeholders, we listen to suggestions and allow stakeholders to participate in expressing their opinions and to be able to effectively response to the needs of stakeholders in each group. The company has different methods of operation and relationship building for each group of stake holders, whom are 1. Employee, 2. Customers, 3. Business Partner and allies, 4. Competitors, 5. Shareholders, 6. Society, community and environment, 7. Regulatory agency

### Stakeholders' expectation and responses

Stakeholder	Activities	Expectation	Responses
<b>Employee</b> 	<ul style="list-style-type: none"> <li>Internal communication in the organization</li> <li>Employee Meeting</li> <li>Performance Evaluation</li> <li>The organization of Employee Welfare Meeting Committee, and the Occupational Safety, Health and Environment of Workplace Committee</li> <li>Channel to report complaints.</li> </ul>	<ul style="list-style-type: none"> <li>Employee training and development program</li> <li>Appropriate and fair remuneration and welfare</li> <li>Reasonable and fair performance evaluation</li> <li>Proper and safe working environment</li> <li>Fair and equal treatment of all employees</li> </ul>	<ul style="list-style-type: none"> <li>Arranging training courses to develop skill and ability to work appropriately and in accordance with each employee's field and job position</li> <li>Determination of welfare compensation structure, and fair performance evaluation</li> <li>Provision of equipment and systems that support working efficiency.</li> <li>Fair and equal treatment of all employees</li> <li>Providing channels to report complaints and protocol to manage complaints</li> </ul>

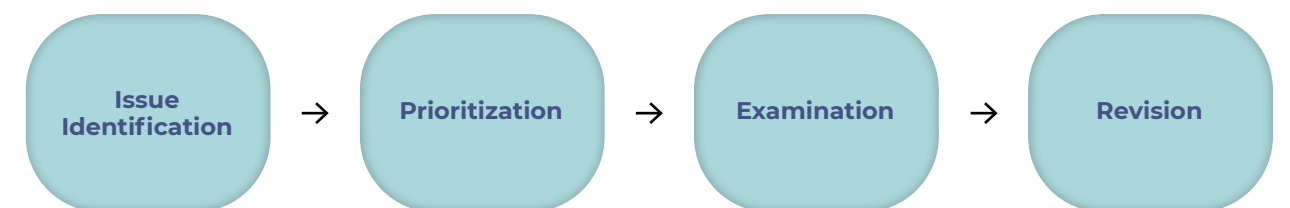
Stakeholder	Activities	Expectation	Responses
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Providing hire purchase loan through marketing officers, marketing officers, and branch officers</li> <li>Public relation communication and providing products and service information through various channel : Website, Call Center , Line official account</li> <li>Customer Visit</li> <li>Customer Satisfactory Surveys</li> <li>Channels to report complaints and receive feedbacks</li> </ul>	<ul style="list-style-type: none"> <li>Products and services meet with the needs of customers</li> <li>Convenient, fast, transparent, and fair services</li> <li>Information is received correctly, completely, and problems will be solved in a timely manner</li> <li>Privacy of customer's information</li> <li>Proper assistance when customer's faced with problem</li> </ul>	<ul style="list-style-type: none"> <li>Products and services development is done by taking customers' needs into account</li> <li>Determination of operating principles are in compliance with Market Conduct Principle</li> <li>Additions of channels to access to products and services that are convenient for customers</li> <li>Complete and accurate disclosure of information of products and services</li> <li>Development of employees' skill and knowledge to serve customer efficiently</li> <li>Determination of cyber security, and personal data measures</li> <li>analyzation of feedbacks and complains to determine guideline for corrections and developments</li> </ul>
<b>Partners and alliances</b> 	<ul style="list-style-type: none"> <li>Providing hire purchase loan through marketing officers, marketing officers, and branch officers</li> <li>Discussion and exchange of information</li> <li>Visitation of partners and alliance to receive feedbacks and recommendations</li> <li>Providing channels to receive recommendations and complaints on Company's website</li> <li>Establishment of Trade Agreement</li> <li>Regular communications/ visitations to acquire feedbacks, as well inform of market situation and behavior of targeted customer</li> </ul>	<ul style="list-style-type: none"> <li>Fair Commission</li> <li>Transparency</li> <li>Information is communicated accurately and in a timely manner</li> <li>long lasting business partnership</li> <li>Marketing campaign</li> <li>Partnership for marketing opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of Agreement that is appropriate and fair</li> <li>Establishment of procurement policy that is palpable and indiscriminate</li> <li>Building of relationship and trust for long lasting business partnership</li> <li>Promotion of business sustainability of business partners and alliances</li> <li>Establishment of collaborative agreement for business partnership</li> <li>Meeting and marketing activities to promote sales sustainability</li> </ul>

Stakeholder	Activities	Expectation	Responses
<b>Competitors</b> 	<ul style="list-style-type: none"> <li>Meeting with the Thai Hire-Purchase Association</li> <li>News</li> <li>Marketing Campaign</li> </ul>	<ul style="list-style-type: none"> <li>Conduction of business with the principle of good governance and to compete fairly</li> <li>Exchange of products information</li> </ul>	<ul style="list-style-type: none"> <li>To compete fairly and not to defame competitors</li> <li>Conduction of business with the principle of good governance and fair</li> </ul>
<b>Shareholder</b> 	<ul style="list-style-type: none"> <li>Shareholders meeting</li> <li>Analyst meeting</li> <li>Opportunity Day</li> <li>Disclosure of information to the Stock Exchange of Thailand, and on the Company's website.</li> <li>Disclosure of information through Investor Relation channel</li> </ul>	<ul style="list-style-type: none"> <li>The receiving of information that is timely, complete, and equitable</li> <li>Business is conducted effectively ,and with transparency. As well as, maintaining a sustainable growth.</li> <li>Regular return on investment</li> <li>Effective and reliable risk management</li> <li>Effective and reliable Risk Management operation</li> <li>Effective and reliable Internal Audit operation</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of information that is transparent, timely, complete, equitable, and comply with the rule and regulations of regulators</li> <li>Deliberate business conduction with a consideration of every stakeholders for sustainable growth</li> <li>Management Structure is in compliance with the principle of good governance</li> <li>Systematic Risk Management</li> </ul>
<b>Society, Community and Environment</b> 	<ul style="list-style-type: none"> <li>social activities community and environment</li> <li>news via social media</li> </ul>	<ul style="list-style-type: none"> <li>Supporting activities in the community</li> <li>friendly to each other</li> <li>There is transparency in operations.</li> <li>Comply with the code of conduct and anti-corruption.</li> <li>Compliance with the law Rules and regulations of official agencies such as the Stock Exchange of Thailand Securities and Exchange Commission and the Bank of Thailand</li> </ul>	<ul style="list-style-type: none"> <li>Supporting public activities</li> <li>create volunteer employees to join the activities</li> <li>Conducting business with responsibility for all stakeholders</li> <li>There is a code of conduct manual and an anti-corruption policy.</li> <li>Compliance with the law Rules and regulations of official agencies such as the Stock Exchange of Thailand Securities and Exchange Commission and the Bank of Thailand</li> </ul>

Stakeholder	Activities	Expectation	Responses
<b>Regulator</b> 	<ul style="list-style-type: none"> <li>Meeting of the Thai Hire Purchase Association</li> <li>Stock Exchange of Thailand (SET)</li> <li>The Office of the Securities and Exchange Commission</li> <li>Bank of Thailand</li> <li>E-Mail Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Business Operation that complies with the law, transparent, and uphold with the principle of good governance</li> <li>Amend business operation to comply with the regulations and measures</li> </ul>	<ul style="list-style-type: none"> <li>adhere to the principle of compliance with the requirements of the law Announcements of regulatory agencies and keep improving various actions. in accordance with the rules of the regulatory agency.</li> </ul>

### Determination of sustainability issue

Micro Leasing identified key issues in sustainable development by considering issues that affect the company and its stakeholders. Covering all three dimensions, environment, social, and governance. To analyzed to prioritize and plan operations to align with and to respond to the needs of key stakeholders appropriately. The process of determining key sustainability issues is as followed.



#### Employability

**Issue Identification:** Studying industry-related topics will help identify problems and take into analyze initial information from both internal and external stakeholders on the issues that each stakeholder group values, or it is an expectation that could have an impact on the organization's sustainability in terms of the economics, society, environment, and good governance. To specify sustainability challenge, topics that are important to the company and its stakeholders must be identified and presented to the executives for approval.

**Prioritization:** By analyzing information obtained from the participation of stakeholders both inside and outside the organization via various channels. Assessing issues that affect the company and its stakeholders to prioritize important sustainability issues by considering the priority into two parts (Material Prioritization), as shown below

1. X-Axis: Significant issues / impact on the company, They can consider economic, social, and environment issues that affect profitability and business growth in areas such as strategy,

finance, compliance with the laws, regulations, and company's code of conduct

2. Y-Axis: Issues that matter to stakeholders that should be related to the impact on the business which can be considered from the number of stakeholders affected or the level of interest of stakeholders in that issue including how such issues affect the decision of the stakeholders

**Examination:** Related department such as internal audit, risk management, and compliance jointly examine key issues to make operational guidelines to address important sustainability challenges and stakeholders expectations, inform executives for acknowledgement and comment on the issue, then presented to the Risk Management Committee, then to the Board of Directors for approval, then disclose on the company's website.

**Revision:** The Company will conduct a review of the process, and important information on sustainability. After dissemination of this report to internal and external stakeholders to receive feedback for the improvement of the next report



Determination of sustainability issue (Sustainable Development Goals) : SDGs

SUSTAINABLE DEVELOPMENT GOALS



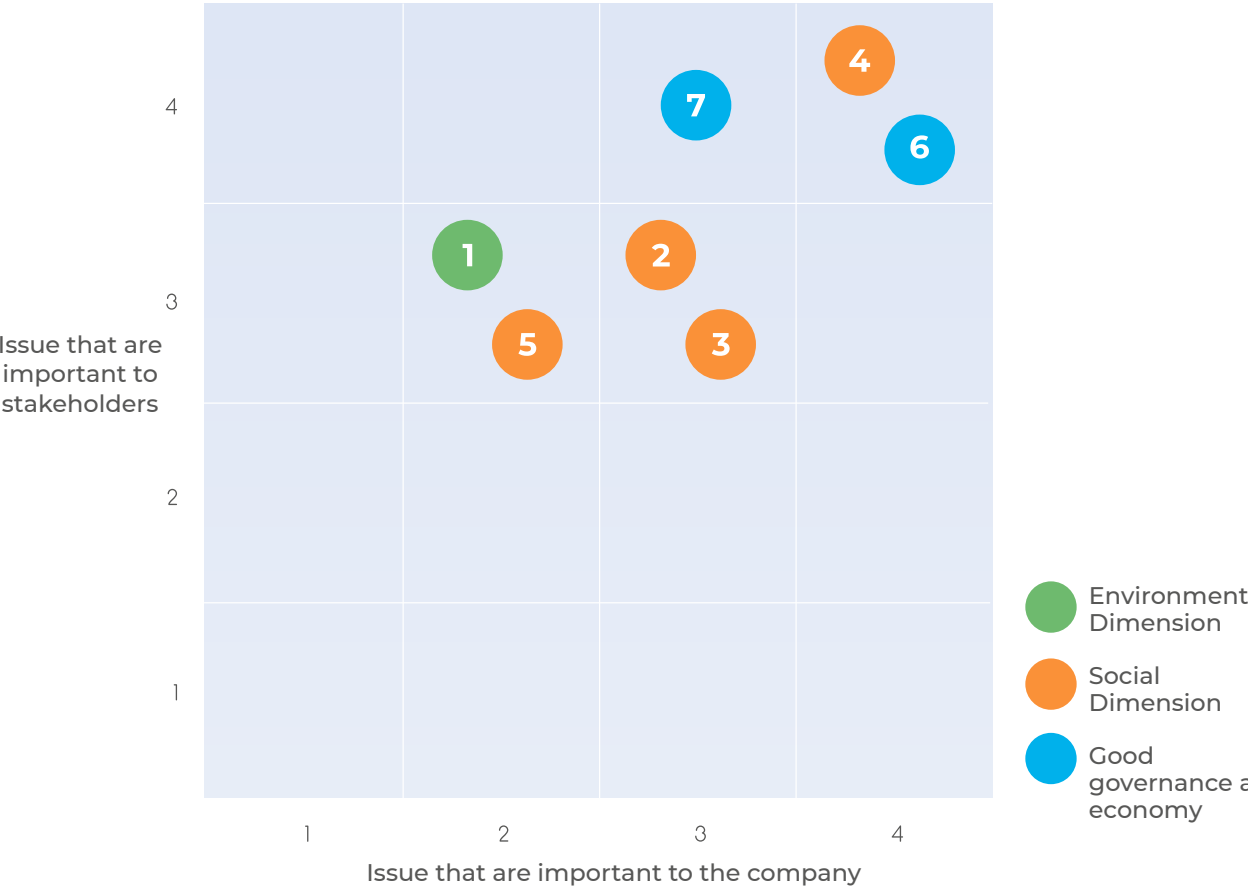
In 2022-2023, Micro Leasing had determined the goal of sustainability to be aligned with the Sustainability Development Goal (SDGs) of the United Nations

Micro Leasing sustainability framework has been established as guideline for sustainable implementation. Sustainability issue that stakeholders pay attention to are used to define sustainability topic that are important to the

organization, covering environmental, social, governance and economics. The company strategy towards sustainability is to integrate ESG principle into the company's operation which is also inline with the company's vision and mission.

In this regard, the ranking of important sustainability issues has been categorized and prioritized according to issues in each ESG dimension as shown in the diagram below :

Prioritization



Issue and dimention of ESG		
Environmental	Social	Governance and economy
<div></div> <div>1. Environmental management</div>	<div></div> <div>2. The Occupational Safety, Health and Environment of Workplace</div> <div>3. Fair and equal treatment of all employee</div> <div>4. Employee Development Program</div> <div>5. Human Rights</div>	<div></div> <div>6. Data security and PDPA</div> <div>7. Good governance</div>

Important sustainability topic

Sustainability issue	Scope of Sustainability Issues		Topic in the report	SDGs
	Internal factors	Internal factors		
Employee Development	Company	Customer	Employee management and development (Page 100-106)	  
Data security and PDPA	Company	Customer/ Partner/ Regulator	Confidentiality and data security (Page 115-117)	 
Corporate Governance	Company	Customer/ Regulator	Good Governance (Page 112-115)	 
The Occupational Safety, Health and Environment of Workplace	Company	-	Supervision of the Occupational Safety, Health, and the Environment of Workplace (Page 91-96)	
Fair and equal treatment of all employees	Company	-	Human Resources Management (Page 97-99)	
Environmental Management	Organization	Social, Community, and the environment	Environmental Impact Reduction and climate Change (Page 86-90)	
Human Rights	Company	Customer/ Partner/ Shareholder/ Competitor And Social	Human rights practices Towards stakeholders (Page 101-106)	 

ENVIRONMENTAL MANAGEMENT

The Company gives importance to continuous environment management. The Company has had policy to comply with law, regulations, and requirements on environment related to the Company business to reflect that the Company is committed to reduce negative impact on environment. The Occupational safety, health and environment in workplace committee was assigned to perform duty of encourage, managing, and supervising the efficient use of resources, including supporting employees to realize the importance of environment management.

Goal and Operating Plans On Environment

Resources Management	Goals		Operating Plans
	Short term (1-2 years)	Long term (3-5 years)	
Waste and pollution management	Reduce waste by 1-3% compared to the base year	Reduce waste by 3-5% Compared to the base year	<ul style="list-style-type: none"><li>Publicize knowledge of paper saving and efficient resource consumption</li><li>Campaign to recycle used paper</li><li>Choose to use printer or copy-machine that Can print or make copy of a 2-page document</li></ul>
Energy management	Reduce waste by 1-3% compared to the base year	Reduce waste by 3-5% Compared to the base year	<ul style="list-style-type: none"><li>Campaign to use electricity as necessary only And turn off devices after use</li><li>Publicize knowledge of power saving and Efficient resource consumption</li><li>Purchase power saving equipment to replace Damaged electric equipment</li></ul>
Water management	Reduce waste by 1-3% compared to the base year	Reduce waste by 3-5% Compared to the base year	<ul style="list-style-type: none"><li>Publicize knowledge of water saving and efficient resource consumption</li><li>Campaign to consume water as necessary Only and turn off equipment after use.</li><li>Campaign not to throw food, tissue, or other Things into toilet bowl</li></ul>

ENVIRONMENTAL POLICY

The Company is committed to the importance of preserving natural resources, efficiency of energy consumption. The Company has proposed the environmental policy to comply with the company direction and for employees to adhere and follow, by setting guideline as follows

- To comply with legal requirements both international and domestic environmental laws. To be responsible for the negative environmental impacts that may arise from the operations of the organization.
- Raising environmental awareness by organizing training to educate employees and inform other stakeholders group of the climate change, conservation of natural resources and the importance of the prevention of negative environmental impacts.
- To propose guidelines and goals to manage energy consumption, natural resources, and the environment within the organization to align with the international standards to promote SDGs

- Encouraging efficient waste management which reduces environmental impacts by promoting the concept of 3R which is to reduce, reuse, and recycle
- Proposing environmental management system as part of business operations which include following up, inspecting, and evaluate the result of environmental management operations in accordance with the requirement of the law and other requirement related.
- Disclose information regarding the efficiency of natural resources and energy consumption and conservation. As well as, to discuss with stakeholders about the performance of the environmental implementation to set key indicators and strategies to comply with the stakeholders expectations.
- Cooperate with the government organization, Educational institutions, communities and other agencies to jointly promote environmental and climate change awareness.



Environmental Action Plan

Waste Reduction

The Company has a campaign to promote environmental awareness amongst employees specifically the knowledge of waste management and reduction by educating employees to separate their waste before disposing it in the bin, and provide different kinds of bin for each type of waste that is inline with the international standards, the company had internally publicized the following

- Campaigning amongst employees of a good mindset and knowledge of waste management
- Encouraging employees to understand proper waste management, educating them to separate waste

- Campaigning for employees to separate different kind of waste before disposing them in designated place
- Let employees understand the correct waste management, such as educating employees to know how to separate waste.
- Campaign for employees to separate waste types before disposing them in the places that have been prepared at each point.
- By separating waste, it reduces the amount of hazardous waste from solid waste that has to be sent to landfill.



Paper Usage Reduction

As the amount of paper usage tends to increase within the company. The company realized that could lead to an excessive use of paper and had come up with the notion to reduce paper usage in the most cost-effective way. In this regard, the company has the following guidelines to reduce paper usage in the company as follows

- Campaign to recycle used paper
- Choose to use document printer and copier with 2-sided printing system
- Develop work systems by focusing on electronic transactions.
- Publicize content to educate employees of ways to save paper and use resources efficiently.
- Digitizing working process within the organization, choose online channels such as SMS, E-Mail, Line@, Facebook instead using paper when dealing with external agencies.

- Reduce the operating process such as sending of warning paper to 'outsource' instead of using the company own operation
- The operation enables the company to reduce the amount of paper usage in the company. This helps with the operating expense, including the cost of paper, printing ink, document delivery, and document storage, and also reduce paper waste. In terms of operation, these helps with the work efficiency, helping reduce time searching for documents, reduce the risk of data loss when sending out document. For customers, this helps customers save time, and improve convenience, instead of having the fill out large amount of paperwork, satisfying them with online process in the digital age.



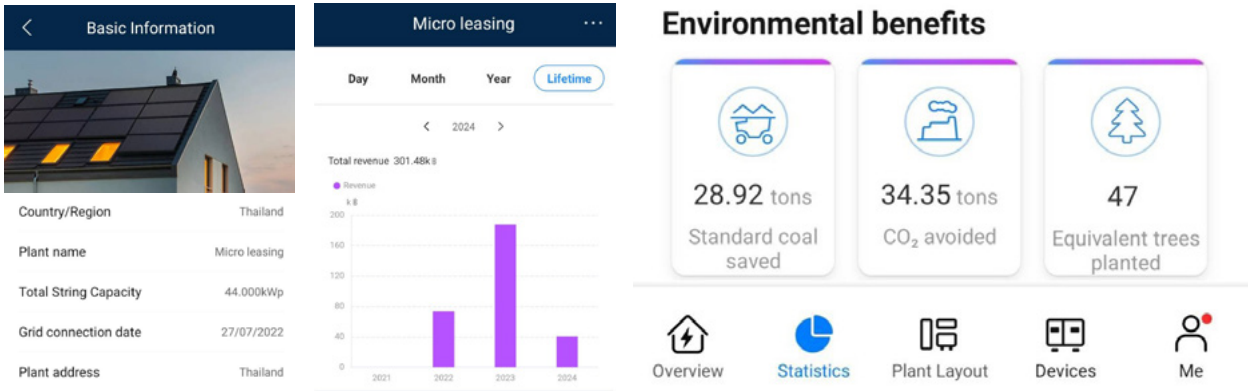
Campaign to promote energy saving



Alternative Energy – Solar Cell

In 2022, the company has installed Solar System in the company's headquarters allowing the company to save on electric cost as shown with the installation of the solar roof system, greenhouse gas emissions from CO2 can be reduced by up to 34.35 tons, which is the same as planting 47 trees.

However, the company has a goal to maintain electric consumption by encouraging employees to save electricity by turning off electrical devices, such as Air Conditioning, Light, and computer screen during lunch time.



Graph showing data on “reducing” greenhouse gas emissions.

Environmental Implementation Performance

Performance		2021	2022	2023	Remarks
The average amount of waste in the headquarter by month.		-	20.94	21.41	In 2022, the company has installed sorting bins in the headquarter and collected data
The average amount of waste (Kg/Person)					
Electric power consumption					
1.	Expenses of using electricity / Person (Baht)	3464.19	6303.49	7801.32	Measure the performance of the headquarter and branch (Cost of electricity rises as a result of the Ft value increase in 2023)
2.	Increase/decrease rate of electricity usage expenses (Percent)	-	5.87	23.76	
Use of water					
1.	Expenses of using water / Person (Baht)	196.18	338.25	441.61	Measure the performance of the headquarter and branch
2.	Increase/decrease rate of water usage expenses (Percent)	-	72.42	30.56	
Use of paper					
1.	The average amount of paper/person (ream)	-	8.03	7.88	Measure the performance of the headquarter and branch
2.	Increase/decrease rate of paper usage expenses (Percent)	-	-	(1.90)	

SUSTAINABILITY MANAGEMENT IN SOCIAL DIMENSION

The company recognizes that employees are an important resource in driving sustainable business success, and thus, it selects and hires personnel who have the skills and experience that match the job requirements, without discrimination based on race, religion, gender, skin color, language, culture, opinions, social status, or any other status unrelated to work. Staring from the hiring process, salary and benefits, training and development of employees, to the development of employee engagement and satisfaction, as well as management of workplace safety, occupational health, and environmental conditions, not only helps reduce the risk of labor disputes or labor shortages, but also provides employees with motivation, encouragement, and happiness in their work. This, in turn, leads to more effective and efficient job performance and the achievement of the organization's sustainable goals.

Goal and Operating Plans for Social

Resources Management	Goals		Operating Plans
	Short term (1-2 years)	Long term (3-5 years)	
1. The number of reported work-related accidents is Zero.	Zero accidents of employee complaints about labor practices	Zero accidents of employee complaints about labor practices	Training officers at each level such as managers, (Jarpor) supervisors, (Jarpor) Technique, (Jarpor) Professional, (Jarpor) management and work safety officers, at least one time / year.
2. Employees Development Program to upskill employee To align with Business growth	Average training hours Per employee per year 2 hours	Number of training hours per Employee per year more than 10 hours on average	Employee development program for all Employees <ul style="list-style-type: none"><li>Micro Expert</li><li>Micro Transformation</li><li>Xponential (MTX-batch1)</li></ul>
3. Gender Equality In workplace	Zero incidents of human rights violations	Zero incidents of human rights violations	Signed an MOU with the Association of Women Entrepreneurs and Professionals in Thailand (Under the UNDP Project)
4. Micro Save Life (Blood Donation With the Thai Red Cross Society 4 Service Ratchaburi Province)	Continuation of the project at least 3 times a year with not less than 30 Blood units	Continuation of the project at least 3 times a year with not less than 50 Blood units	The company will continue to operate every year.

OCCUPATIONAL SAFETY, HEALTH AND ENVIRONMENT

Micro Leasing PLC conducts business by applying the concept of sustainable development in economic, social, and environment aspects into strategy and operation, and realized of the safety and health of employee, business partners and visitors, thus arranged occupational health and safety committee as part the company's operation. The company's occupational health and safety policy is detailed as follows

Scope of work

- This policy covers the operations of Micro Leasing Plc and companies in the business group in all activities under its main building, sub-building and branches nation wide
- The Company is aware of the importance of the workplace safety measures concerning employees and visitors to its establishment. The Company will support and promote the improvement of work place safety, and wellbeing of employees.

- Safety and workplace environmental protection is a duty of every employee of all level to cooperate to ensure the safety of one's life, property, and of the company, and of others.
- Every supervisor level employees must be responsible for the occupational safety and health and working environment of the subordinates to comply with the safety and occupational health regulations that the company established and to comply with the law in a strict manner
- The Company will support and promote safety activities, occupational health, and workplace environment to ensure that the activities implemented is effective.



Guidelines

1. Occupational Safety, Health and Environment Management and Operation.

The Company has established the management structure and operation comprehensively and in compliance with the law and regulation. There is a process for monitoring, auditing, and evaluating the performance regularly to ensure that activities implemented is in compliance with the law and is effective

2. Fire Prevention and prevention, and fire evacuation drill.

The Company has a fire prevention and prevention plan. Consisting of inspection for fire prevention plan and drill, fire evacuation drill, relief plan, inspection of locations, materials, or behavior that may cause fire hazard

3. Communication and education personnel within the organization.

The Company supports resources to encourage at all levels to have the knowledge and awareness of working safely. This includes media activities to create awareness and participation regularly

4. Risk Assessment on the safety of working within the organization

The Company has designed the working processes, building design and renovation,

security system, and working environment in the organization by taking into the account

5. Workplace inspection and health check

The Company arranges safety assessment, and operational environment revision regularly to be in accordance with the standard. There is a health check-up for employee on a regular basis. If there is an illness caused by work or working environment, there will be an analysis/ audit to find the cause of that illness, along with solving problems in a concrete matter to prevent recurring illness in the same cause and must be reported to the government for acknowledgement if there is an illness that falls under the law.

In order to comply with the Ministerial Regulations Establish standards for administration and management of occupational safety, health and working environment 2006, Chapter 2, Clause 23, stipulating that in workplaces with more than 50 employees, employers must have a safety committee. Occupational health and working environment of the establishment.

The Company has appointed the Safety, Occupational Health and Working Environment Committee for the year 2023, whose names are as follows:

Name - Surname	Position
1. Mr. Preeda Iramaneerat	Chairman
2. Mr. Wanchai Sangton	Supervisor level director
3. Mr. Werawat Junta	Supervisor Level director
4. Miss Nucharee yousog	Operational Director
5. Miss Nisarut luaengratwattana	Operational Director
6. Miss Supattra Uyathumrongsit	Operational Director
7. Mr. Adisorn Akewaranukulsiri	Operational Director

Roles and responsibilities of the Safety, Occupational Health and Working Environment Committee is in accordance with the ministerial regulations on setting standards for the administration and management of the Safety, Occupational Health, and Working Environment 2006. The Board of Directors and executives at all levels emphasize and provide support in terms of time, tools, personnel, and budget that are appropriate for the operation

of safety management. An executive is assigned to be Chairman of the safety committee in order to supervise closely, follow-up, performance evaluation is to be reported to the Executive Committee every month, and the result is to be reported to Board of Director every year. The Company has sent personnel to attend training and appoint them as safety officers at various levels to perform duties as required by law. The details are as follows.

Information on safety officer training	Microleasing public Company Limited					
Employee information by job level	2021		2022		2023	
	Head Office (Person)	Branch (Person)	Head Office (Person)	Branch (Person)	Head Office (Person)	Branch (Person)
(Jorpor) Supervisor	41	27	3	6	0	0
(Jorpor) Technique	0	0	0	0	0	0
(Jorpor) Profession	0	0	0	0	0	0
(Jorpor) Management	14	4	0	0	0	0
Work safety officer	70	65	40	44	16	22

Type of injury information Occupational diseases occurring since 2021-2023

Type of injury occupational diseases occurring since 2021-2023		Number of times		Number of lost days	
		Male	Female	Male	Female
Cases of injuries					
Slight wound	Head Office	0	0	0	0
	Branch	0	0	0	0
Occupational disease					
Hearing	Head Office	0	0	0	0
	Branch	0	0	0	0
Musculoskeletal injuries	Head Office	0	0	0	0
	Branch	0	0	0	0
Visual field	Head Office	0	0	0	0
	Branch	0	0	0	0
Pulmonary side	Head Office	0	0	0	0
	Branch	0	0	0	0
Died					
Died of work	Head Office	0	0	0	0
	Branch	0	0	0	0

The Company also pays attention to the dangers that on the potential risk of intrusion, including piracy. Security measures include the control of access-out of work areas of employees in each department system, CCTV camera installed at every department. There are also security guards 24 hours a day, as week as a Business Continuous Plan (BCP) to support emergency situations with the objective to protect life, property, and reducing potential losses.

Management

The company has managed to take care of safety.

Knowledge Promotion

The company organizes continuous training programs in occupational health, safety, and environmental awareness for its employees to create awareness and equip them to handle risks in the workplace. The training encompasses knowledge on safety and environmental care at the workplace, disseminated through various communication

channels within the organization, such as email and the company's Line messaging platform. This ensures widespread and efficient access to information for employees.

The goal is to provide accurate knowledge and understanding of physical and mental health care, reducing anxiety and implementing best practices to minimize the risk of illness or contagion. This initiative aims to establish values and a corporate culture centered around health and safety in the workplace consistently.

Specific training topics include educating employees on health and safety measures during the COVID-19 pandemic, accident prevention while driving, knowledge on preventing infectious diseases and seasonal illnesses, and raising awareness about mental health issues such as stress, anxiety, and depression. This comprehensive approach empowers employees to protect themselves both physically and mentally, fostering a workplace culture that prioritizes overall well-being.





Knowledge Communication to Implementation



The company employs various channels to transfer knowledge and enhance the skills of employees regarding workplace safety. This is executed through diverse formats, including training courses for safety officers, conducted both online and on-site. The company organized two sessions of workplace safety training:

**On-site Training:** Conducted on May 19, 2023 the company invited speakers from PPC Safety Training and Consulting Co., Ltd., a certified and registered training organization under the Department of Labor Welfare and Protection, to facilitate the training.

**Online Training:** Carried out on November 9, 2023 the company again engaged trainers from PPC Safety Training and Consulting Co., Ltd., a certified

and registered training organization under the Department of Labor Welfare and Protection, for the online training session.

These training initiatives aim to equip employees with the necessary knowledge and skills to ensure workplace safety. The utilization of both on-site and online formats allows flexibility and accessibility for all employees, fostering a comprehensive approach to safety education.

Fire Drill Activities

For the safety of employees, the company organizes fire drill activity every year. The result of the activity will be reported to the executive committee for acknowledgement.



HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT

In the fiscal year 2023, the Human Resources Development department undertook a comprehensive workforce development initiative across all levels of the organization. This involved a Blended Learning approach, encompassing both In-House Training and Public Training, totaling 73 courses. The training methods included on-site training within the organization, educational programs attended by executives and employees externally, seminars, site visits with external organizations, and various forms of online learning such as E-learning, Virtual Training, and Live Classes.

Additionally, the company supported employee development through various non-training methods, such as E-learning, Virtual Training, Live Classes, and the utilization of diverse development tools. This approach aimed to maximize effectiveness in personnel development, aligning with the 70-20-10 learning model.

Moreover, the company implemented a knowledge management system to consolidate information scattered among individuals or documents within the organization. This system was designed to transform existing knowledge into a structured format, allowing everyone in the organization to access and develop their skills efficiently. The ultimate goal was to enhance the organization's competitive edge and cultivate a Learning Culture, working towards becoming a Learning Organization, thereby fostering a culture of continuous learning and knowledge-sharing.

The Company recognizes the value of employees, an important resource to drive the organization towards success according to the vision and mission of the organization, therefore value employees with regard to human rights and equality. The Company allocates compensation and welfare benefits that are appropriate for human resource development. The Company has formulated a plan for employee development to prepare employees for appropriate career growth. As well as preparing skills, knowledge, and abilities of employees to be ready for changes that occur rapidly in order to manage and develop the potential of human resources to build up pride, morale and organizational commitment, well-being, and stability in life to reward employees who have devoted their physical and mental energy to create good works for the company to drive the business continuously and sustainably by adhering to the principle of human resource management, namely :

Fair Labor Practices

The Company realized that employees are the key resource to drive business to success sustainably. Human resources are able to continuously develop

to higher potential and are resources that cannot be owned. The company has an obligation to comply with labor practices as required by law, or above the standard practice. Whether it be, talent development, providing equal opportunities, taking care of the welfare of all employees, as well as respecting labor rights and human rights. By considering human dignity, freedom, and equality of individuals, the board of directors, executives, and all employees of the company and its subsidiaries must strictly follow in order to preserve valuable human resources to stay with the Company for a long time. In addition, the Company has established Human Resource Management Policy and practical guidelines as follows.

1. Human resource planning and recruitment

Determine organizational structure human resources planning, recruitment, appointment, rotation process that are transparent. This is to ensure qualified employee, who is good, talented, and useful are given opportunity to be in a various position to increase the potential of the organization to be able to adapt to the changing environment, society, economy, and technology.

2. Development

Prepare executives and employees at all levels to have knowledge, competency, and necessary skills. Covering both basic knowledge, in-depth knowledge of each profession or job position, and management knowledge. Including attitudes and behaviors that are consistent with core competencies, managerial competencies, and job competencies by applying a variety of development tools and methods, as well as knowledge management process, and a forum to exchange knowledge.

3. Training

Focus on changing attitudes and working methods to improve the organization to international standards. By combining Classroom Training, Coaching and Giving Feedback, and adapt into On-The-Job Training.

4. Preservation

Succession plan, career path management, career advancement of employees, performance management, compensation, welfare, and benefit, as well as the improvement of life quality and good working to encourage employees to have good morale, and to perform at their full potential, as well as promoting satisfaction and engagement with the organization.

5. Management

Collaborate to manage human resources systematically, to ensure that it is fair and transparent. By communicating with employees to access channels to receive information regarding human resources management which include governance and supervisory that is thoroughly and fair.

6. Promotion of Morality

Encourage employees to be good, moral, and to strictly comply with the organization code of conduct by arranging activities to promote morality, ethnics, and employee discipline. As well as having measures to ensure such activities are effective.

The organization has established “Expected Core Behaviors” or “Common Behaviors” with the aim of ensuring that employees understand

and exhibit conduct that aligns with the organizational values. These behaviors serve as a set of guidelines for employees to adhere to, fostering a workplace culture that reflects the organization’s core values and principles. The intention is to create a shared understanding of the expected behaviors that contribute to the overall success and positive environment within the organization.

7. Promotion of Organization culture and commitment to the organization

The company has set its core value as Morality, Candidness, Industriousness, Robustness, Objectivity. These are key behaviors in working to encourage employees to behave accordingly. This also covers taking care of the well-being, creating a good working environment and satisfaction, and strengthening employee’s engagement with the organization.

Employment

Employee Information	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees	105	132	237	111	158	269	101	144	245
By Age									
< 30 Years Old	21	61	82	17	49	66	19	50	69
30 – 50 Years Old	67	63	130	70	98	168	64	83	147
> 50 Years Old	17	8	25	24	11	35	18	11	29
By Position									
Management	6	1	7	6	1	7	7	1	8
Senior Department Manager, Department Manager, Assistant Department Manager	8	4	12	13	5	18	78	93	171
Senior Division Manager, Division Manager, Assistant Division Manager	40	30	70	43	26	69	12	24	36
Officer	51	97	148	49	126	175	72	114	186
By field									
Management	6	1	7	6	1	7	7	1	8
Credit Operation	86	85	171	89	107	196	78	93	171

Employee Information	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Accounting and Finance	0	17	17	0	18	18	0	19	19
Business Resources and Investment	10	17	27	10	18	28	9	17	26
Procurement and administration	1	2	3	3	2	5	4	2	6
Executive office and Investor Relations	0	6	6	0	6	6	0	8	8
Risk Management and Compliance	1	2	3	0	3	3	1	2	3
Internal Audit	1	2	3	3	3	6	2	2	4
By area									
Head Office	46	81	127	56	91	147	55	92	147
Branches	59	51	110	55	67	122	46	52	98
New Employee by age									
< 30 Years Old	8	10	18	8	25	33	6	8	14
30 – 50 Years Old	46	27	73	26	33	59	14	13	27
> 50 Years Old	6	1	7	8	0	3	0	0	0
Total	60	38	98	41	52	93	20	21	41
Resigned Employee									
< 30 Years Old	5	5	10	4	11	15	5	5	10
30 - 50 Years Old	29	8	37	26	16	42	23	32	55
> 50 Years Old	1	1	2	3	0	3	8	0	8
Total	35	14	49	33	27	60	36	37	73
Disabled Employee									
< 30 Years Old	0	1	1	0	1	1	0	1	1
30 - 50 Years Old	0	0	0	0	0	0	0	0	0
> 50 Years Old	0	0	0	0	0	0	0	0	0
Total	0	1	1	0	1	1	0	1	1



Employee Development

The Company is aware that Human Resources Development is an important factor for business success. For the year 2023, the company provides training courses for executives and employees to develop skill and work potential with the following details.

Employee information	2021		2022		2023	
	Number of courses	Number of hours	Number of courses	Number of hours	Number of courses	Number of hours
Divided by position level						
Management	11	40.30	17	252.00	8	228.00
Senior manager - department manager - assistant department manager	7	27.30	15	142.00	19	382.00
Senior section manager – section manager – Assistant section manager	12	12.00	16	211.00	25	228.00
Officer	10	92.00	26	428.00	21	538.00
Average training hours/person	0.75 hours/person		4.02 hours/person		5.95 hours/person	

Performance Evaluation

The company has a well-defined and transparent performance evaluation process that includes the cascading of organizational goals down to departmental, team, and individual levels (KPI Cascading). This process aims to align objectives across the organization, ensuring consistency at both departmental and individual levels (KPI Alignment).

Criteria for performance assessments are tailored to the specific nature of each role, aligning with job responsibilities, goals, and company expectations in both the short and long term. The evaluations are conducted annually to provide comprehensive data for consideration in determining compensation, formulating employee development plans, and assessing promotions. This approach ensures fairness and motivates employees to excel in their roles within the organization.

Employee Welfare

The Company provides welfare to all employees equally to promote a good quality of life and to motivate employees. Details of employee welfare are as follows.

1. Provident Fund Welfare

The Company has established employees provident fund to promote saving up for retirement. Executives and employees can choose to contribute to the fund at the rate of 2-14 percent of their wages, the company an additional 2% of their pay to the fund.

2. Group accident insurance (PA)

The wellbeing of its employees is very important to the business. The company offers Group Accident Insurance (PA) to foster motivation and morale. Additionally, it lessens the strain on employees, without any additional fees.

3. Monthly Meal Welfare

The company cares and pays attention to all employees. Provide food welfare with the purpose to subsidize employees expenses and boost morale.

4. Employee Well-Being Programs: Physical, Financial, and Mental Health (Micro Well-Being)

The company is deeply committed to the well-being of its employees, aiming to promote physical health, financial wellness, and positive mental health. The Micro Well-Being initiative encompasses sub-categories focusing on specific aspects of well-being:

- 4.1 Financial Well-being Program:  
Objective: Provide knowledge and tools for individual financial management.  
Activities: Educational programs to enhance personal financial management skills among employees.

4.2 Relaxation & Massage Well-being Program:  
Objective: Enhance physical well-being through relaxation and massage services.  
Activities: Providing massages focused on the neck, shoulders, and back, particularly catering to employees with visual impairments.

4.3 Physical Well-being Program:  
Objective: Offer health consultations addressing basic health concerns and providing advice on medication and health maintenance techniques.
- Activities: Consultations delivered by licensed pharmacists providing preliminary health advice and guidance.

4.4 Mental Well-being Program:  
Objective: Address and manage stress-related issues and mental health concerns.  
Activities: Counseling services provided by licensed clinical psychologists specializing in clinical psychology.

These Micro Well-Being programs are designed to foster a holistic approach to employee welfare, addressing various aspects of their well-being and ensuring that they have access to resources and services that support their physical, financial, and mental health. The company aims to create a workplace environment that prioritizes the overall well-being of its employees.



HUMAN RIGHTS

Micro Leasing Public Company Limited (“the Company”) is committed to conducting business with responsibility for all stakeholders in the value chain in accordance with the principles of good corporate governance. and recognizes that respect for human rights is an important responsibility Human rights are fundamental rights and freedoms that are inherent and are equality of persons who will not be discriminated against on the grounds of race, religion, gender, color, language, ethnicity, or any other status.

To prevent and avoid Violation of Human Rights against stakeholders from the Company’s business operations. The company has established this Human Rights policy by considering the provision of laws and significant international human rights principles, such as the Universal Declaration of Human Rights, the United Nations Guiding

Principles on Business and Human Rights, etc. to provide framework for directors, executives, employees, and affiliates of the Company to follow in the same direction.

1. Human Rights practice in relation to stakeholders

The Company adheres to the principle of respecting human rights and will treat stakeholders with equality and equality without discrimination on the basis of similarities or differences in gender, skin color, race, religion, ethnicity, language, culture, differing opinions, social status, or any other status, and will not support or oppose any action that violates human rights, both directly and indirectly. The following are the company’s human rights guidelines for stakeholders.

## 1.1 Practices and Responsibilities in relation to customers

The Company has policies that prioritize customer satisfaction, build trust and belief in fast and excellent service to satisfy customers, which is a factor that will contribute to the company's success. The company has an intention to seek more efficient ways to meet the needs of customers. The following policies and procedures listed below have been established.

- 1.1.1 Provide quality services with accurate, complete, sufficient, and up-to-date information about products or services, therefore customers have enough knowledge to make decisions, without exaggerating the facts in advertising, or in communicating through various channels with customers.
- 1.1.2 Provide services with politeness, honesty, and ethnic to be trusted by customers, provide credit limit and fair interest rates without discrimination.
- 1.1.3 Follow the standard operation system and rigorously adhere to the terms that have been agreed upon with client. The customer must be informed right away in the event that the agreement's terms and conditions cannot be met to collaboratively discuss options and ways that satisfy both parties.
- 1.1.4 There is a system to store customer information securely, and measures to maintain customers confidentiality. Information of customer and of the organization will not be disclosed or passed out, unless consent is validated, or is required by the law. Such information will not be used for the benefit of oneself or others wrongfully.
- 1.1.5 Customers is treated in accordance with the law and regulations, and in compliance with good corporate governance, without demanding, accepting, or giving any dishonest benefits to customers.
- 1.1.6 Encourage customers business operation to be socially responsible.

## 1.2 Practices and Responsibilities in relation to Business Partners

The Company has a policy to treat business partners with equality and fairness. By considering the best of interests of the company and based on fair returns to both parties, avoid situations that cause conflicts of interest. Which include, fulfilling the commitment, providing

real information, and accurate reports which based on business relationships. As addressed in the following guidelines.

- 1.2.1 Treat Business Partner equally and fairly.
- 1.2.2 Fulfill the commitment or conditions that has been agree upon strictly.
- 1.2.3 Only use products or services that are authentic or copyrighted. Not to support products or services that infringe intellectual property.
- 1.2.4 Conduct business with integrity, responsibly, and protect the interests of trading partners with fairness. Protect the interest of business partners, especially in negotiation. Refrain from asking for commission or any dishonest benefits with business partners.
- 1.2.5 Treat business partners fairly and equally based on fair returns for both parties.

## 1.3 Practices and Responsibilities in relation to Employees

The Company has a policy to assemble a team of people with quality and expertise to provide excellent service that operate with integrity and professional ethics. Where benefits are being share fairly for the well-being of the quality of co-workers as addressed in the following guidelines.

- 1.3.1 Treat all employees with determination, honesty, transparency, and equality.
- 1.3.2 Provide fair compensation to employees, including appointing, transferring, and rewarding. Based on knowledge, qualifications, and appropriateness of each employee.
- 1.3.3 Maintain a hygienic workplace environment to prevent accident and other dangerous, also to promote good hygiene for employees.
- 1.3.4 Emphasize on the development of knowledge, abilities, and skills of employees by providing work opportunities thoroughly and regularly.
- 1.3.5 Comply with the laws, rules, and regulations related to employees without discrimination.
- 1.3.6 Provide various welfare benefits to employees as appropriate, to the extent that the company is capable of, so employees can work happily.

- 1.3.7 Provide communication channels to receive feedback, and for employees to express their opinion.

## 1.4 Practices and Responsibilities in relation to Shareholders

The company has a policy to treat all shareholders equally with honesty and prudence. In accordance with the rules prescribed by law and related government agencies. The shareholder's meeting process is conducted openly, transparently, and fairly. Where every shareholder has rights and equality described as follows.

- 1.4.1 Right to be informed of the company's performance and management policies regularly and in a timely manner.
- 1.4.2 Right to receive fair share of profits.
- 1.4.3 Right to attend shareholders' meeting to express opinion and vote on the appointment or removal of directors, financial auditors. Participating in decision making on important changes, including the right of minority shareholders to propose additional agenda items, or nominate candidates for independent director positions.
- 1.4.4 Right to receive information on connected transactions.
- 1.4.5 To treat every shareholder with honesty, to take any actions with fairness and equality.
- 1.4.6 To aim to manage the company for stable growth to generate good and sustainable return. To report to shareholders regularly and truthfully about the status of the company, future plan, positive and negative impact and trend of the company with adequate supporting reasons.

## 1.5 Practices and Responsibilities in relation to Competitors

- 1.5.1 Practice within the framework of good competition.
- 1.5.2 Not to seek competitors' confidential information through dishonest or inappropriate means, such as bribing competitor's employee, etc.
- 1.5.3 Not to damage reputation of competitors by making negative accusations.

## 1.6 Practices and Responsibilities in relation to Society

- 1.6.1 To operate the business in accordance with the laws and regulations.
- 1.6.2 To conduct business with transparency, not participating in or support any organization or person that violates law or is a threat to society or has hidden political interests.
- 1.6.3 Cooperate with public and private sectors to support activities for the development of society, communities, and the environment.
- 1.6.4 Encourage employees to participate in various activities that support the well-being of the society, environment, or public benefits in various fields.

## 2. Comprehensive Human Rights Audit Process

The company focused on the development of a comprehensive Human Rights auditing process to ensure that the operations of the company will violate human rights throughout the value chain. By analyzing risk issues, assessing opportunities and impacts, as well as setting guidelines for risk prevention, problem solving mitigation and mitigation of impact in case of violations of human rights, by disclosing such operations in the company annual report.

## 3. Whistleblowing, Complaints, and Remedies

The company will not act or support any action, which may cause human rights violations. The company provide opportunity for employees and stakeholders to report clues or complaints about human rights violations that directors, executives, employees of the company are involved. The process to report clues, complaints, and remedies are as described.

- 3.1 When employees or stakeholders are subject to human rights violation or witness an event or affected by Acts that violate human rights. One can report clues or complaints through any of the following channels.

- [whistleblowing@microleasingplc.com](mailto:whistleblowing@microleasingplc.com)

2) Postal Address as follows  
MICRO LEASING PUBLIC COMPANY LIMITED  
Head Office 863/3 Petchkasem Road, Sanamchan Sub-district, Mueang District, Nakhon Pathom Province 73000



3.2 When the recipient of the clue or complaint considers the evidence and facts and finds a reasonable cause to believe that An actual violation of human rights has occurred. One must take urgent action to solve the problem or suspend the incident in case such actions are beyond the scope of their authority, one must report to their supervisor for the consideration and order.

3.3 The company will protect those who was affected or was the one who informed the company of the violation of human rights, not to suffer trouble, danger, or unfairness arising from cooperating with the Company regarding the violation of Human Rights. The Company will conceal victim information of those who are affected or whistleblowers by limiting access to information to those who are responsible for fact-checking only.

The Company has established a welfare committee in the workplace according to Section 96 of the Labor Protection Act B.E. 2541 with the role of representatives of the company's employees and its subsidiaries to present opinions on improving the workplace environment, public utilities, and welfare that follows the law. The committee is to hold meeting with representatives at least on a quarterly basis to present matters for consideration, members of the committee are as follows:

Name - Surname	Position
1. Mr.kompol Sinthavorn	Chairman
2. Miss Pattranit Traipat	Director
3. Miss Duangnapa Puangrahong	Director
4. Miss Nantapuk Srisanit	Director
5. Miss Prapassorn Srijampa	Director / Secretary

*In 2023, four meeting of the Welfare Committee*

**Whistleblowing channels**

Every employee can make a complaint or report the incident to their supervisor, or when their personal rights are violated, please refer to the Company Manual on Employee Work B.E. 2561 Section 12 Grievances (Articles 49-53)

Third Parties or external stakeholders can complain or report through complaint channels, including:

- whistleblowing@microleasingplc.com

2) Postal Address as follows  
MICRO LEASING PUBLIC COMPANY LIMITED  
Head Office 863/3 Petchkasem Road, Sanamchan Sub-district, Mueang District,Nakhon Pathom Province 73000

**4. Promote the underprivileged**

The Company recognizes the improvement of the quality of life of the disabled or vulnerable groups , people with disabilities are encouraged to show their ability to generate income and self-reliance. Reduce the burden of family and social adoption.

This includes encouraging the disabled to become an important force in strengthening the family and national economy.

In the past year, the Company implemented Section 33 of the Law on the Promotion and Development Of the quality of life of disabled persons B.E.2550 (2007). 1 people, the employment ratio of the disabled is lower than the specified standard, and

the rest of the companies have remitted money to the promotion and Development fund for the quality of life of the disabled. Fully comply with the rules stipulated by law.

In addition, the company encourages employees to recycle unused resources for maximum benefit by collecting unused desk calendars within the organization. Given to the Foundation for the Blind of Thailand under the Royal Patronage of Her Majesty the Queen. (Samphran Vocational Training Center for Blind Women) to produce Braille characters for use as learning media for the visually impaired.

In 2023, The company has signed a contract with the Business and Professional Women's Association of Thailand, Nakhon Pathom. (Under a UNDP project) Project name “Gender Equality in Workplace”



Social Performance

Goal Performance	2021	2022	2023
1. The number of reported work-related accidents is zero.	The number of reported work-related accidents is zero.	The number of reported work-related accidents is zero.	The number of reported work-related accidents is zero.
2. The average number of training hours Per employee per year is 3.1 hours.	The average number of training hours per employee per year is 0.75 Hours per person.	The average number of training hours per employee per year is 4 Hours per person.	The average number of training hours per employee per year is 3.1 Hours per person.
3. The project to gender equality in the workplace was approved by the Employee Committee No. 4/2023 on 31 May 2023.	-	-	Zero incidents of human rights violations
4. Micro Save Life (Blood Donation with the Thai Red Cross Society, National Region 4 Service : Ratchaburi Province) No.1 (27/1/23) = 40 Units No.2 (16/2/23) = 32 Units No.3 (27/10/23) = 32 Units	1 Time at the multi-purpose area River Hotel Nakhon Pathom Province	1 Time at the front yard of the Bangkok Hospital - SanamChan	3 Time at the Micro leasing Public Company Limited
5. The number of employee complaints regarding labor practices is zero.	The number of employee complaints regarding labor practices is zero.	The number of employee complaints regarding labor practices is zero.	The number of employee complaints regarding labor practices is zero.

Driving business for sustainability

Microleasing PLC. is a company that provides loan services. and working capital for used trucks to those who do not have access to financial services of state banks and commercial banks ( Underbank ) by expanding business to serve consumers to cover all target groups to expand opportunities to access services for people in society more broadly. With the desire to be a leader in providing comprehensive used truck loans. Under the expansion of the integrated business ecosystem which consists of 4 main business groups: 1. Microleasing Public Company Limited 2. Microinsure Broker Company Limited 3. Microplus Leasing Company Limited 4. Microfin Company Limited.

The company is aware of sustainable business operations. To promote the operations of the company and subsidiaries to be efficient able to grow together sustainably able to create maximum benefit to all stakeholders from employees, investors, shareholders and other stakeholders. along with creating economic, social and environmental balance under honesty, fairness, transparency and taking into account responsibility for all stakeholders.

With determination to conduct business This year the company still restructuring loans management of bad debts or NPLs and risk management to be in line with the company's business expansion. continuously It is proof that we are an organization that grows with flexibility and stability. In preparation for every change for sustainable growth (Environmental, Social and Governance: ESG) according to the sustainability principles of the Stock Exchange of Thailand. that focuses on transparent administration. The audit

supports participation with all relevant stakeholders. Including supporting the management of energy use, and resources within the organization along with continuously promoting and developing the potential and knowledge and abilities of personnel in every department to develop and raise the quality of services in the Company's various businesses, as well as create satisfaction and maintain the highest confidence for customers. Partners and business alliances, social responsibility policy.

The company and subsidiaries Conduct business under the framework of good governance and transparency. and can be verified It is committed to developing business along with creating a balance between the economy, society and the environment. The company and the subsidiary is determined to maintain itself as a company That is a good example for society (Good Corporate Citizen) in conducting business sustainably. On the basis of ethics and principles of good corporate governance including being able to create returns for shareholders efficiently taking into account the impact of business operations on those involved with the company and subsidiaries in every aspect

Activities for social benefit in 2023

Performance results of Microleasing PLC. in environmental and social aspects. The company places importance on improving the quality of life. social equality even during the situation The spread of the Covid virus - 19 by setting guidelines to be in line with prevention and measures to maintain social distance ( Social Distancing ), including various hygiene aspects, in order to continue the spirit of the management team that wants to continue operations.

Social activities

Microleasing PLC. Participate in distributing drinking water “Project to prevent and reduce road accidents during the New Year Festival 2023”

New Year Festival 2023 past Microleasing PLC., Khon Kaen Branch Participate in distributing drinking water in the project to prevent and reduce road accidents during the 2023 New Year Festival to citizens and officials on duty. Between 29 December 2022 - 4 January 2023 at Mittraphap Road (in front of Pratu Muang Health Park), organized by Khon Kaen Municipality and partners in the Disaster Prevention and Mitigation Network. To reduce the loss of life and property from accidents. Campaign for people to drive their vehicles and travel around safely and set up checkpoints public service point







**“Micro Save Life” Project 1<sup>st</sup> time of year 2023  
Microleasing’s staff join together to give blood,  
continue life, do good for society.”**

The management team of Microleasing PLC. is led by Mr. Wisan Buranasantikul , Managing Director, Mr. Sukporn Chatchavalapong, Managing Director of MicroInsure Broker Co.,Ltd., Mr. Thammasak Atchayawat . Founding Chairman and Director, Mrs. Rosnan Yingthaweesak Senior Deputy Managing Director Along with the management team and employees together with the Thai Red Cross Society, National Service Sector No. 4, Ratchaburi Province, made merit by donating blood in the “ Micro Save Life” project for the 1<sup>st</sup> time in 2023 at Microleasing’s staff. Join together to give blood, continue life, do good for society, to support supply blood quantity Used to help patients waiting to receive treatment. and also as a blood reserve for victims or had an accident in various areas for hospitals across the country who are experiencing a serious blood shortage problem this is considered a social activity that truly helps fellow humans can create happiness encourage both the giver and the receiver. It has filled the smiles of patients waiting for treatment to give them hope to continue living their lives during this crisis. Continuing the spirit of “Giving” of Mr. Thammasak Atchayawat, the founding chairman of Microleasing Public Company Limited.



**“Micro Save Life” 2<sup>nd</sup> time of year 2023 Microleasing  
People Join together to give blood, continue life,  
do good for society.”**

The management team of Microleasing Public Company Limited, led by Mr. Rosnan Yingthaweesak Senior Deputy Managing Director and Ms. Preeda Iramanirat, Deputy Managing Director Microleasing PCL. Along with the management team and employees together with the Thai Red Cross Society, National Service Sector No. 4, Ratchaburi Province, made merit by donating blood in the “ Micro Save Life” project No. 2/2023 at Micro Leasing Public Company Limited. Join together to give blood, continue life. Do good for society, 1 person gives, 3 people receive in order to support. supply blood quantity Used to help patients waiting to receive treatment. and also as a blood reserve for victims or had an accident in various areas to hospitals across the country who are experiencing a serious blood shortage problem This is considered a social activity that truly helps fellow humans and continues the spirit of “giving” of Thammasak Atchayawat, the founder president of the company.

**Project “ Royal Royal Will of the Provincial  
Regions” Association of the Council of Social  
Welfare, 76 Provinces, Year 2023 , Nakhon Pathom  
Province”**

Microleasing Public Company Limited, executive team, led by Mrs. Rosnan Yingthaweesak Senior Deputy Managing Director, together with the Business and Professional Women’s Association of Thailand-Nakhon Pathom Association member organizations in the Nakhon Pathom province Government agencies and the private sector participated in the activity. “Provincial Royal Will Project Association of the 76 Provincial Social Welfare Councils for the year 2023, Nakhon Pathom Province” which has been in operation for the 25th year therefore takes this opportunity. To join in celebrating His Majesty King Bhumibol Adulyadej and Her Majesty Queen Sirikit Her Majesty the Queen The Queen Mother was organized by the Association of the Council on Social welfare of Thailand and Micro-leasing PLC. in collaboration with Nakhon Pathom Province at Nakhon Pathom Central Prison, Wang Taku Subdistrict, Mueang Nakhon Pathom District. Nakhon Pathom Province Organize activities for the Royal Heart Project and provide lunch. Ready to provide necessary equipment Such as soap, toothpaste, shampoo, powder, towels, 400 sets, and baby powdered milk. given to 400 female inmates in Nakhon Pathom Central Prison in honor of His Majesty the King and Her Majesty Queen Sirikit Her Majesty the Queen The Queen Mother of the Queen Mother On the occasion of His Majesty’s birthday In July and August 2023



**Microleasing cares for the community, supports  
public health in Nakhon Pathom Province”**

Microleasing PLC. by Mr. Wisan Buranasantikul, Managing Director, Mrs. Rosnan Yingthaweesak Senior Deputy Managing Director and executive committee acting as an agent in delivering 28 wheelchairs, 8 hospital beds and 100 packs of drinking water to Nakhon Pathom Province. and Nakhon Pathom Provincial Public Health Department Continue the good deeds according to the founder’s intention. in promoting social responsibility for equality It was honored by Mr. Somkiat Phluskserm, Deputy Governor of Nakhon Pathom Province. is the chairman of the recipient which is courtesy of Ms. Siriporn Rojanasukanjana, Social Development and Human Security, Nakhon Pathom Province and Ms. Natthaphan Chanlamoon, President of the Business and Professional Women’s Association of Thailand. Nakhon Pathom Province Chairman of the working group of the Center for the Promotion of Social Responsibility of the Business/Private Sector Nakhon Pathom Province





## “Promote Education for Youth”

Microleasing PLC. promotes youth education. Received a certificate of honor Cooperative Education Project 2022 of Kasetsart University

21<sup>st</sup> “Cooperative Education Project Establishments Meet with Kasetsart University Executives” event and the ceremony to present honorary certificates to establishments and outstanding cooperative education students for the year 2022 at Kamphon Adulwit Conference Room, 2nd floor , Information Building. 50 years of Kasetsart University, with Dr. Jongrak Watcharinrat the award was presented by the President of Kasetsart University. The event included a special lecture and an award ceremony for Microleasing Public Company Limited, with Ms. Preeda Iramaniratt, Deputy Managing Director of Resources and Investment of the company. Become a representative to receive a certificate Microleasing has supported the recruitment of students to work in the 2022 academic year, including awarding certificates to outstanding cooperative education students who participate, cooperative education project and to exchange ideas between educational institutions and business establishments to develop the cooperative education program of Kasetsart University effectively.



## “Support gender equality in the workplace (Gender Equality in Workplace)”

Microleasing PLC. management team led by Mr. Wisan Buranasantikul , Managing Director, Mrs. Rosnan Yingthaweesak Senior Deputy Managing Director , Ms. Preeda Iramaneerat, Deputy Managing Director for Resources and Investment Participated in the signing ceremony of the memorandum of understanding for the project to support gender equality in the workplace (Gender Equality in Workplace), Nakhon Pathom Province, together with the Business and Professional Women Association of Thailand-Nakhon Pathom at Mida Grand Hotel , Dvaravati, Mueang District. Nakhon Pathom Nakhon Pathom Province

Microleasing PLC. has supported the organization of a project to support gender equality in the workplace (Gender Equality in workplace) to create awareness and acceptance of gender differences. Including increasing the role of women entrepreneurs in enterprises in Nakhon Pathom Province. As well as creating a social trend to see the potential of every person who is different by supporting gender equality. and supporting welfare care for vulnerable groups in the area carrying out this project, the Business and Professional Women's Association of Thailand - Nakhon Pathom, Nakhon Pathom, has integrated government and private agencies, consisting of Provincial Labor Protection and welfare Office Recruiting 32 entrepreneurs who meet Thai labor standards. The Provincial Community Development Office recruits community enterprise groups and women's housewife groups, a total of 7 organizations, and 4 agencies under the Ministry of Social Development and Human Security.

30 wheelchairs were donated to Nakhon Pathom Province and The Red Cross Office during the event. To be used to help the elderly, the disabled, and the poor in the project to honor Her Majesty Queen Sirikit's birthday. Her Majesty the Queen Mother, 91st Birthday , 12 August 2023, donated 60 packs of adult diapers, sponsored by the National Council of Women's Associations. Under the Royal Patronage of Her Majesty the Queen Discussion on supporting gender equality for everyone's happiness and a ceremony to present badges and certificates to a total of 65 establishments .

## “Micro Save Life” supports giving activities of employees in the organization ”

Microleasing PLC., a subsidiary company Microleasing Group By Mrs. Rosnan Yingthaweesak Senior Deputy Managing Director , Mr. Preeda Iramaneerat, Deputy Managing Director for Investment and Resources and employees of Microleasing PLC., head office, Nakhon Pathom Province, jointly delivered 140 items of essential electronic equipment such as computers, CPUs, notebooks, telephones, photocopiers, microwaves to the “Recycle for Kids” project to change items. Provide tuition fees to underprivileged children in society. To the Baan Nokkamin Foundation for underprivileged children which the foundation The items that everyone donated were put to good use. maximum and continue to help disaster victims It is one of the “Micro Save Life” projects supporting giving activities. of employees in the organization and it is a joint effort to develop society for the better at Microleasing PLC., Head Office.



## “Micro Save Life” 3<sup>rd</sup> time of year 2023 Microleasing's staff join together to give blood, continue life, do good for society.”

Management team of Microleasing PLC., led by Mr. Wisan Buranasantikul , Managing Director. Microleasing Public Company Limited, Mr. Panupan P. Wannapruek, MFin Co. , Ltd., Mr. Rosnan Yingthaweesak Senior Deputy Managing Director together with the management team and employees together with the Thai Red Cross Society, National Service Sector No. 4, Ratchaburi Province, made merit by donating blood in the “ Micro Save Life” 3<sup>rd</sup>, 2023 at Microleasing people. Join together to give blood, continue life, do good for society, 1 person gives, 3 people receive, which means that one person who donates blood. Three people can be helped in receiving blood. To jointly support and provide blood supply to help patients waiting to receive treatment. and to reserve blood for use in emergencies or emergencies for victims or had an accident in various areas

Microleasing PLC hopes that the “ Micro Save Life” project will be an inspiration to everyone. To be aware of the blood shortage problem and the importance of helping victims in society.



GOVERNANCE AND ECONOMY DIMENSION

Corporate Governance

Micro Leasing Public Company Limited determined to conduct business with honesty and fairness in accordance with the principle of good governance, and be responsible for customer, partner, shareholder, employee, and for the society, thus prepared “code of conduct” of the company as guideline of good working practices to achieve the objectives and intention. This will build confidence amongst investors as well as all related parties. In this regard, the Board of Directors shall deem this as duties and responsibilities of the Board of Directors, executives and all employees to adhere and conduct a review of this good corporate governance policy annually. In order to be suitable for the changing business environment.

The company therefore places important on good corporate governance covering the economy, society, and environment. In order to build confidence and create value for the organization, shareholder, and stakeholders in accordance with the organization’s objectives for long sustainability. Adhering to laws, rules, and regulations that are correct, transparent, and auditable. There is an Audit Committee which is an independent director to review the process of corporate governance.

In Addition, the company also has a strong internal audit process covering the entire organization. There’s a compliance department responsible for monitoring changes in the law and regulations relevant to the business and assessing compliance with the law to always improve the guideline to be consistent or reduce the risk of unethical conduct or neglect to comply with the law which may affect stakeholders and business operations of the company.

Goal and Operating Plans for Social

Resources Management	Goals		Operating Plans
	Short term (1-2 years)	Long term (3-5 years)	
1. To be rated “Excellent” in the Corporate Governance Report (CGR) of Thai Listed Companies, carried out by the Thai institute of Directors Association (IOD), and received score by rated not less than 81 consecutively.	To be rated “Very Good” in the Corporate Governance Report (CGR) of Thai Listed Companies, carried out by the Thai institute of Directors Association (IOD), and received score by rated not less than 79 consecutively.	To be rated “Excellent” in the Corporate Governance Report (CGR) of Thai Listed Companies, carried out by the Thai institute of Directors Association (IOD), and received score by rated not less than 81 consecutively.	<ul style="list-style-type: none"><li>Organized “Opportunity Day” every quarter to report and disclose the company performance to shareholders, investors, fund manager, and analysts.</li><li>Conducted business with good corporate governance and was rated “very good” and received a score of 86 out of 100 on the Corporate Governance Report of Thai Listed Companies, which was organized by Thai Institution of Director (IOD).</li></ul>
2. Conducting an efficient general meeting of shareholders in accordance with the principles of good corporate governance such as receiving an AGM assessment of score 100% continuously every year.	Conducting an efficient general meeting of shareholders in accordance with the principles of good corporate governance such as receiving an AGM assessment of score 100% continuously every year	Conducting an efficient general meeting of shareholders in accordance with the principles of good corporate governance such as receiving an AGM assessment of score 100% continuously every year	<ul style="list-style-type: none"><li>To organize the Annual General Meeting efficiently and align with the principle of good governance and be rated four-star on the Annual General Meeting Checklist of the Thai investors Association.</li></ul>

Resources Management	Goals		Operating Plans
	Short term (1-2 years)	Long term (3-5 years)	
3. The number of personal data leak incidents is “zero”.	The number of personal data leak incidents is “zero”	The number of personal data leak incidents is “zero”	<ul style="list-style-type: none"><li>The company has established a policy to protect personal information. There is a risk management and corporate governance department. Has responsibility and supervision of the business and is responsible for various operations. Regarding personal information, ensure that it is correct and in accordance with legal requirements.</li></ul>

Supervision of the business ethnics

Code of Conduct for Directors, Executives, and employees.

1. Code of Conduct for Directors

- 1.1 Perform duties with full knowledge and competence, dedicate sufficient time to perform duties for the benefits of the company and related persons.
- 1.2 Perform duties with honesty, morality, adhering to correctness, and for the legitimate interests of the Company.
- 1.3 To be politically neutral not to focus on getting involved in politics or under political influence.
- 1.4 Not to disclose confidential information, or any other information of the company that may cause damage to the company to others who is not a part of the Company.
- 1.5 Encourage employees to perform their duties with the Code of Conduct

2. Code of Conduct for Executives

- In addition to complying the employees Code of Conduct, Executives must have good practices to enhance their leadership skills, and as supervisor of the employee, one must be a leader and a role model in good conduct. The Code of Conduct for Executives are as follows.
- 2.1 Code of Conduct for Executives to Employees
- 1) Executives shall treat employees with sincerity, fair, and equal manner by open to suggestions or opinions from all subordi-

nates without prejudice.

- 2) Executives shall closely monitor and pay attention to the performance of their subordinates for the work to be performed smoothly and correctly according to guideline of the related regulations and laws
- 3) Executives shall support the development of employees’ potential and work efficiency thoroughly for the advancement of the organization
- 4) Executives shall act as good role modes for employees who are subordinates, both in personal matters and about job duties in addition to having to act as a commander, one should act as a mentor to advise both in matters of work and morality.
- 5) Executives shall practice and encourage employees to understand the Code of Conduct that employees should follow.
- 6) Executives should perform their duties in providing welfare, environment, and working atmosphere for employees appropriately.
- 2.2 Code of Conduct for Executives to the Company
- 1) Executives shall perform their duties with full knowledge and competence.
- 2) Executives shall perform their duties with diligence, patience, and dedicate their time to work in their duties in order to achieve their responsibilities to meet with the goal and timelines of the company.
- 3) Executives shall perform their duties with honesty, without the conflict of interests.

4) Executives must be careful not to give or leak confidential information, or any information of the company that may cause damage to the Company.

5) Executives shall act as representatives of the Company in cooperating with environmental preservation, as well as helping each other to preserve the good local traditions and culture where the organization is located.

6) Executives shall act as representatives of the company in cooperating with local activities to promote society, community, and the environment regularly for the community in which the company is located by cooperating with the government or the community.

### 3 Code of Conduct for Employees

- 3.1 Employees shall perform their assigned duties with integrity and within perseverance and diligence. Regularly improve one's productivity for the benefit of oneself and the Company.
- 3.2 Employees shall strictly comply with the Company's code of conduct.
- 3.3 Employees shall dedicate themselves and devote their time to perform their task fully and with the full capacity for the benefit of the Company. Avoid doing other businesses, personal work, or other non-company work during working hours and avoid personal work that may cause damage or discredit the company.
- 3.4 Employees shall maintain the Company's benefit and assets to be in good condition to be used in a long time.
- 3.5 Employees shall treat customers and partners with integrity and equality.
- 3.6 Employees shall strictly maintain the confidentiality of customers, suppliers and of the Company not to leak to the outsiders.
- 3.7 Employees must not interfere with the financial or property of customers, or those who do business with the company, whether it is giving, receiving, borrowing, or any of such activities.
- 3.8 Employees shall not solicit, receive, or accept commissions, service charges or any other benefits for themselves or others from customers. Shall demand a deposit for the commission service fee at the rate specified

by the Company or for the benefit of the Company and in the name of the Company only.

- 3.9 Employees shall not use their positions, or benefits from work or company information, or of customers to seek personal benefits or associates or conduct personal business that compete with the Company, whether directly or indirectly.
- 3.10 Employees shall avoid receiving any gifts that may make themselves feel uncomfortable in performing their duties in the future. If unavoidable, one has a duty to inform supervisor immediately.
- 3.11 Employees shall report their acknowledgement to their superiors without delay, when the known matters may affect the operation or reputation of the company.
- 3.12 Employees shall refrain from incurring excessive debt.
- 3.13 Employees shall be respectful, obey the commander who gives order in accordance with the policy, rules or regulations of the company.
- 3.14 Employees should join in solidarity with each other, and generous to help each other. Do not cause conflicts that may lead to damaging others or the Company.
- 3.15 Employees shall respect each other's rights. Avoid sharing other person's information or stories, both in terms of work, and personal matters to be disclosed or criticizes in a way that will cause damage to both employees and the Company.

### Prevention and Anti-Corruption

Director, sub-committees Executives, and Employees are prohibited from requesting, taking action, or accepting corruption for oneself, family, friends, or acquaintances by strictly complying with the laws, rules, and regulations related to anti-corruption to build confidence among business stakeholders that Micro Leasing will conduct its business with honesty, transparency, and fairness.

### Measures and guidelines for whistleblowing or complaints

In case someone witnessed a situation that may imply corruption. The Company has organized channels to report whistleblowers or complaints to Managing Director and chairman of the Audit Committee

through various channels, such as telephone, Email, etc., as addressed on the company's website (www.microleasing.co.th), which the Company will keep confidential in order to prevent the whistleblower or complaint from any potential difficulties.

1) E-Mail as disclosed on the company website  
- Managing Director wisarn@microleasingplc.com  
- Chairman of the Audit Committee chalong@microleasingplc.com

2) Postal Address as follows  
MICRO LEASING PUBLIC COMPANY LIMITED  
Head Office 863/3 Petchkasem Road, Sanamchan Sub-district, Mueang District, Nakhon Pathom Province 73000

### Dissemination of Anti-Corruption Prevention and Anti-Corruption Policy

The company had published its policy to let employees know that complying with the anti-corruption policy is very important for everyone in the company. There is an internal communication channel to communicate this effectively in order to create cooperation, positive effect, and achieve good result. This will ensure transparency and credibility of anti-corruption measures to build good reputation and deter those who want to commit corruption against the company. In addition, it also encourages opinions from stakeholders through communication channels on the company's website.

### INFORMATION SECURITY AND PERSONAL INFORMATION SECURITY

The Board of Directors attaches great importance on information security, and the security of personal information. Therefore, the company has assigned the working team to formulate the Information Security Policy and the Personal Data Protection Policy to use in information technology management risk management and personal data to be in accordance with the relevant laws and that is accepted by international standards. This policy has been reviewed, updated, and approved by the Board of Directors

### Information Security Policy and Personal Data Protection Policy

In 2022, the Company has implemented Information Security Policy and Personal Data Protection Policy. In order to comply with the law, Bank of Thailand Regulations, and International standards that is related to technology and personal information. This consist of reviewing Information Security Policies, and established a Personal Data Protection Policy. Therefore has taken various actions such as

- The company disseminates Information Security and Personal Data Protection Policy via E-Mail, Intranet and website of the company so that employees can easily access and follow it correctly.
- Organized training and test the knowledge of Personal Data Protection Act for executives, employees and related workers to understand. Expert of the subject was invited to give lecture on Personal Data Protection Act.
- Set up a cyber security operation and warning center To detect cyber intrusions and prevent leaks of sensitive company data.
- Define data information security incident and privacy incident regulations to determine how data incidents are reported, such as system crashes or disruptions. leakage or breach of personal information and the exercise of rights of the subject of personal data according to the personal data protection law. The company reports various events. to regulators To know the management of access and exercise rights to information of the company. including personal information The company determines the right for employees to access the company's information. Including personal data only according to the rights and obligations that they have received. However, employees must keep information confidential. Store it as needed and do not disclose it to anyone else without their permission.

### Action Plan

- The company's network is protected by installing network security equipment and systems such as: firewall
- There is a management process for resolving incidents and complaints regarding the information technology security, and the information technology system that complies with the ISO/IEC 27001:2013 standard
- Test the security system or rehearse the incident response plan for information security and security at least once a year, and review and test the information technology contingency plan. Annually , there is also a BCP ( Business Continuity Plan) operational test supported by the IT department.

### Privacy protection

The company has focused on safety. and privacy from using customer service or stakeholders by establishing a personal data protection policy



Including announcements related to the protection of personal data of data subjects such as: notification of the purpose of processing personal data, rights that the data owner is entitled to, including being notified in case of violation or wanting to exercise legal rights obtaining consent to the processing of personal data, etc.

In the past year, the Company has established 4 privacy protection policies, such as:

1. Personal data protection policy for customers, guarantors, spouses of customers or spouses of guarantors.
2. Personal Data Protection Policy for Partners, Brokers, Introducers or Money Lenders
3. Personal Data Protection Policy For directors, executives or employees
4. Personal Data Protection Policy For general public or speakers

**Policies and Procedures for Managing Privacy**

- Provide personal information protection policies and announcements which covers the work process and all personal data subjects of the Company, namely customers, suppliers, brokers, directors, executives, employees and all stakeholders or external service providers, etc.
- A personal data protection officer is appointed. which is responsible to the extent required by law
- Improving work processes, contract documents or various forms of the company in order to have details as required by law, such as providing consent to the processing of personal data Assessment of risks from personal data processing, etc.
- To ensure that the company complies with the policy regulations related to the protection of personal information Therefore, the internal audit department has been assigned to be responsible for the audit process in accordance with the privacy protection policy of all departments in the company. and report the results to the Audit Committee.
- Prepare and notify data subjects about personal data protection notices on matters such as the purpose of personal data processing. Storage period of personal data, rights of the subject of personal data Including channels for reporting incidents in case of data leakage

- All employees must comply with company policies and regulations. Failure to comply will result in disciplinary offenses which may be punishable according to regulations or laws.

**Violation of customer privacy**

In 2023, the Company has not received any complaints of personal data leakage. therefore not causing any damage or affecting the Company's performance.

**Market Conduct and Customer Relationship Management**

**Market Conduct and Responsibility**

The company places importance on the quality of service to customers. Committed to continually raising the level of service and aiming for customers to have confidence in the company's services. By promoting services with responsibility and fairness so that customers receive convenient products and services. And it is fair in terms of price and conditions, including that customers will receive clear and appropriate advice to understand their rights. Customers can use the service conveniently and receive appropriate care and problem solving.

Consequently, the Company set Market Conduct Policy covering customer services End-to-End process according to the direction of government agencies as the clear code of conduct in business operations.

**Customer Relationship Management (CRM)**

The Company aimed to continuously develop relations with customers by understanding and meeting customer demand and creating good experiences between the company and customers before, during, and after service to create business bonding that can make long-term revenues, In 2023 , customer of hire purchase credit services had level of satisfaction at the average of xx.xx percent. However, the Company would take result of customer assessment and suggestion to analyze and plan to enhance the quality of services.

**Complaints Management**

The Company gives priority to fast and efficient problem solving and thus has identified a mechanic to manage complaints systematically to make problem solving and complaint management clear, fact, independent and fair. The complaint center under customer service department acts as center to receive and manage complaints and coordinate with relevant departments to consider solving

complaint issue within the period set in service level agreement:

(SLA) and present matters to those in authority, including reporting directly to management.

863/3 Petchkasem Road,  
Sanamchan Sub-district, Mueang  
District, Nakhon Pathom Province  
73000  
E-mail: callcenter@microleasingplc.com  
Website: www.microleasingplc.com

**Complaint Channels**

Tel: 034 109-200 #9000  
Address: Micro Leasing Public Company Limited

**Implementation of economic and corporate governance goals**

**Governance and Economic Dimension**

Performance	2021	2022	2023	Remark
1. Efficient business operations according to good corporate governance principles according to assessment criteria (CGR) "Score 71" (Very Good)	"Score 84" Very Good	"Score 86" Very Good	"Score 71" Very Good	In 2023, the association has adjusted the new assessment topic.
2. Organizing the Annual General Meeting of Shareholders with efficiency according to the principles of good corporate governance according to the assessment criteria (AGM Checklist) "Score 100"	"Score 98"	"Score 99"	"Score 100"	
3. Number of personal data leak incidents (unit : incidence)	0	0	0	

# MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

## OVERVIEW OF THE FINANCIAL POSITION AND OPERATING PERFORMANCE

Micro Leasing (Public) Company Limited was established on 7<sup>th</sup> November 1994 to operate the business of providing hire purchase loan service for used trucks. The main target group was individuals or juristic person who wanted to purchase used trucks for business operation. During the year, the Company has the strategy to expand its the business to provide service new motorcycle hire purchase services, retail loans and other service to the financial loan demand of existing and new customers. Also, the Company contributed its subsidiaries are as the follows;

- 1) Micro Insured Broker Co., Ltd., are principally operated non-life and life insurance broker to customer who use hire-purchase services with the Company and its subsidiaries. On 8 October 2020, the subsidiary was registered at Department of Business Development and with a registered capital of Baht 3 million, holds 99.99% of the shareholders. And it started operating business in the year 2022.
- 2) Micro Fin Co., Ltd. are principally operated retail loan business, which was registered at Department of Business Development and with a registered capital of Baht 50 million, holds 99.99% of the shareholders, on 20 January 2022. And it started operating business during the year 2023.
- 3) Micro Plus Co., Ltd. are principally motorcycle hire purchase business, which was registered at Department of Business Development and with a registered capital of Baht 400 million, holds 51.0% of the shareholders, on 23 March 2022. And it started operating business in the year 2022.

And then, on 27 April 2023, Micro Plus Leasing Company Limited registered additional registered capital of Baht 400 million (4 million ordinary shares at par value of Baht 100 each). As a result, the registered capital increased to a total of Baht 800 million. Subsequently, the company called for payment of the registered shares and received 50 percent of the payment. As at 31 December 2023, Micro Plus Leasing Company Limited has registered and paid up capital of Baht 600 million.

The part of the Company and its subsidiaries' operation, total revenue was 919.3 million Baht with the growth of 7.7% from the prior year. Main income was interest income from hire purchase by Baht 782.8 million, accounted for 85.2% of total incomes. This follows an increase in the proportion of new motorcycle hire purchases, which have higher interest rates than truck hire purchases. However, service income, fee income from vehicle insurance and MRTA slightly decreased due to strict quality screening of new loans. Micro Fin Company Limited has started lending business resulting in the increasing of interest income from loan receivables.

The Company and its subsidiaries have increased cost and operating expense amounting to Baht 245.4 million, increased by 31.8% from the prior year. There are included administration and service expenses, expected credit loss, loss on asset foreclosed and cost of fund accounting for 31.6%, 19.8%, 28.7% and 19.9%, respectively. The increasing of the Company and its subsidiaries' administration and service expenses was salary and employee expenses and debt collection expense. In addition, the Company and its subsidiaries recorded allowance for expected credit loss for the growth of hire purchase credit portfolio and the economic slowdown as affect to the Company and its subsidiaries seized collateral from receivable more than previous year. Sub consequently, the Company had increased loss on sale of asset foreclose. All the above reason, the Company and its subsidiaries had loss attributable to equity attribute to the Company for year 2023 by Baht 52.5 million.





SUMMARY OPERATING PERFORMANCE

Revenue

The Company and its subsidiaries' income structure in 2021 - 2023 are as follows:

Incomes	2021		2022		2023	
	THB million	%	THB million	%	THB million	%
Interest incomes from hire purchase	503.9	79.7	706.2	82.7	782.9	85.1
Interest income from loans	-	-	-	-	1.0	0.1
Non-life and life insurance commission incomes	71.1	11.3	74.8	8.8	47.8	5.2
Fee and service incomes	48.8	7.7	65.4	7.6	76.9	8.4
Other incomes <sup>/1</sup>	8.6	1.3	7.3	0.9	10.7	1.2
Total incomes	632.4	100.0	853.7	100.0	919.3	100.0
Increase	187.9	42.0	221.3	35.0	65.6	7.7

<sup>/1</sup> Other incomes of the Company and its subsidiaries included gain on sales of fix assets and income interests form deposit, etc.

Interest incomes from hire purchase

Interest incomes from hire purchase was interest income from hire purchase loan service for various kinds of used trucks and new motorcycles. Interest incomes are recognized as income according to the installment payment, using the effective interest rate method over the lease term, net of direct incomes and expenses initially incurred from the hire purchase service such as front-end fee, commission fee to dealer who introduce hire purchase loan customer to the Company and commission fee for employee. Such direct income and expenses amortized using the effective interest rate method throughout the contract period as same as interest income recognition.

Summary interest income from hire purchase

Interest income from hire purchase	2021		2022		2023	
	THB million	%	THB million	%	THB million	%
Interest income from used truck hire purchase	503.9	100.0	671.0	95.0	648.9	82.9
Interest income from new motorcycle hire purchase	-	-	35.2	5.0	134.0	17.1
Total interest incomes	503.9	100.0	706.2	100.0	782.9	100.0
Interest rate	15.90		16.14		16.49	

The Company and its subsidiary's interest incomes from hire purchase classified by type of collaterals as follows:

Interest income from hire purchase	2021		2022		2023	
	THB million	%	THB million	%	THB million	%
10-wheel and 12-wheel trucks	225.6	44.8	280.8	39.8	260.4	33.2
6-wheel truck	151.1	30.0	206.2	29.2	216.8	27.7
Tractor	87.2	17.3	125.1	17.7	114.9	14.7
Trailers/ semi-trailer	32.0	6.3	49.1	6.9	47.0	6.0
4-wheel truck	0.8	0.2	1.2	0.2	1.3	0.2
Others <sup>/1</sup>	7.2	1.4	8.6	1.2	8.5	1.1
Motorcycle	-	-	35.2	5.0	134.0	17.1
Total interest income	503.9	100.0	706.2	100.0	782.9	100.0

<sup>/1</sup> Others include water trucks, liquid trucks, special trucks such as animal feed trucks (silos) or hazardous materials etc.

Non-life and life insurance commission incomes

Non-life and life insurance commission incomes were income from introducing insurance sale for hire purchase receivables of the Company and its subsidiary. The receivables consider combining the value of non-life and life insurance with the value of hire-purchase receivables. Therefore, the increasing of non-life and life insurance commission incomes in line with the growth in the amount of hire purchase receivable of the Company and its' subsidiaries.

Fee and service incomes

Fee and service incomes of the Company and its' subsidiaries consist of penalty interest incomes, fees from debt following and collection, and litigation fees, which would be presented as fee and service incomes.

Fee and service incomes	2021		2022		2023	
	THB million	%	THB million	%	THB million	%
Penalty interest incomes	27.2	55.7	56.6	86.6	64.0	83.2
Collection fee incomes	17.5	35.9	2.7	4.1	3.1	4.0
Others	4.1	8.4	6.1	9.3	9.8	12.8
Total interest income	48.8	100.0	65.4	100.0	76.9	100.0

## Operation expenses

The Company and its subsidiaries' operating expenses structure in 2021 – 2023, details as follows:

Operating expenses	2021		2022		2023	
	THB million	%	THB million	%	THB million	%
Sales and administrative expenses	186.2	46.0	291.5	37.8	322.1	31.6
Expected credit loss	112.0	27.7	160.0	20.7	201.4	19.8
Loss from assets foreclosed	43.6	10.7	173.7	22.5	292.1	28.7
Finance cost	63.1	15.6	147.0	19.0	202.0	19.9
<b>Total operating expenses</b>	<b>404.9</b>	<b>100.0</b>	<b>772.2</b>	<b>100.0</b>	<b>1,017.6</b>	<b>100.0</b>
<b>Increase</b>	<b>136.6</b>	<b>50.9</b>	<b>367.3</b>	<b>90.7</b>	<b>245.4</b>	<b>31.8</b>

Total operating expenses of the Company and its subsidiaries in the years 2021 – 2023 were Baht 404.9 million, Baht 772.2 million and Baht 1,017.6 million, respectively. There are included sales and administrative expenses, expected credit loss, loss from assets foreclosed and financial cost as the following details:

## Sales and administrative expenses

Sales and administrative expenses are the main expenses in operating a business, details as follows;

Sales and administrative expenses	2021		2022		2023	
	THB million	%	THB million	%	THB million	%
Salary and employee expenses	106.8	57.4	171.8	58.9	191.3	59.4
Depreciation and amortization	20.1	10.8	26.2	9.0	28.8	8.9
Debt collection expenses	13.8	7.4	34.9	12.0	43.2	13.4
Transportation and communication expenses	11.1	6.0	18.3	6.3	14.5	4.5
Consultant fee	9.6	5.1	5.4	1.8	6.0	1.9
Others <sup>/1</sup>	24.8	13.3	34.9	12.0	38.3	11.9
<b>Total operating expenses</b>	<b>186.2</b>	<b>100.0</b>	<b>291.5</b>	<b>100.0</b>	<b>322.1</b>	<b>100.0</b>
<i>Expenses to total incomes ratio</i>	<i>32.7</i>		<i>41.3</i>		<i>44.9</i>	

<sup>/1</sup> The other operating expenses included utility expenses, tax expenses, fees, promotion expenses, maintenance expenses, and insurance premium etc.

In the year 2023, sales and administrative expenses have increased Baht 30.6 million, representing 10.5%. The main result is increased on salary and employee expenses in the year 2023, amounting to Baht 19.5 million, accounted for 11.4% from year 2022. The main cause came from the increasing number of personnel in various departments to support the business growth of its subsidiaries. In addition, the Company and its subsidiaries have an increasing on debt collection expenses was Baht 8.3 million, accounted for 23.8% form year 2022 as consistent with the efficient debt tracking and collection policy. Thus, the effect on sales and administrative expenses to total incomes ratio was increased from 41.3% in year 2022, to 44.9% in year 2023.

## Credit cost

Credit cost includes the sum of expected credit loss and loss from assets foreclosed. The details as follows:

Credit cost	2021		2022		2023	
	THB million	%	THB million	%	THB million	%
Expected credit loss	112.0	72.0	160.0	48.0	201.4	40.8
Loss from assets foreclosed	43.6	28.0	173.7	52.0	292.1	59.2
<b>Total</b>	<b>155.6</b>	<b>100.0</b>	<b>333.7</b>	<b>100.0</b>	<b>493.5</b>	<b>100.0</b>
<i>Percentage of average hire purchase receivables (full year)</i>	<i>4.9</i>		<i>7.6</i>		<i>10.4</i>	

In the year 2023, the Company and its subsidiaries have credit cost at 10.4% of average hire purchase receivables, increased from the year 2022 at 7.6%. This was due to the additional allowance for expected credit losses of new motorcycles hire purchase receivables with higher provision rates of used trucks. Including the quality of debt deteriorating from the economic situation, decline in the export sector and geopolitical problems that affect oil price rates and a rise in the quantity of vehicles seized as a result of the oil price situation, also an economic slowdown which affect to some hire-purchase debtors who started to default on debt payment and had to contact to return the vehicles. However, the Company has engaged in-house and outsource teams to closely monitor customers and adjust the price of used trucks in accordance with the market price has decreased.

## Expected credit loss

Expected credit loss	2021		2022		2023	
	THB million	%	THB million	%	THB million	%
Expected credit loss	127.1	113.4	192.1	120.0	273.5	135.8
Loss (gain) from contract modification	1.4	1.3	(0.2)	(0.1)	(9.2)	(4.6)
Bad debt recovery	(16.5)	(14.7)	(31.9)	(19.9)	(62.9)	(31.2)
<b>Total</b>	<b>112.0</b>	<b>100.0</b>	<b>160.0</b>	<b>100.0</b>	<b>201.4</b>	<b>100.0</b>



In the year 2023, expected credit loss of the Company and its subsidiaries have increased Baht 81.4 million from the year 2022, representing 42.4%. The main reason is the allowance for expected credit losses from the expansion of new motorcycles hire purchase portfolio and the increase in the proportion of non-performing loans due to the economic slowdown. The Company and its subsidiaries have non-performing loans to total loan receivables in the year 2023 were 4.71% and 4.55% in the year 2022. The Company and its subsidiaries

has a policy to additional write-off for debtor who has not been able to seize their collateral and are on the process of legal proceedings with overtime. However, in the year 2021 – 2023, bad debt recovery of the Company and its subsidiaries's was Baht 16.5 million, Baht 31.9 million, and Baht 62.9 million. In the year 2023, there are increased by Baht 31.0 million from the year 2022, accounted for 97.2%. Due to the Company and its subsidiaries have policy for debt collection officers to obtain cash inflows after bad debt write-off or repossession process.

Loss from assets foreclosed

Loss from assets foreclosed	2021		2022		2023	
	THB million	%	THB million	%	THB million	%
Loss on assets foreclosed	7.5	17.2	53.7	30.9	43.8	15.0
Loss on disposal of assets foreclosed	36.1	82.8	120.0	69.1	246.6	84.4
Loss on impairment of assets foreclosed	-	-	-	-	1.7	0.6
Bad debt recovery	43.6	100.0	173.7	100.0	292.1	100.0

Loss from assets foreclosed include 1) Loss on assets foreclosed was the expected loss on disposal of assets foreclosed which have not yet been sold at the end of that year as present in the assets foreclosed stated in the financial statements at the end of the year reflected the appropriate value that the Company expected to receive. 2) Loss on the disposal of assets foreclosed was the gain/loss really incurred from the disposal of confiscated assets foreclosed during the year. The gain/loss on the disposal of confiscated assets foreclosed was related to the speed of the disposal and the number

of assets foreclosed confiscated during the year, that is, if in any period, the number of assets foreclosed confiscated and sold was high, the gain/loss on the disposal of foreclosed assets would be high as well. The gain/loss on disposal of confiscated assets foreclosed was calculated by directly comparing sale price with the outstanding debt. 3) The loss on impairment of assets foreclosed was an estimate of expected losses of assets foreclosed which have not yet been sold, which have a long aging of assets foreclosed from the date of confiscation.

Table presented the confiscated and sold vehicles during the year.

The number of confiscated and sold vehicles during the year	2021	2022	2023
Trucks sold			
• Confiscated during previous year	13	25	144
• Confiscated within the same year	241	467	534
Motorcycles sold			
• Confiscated during previous year	-	-	43
• Confiscated within the same year	-	34	980
Total assets foreclosed sold within the year	254	526	1,701
confiscated trucks during the year	266	645	787
confiscated motorcycles during the year	-	77	1,257
Total assets foreclosed during the year	260	722	2,044
Total balance of assets foreclosed the end of year	25	221	564
Confiscated and sold trucks in the same year (percent)	90.6%	72.4%	67.9%
Confiscated and sold motorcycles in the same year (percent)	-	44.2%	78.0%

Financial cost

Financial expenses were one of the main costs of the Company and its subsidiaries's businesses which consist of the cost of interest expense of various types of borrowings. The increase in financial costs resulted from the increase in the policy interest rate continuously which affects the increase in interest rates on bank loans and new debentures.

	2021	2022	2023
Financial cost (Million Baht)	63.1	147.0	202.0
Average loan interest rate (percent)	4.6	5.8	6.5
Net interest margin (percent)	13.9	12.8	12.2

Net profit (loss) for the year

Net loss attributable to the Company for the year 2023 was Baht 52.5 million, compared to net profit attributable to the Company of the previous year was Baht 79.1 million, decreased by Baht 131.6 million or 166.4%. This was due to an increase in non-performing loans, debt collection expenses, an quantity of assets foreclosed and financial costs.

	2021	2022	2023
Net profit (loss) attributable to the Company (Million Baht)	187.4	79.1	(52.5)
Net profit (loss) ratio (percent)	29.7	9.3	(5.7)



FINANCIAL POSITION ANALYSIS

Assets

Total assets of the Company and its subsidiaries at the end of 2021 - 2023 amounted to Baht 4,034.5 million, Baht 5,511.4 million, and Baht 5,374.0 million, respectively. In year 2023, The decreasing total assets resulted from the downsize of the hire purchase account receivable portfolio because of economic slowdown. Therefore, the Company focuses on controlling quality of loans by increase in the strictness of loan approval consideration, which was the significant asset of the Company and its subsidiaries.

Main Assets	31 December 2021		31 December 2022		31 December 2023	
	THB million	%	THB million	%	THB million	%
Cash and cash equivalents	141.6	3.5	290.2	5.3	426.2	7.9
Hire purchase receivables – net	3,633.8	90.0	4,725.6	85.7	4,300.1	80.0
Loan receivables – net	-	-	-	-	20.6	0.4
Land, building and equipment – net	96.2	2.4	121.1	2.2	113.8	2.1
Rights of use assets – net	28.3	0.7	28.9	0.5	19.1	0.4
Foreclosed assets – net	11.3	0.3	85.8	1.6	150.9	2.8
Other assets <sup>/1</sup>	123.3	3.1	259.8	4.7	343.3	6.4
Total assets	4,034.5	100.0	5,511.4	100.0	5,374.0	100.0

<sup>/1</sup> Other assets included deferred tax assets and restricted bank deposits etc.

Hire purchase receivables

The net of hire purchase receivables (less of allowance for expected credit loss) of the Company and its subsidiaries at the end of 2021 - 2023 amounted to Baht 3,633.8 million, Baht 4,725.6 million, and Baht 4,300.1 million, accounted for 90.0%, 85.7% and 80.0% of total assets, respectively. The details were as follows;

Hire purchase receivables – net	31 December 2021	31 December 2022	31 December 2023
	THB million	THB million	THB million
Hire purchase receivables	3,795.8	4,957.2	4,527.0
<u>Less:</u> Allowance for expected credit loss	(162.0)	(231.6)	(226.9)
<b>Hire purchase receivables – net</b>	<b>3,633.8</b>	<b>4,725.6</b>	<b>4,300.1</b>

At the end of 2022, the Company and its subsidiaries' net of hire purchase receivables increased by Baht 1,091.8 million or by 30.0% from end of 2021. At the end of 2023, the Company and its subsidiaries' net of hire purchase receivables decreased by Baht 425.5 million or by 9.0% from end of 2022. The Company focuses on controlling quality of loans by increase in the strictness of loan approval consideration.



#### Quality of receivables of the Company and its subsidiaries

The Company and its subsidiaries classified the credit risk of each receivable under Thai Financial Reporting Standard 9 (TFRS9) to assess the quality and manage of the receivables. The receivables as of 31 December 2021 - 2023 were classified by state of credit risk as follow;

Staging	31 December 2021		31 December 2022		31 December 2023	
	THB million	%	THB million	%	THB million	%
Hire purchase receivables where there has not been a significant increase in credit risk	3,046.4	80.2	3,851.6	77.7	3,450.9	76.2
Hire purchase receivables where there has been a significant increase in credit risk	617.6	16.3	879.8	17.7	862.7	19.1
Hire purchase receivables that are credit - impaired	131.8	3.5	225.8	4.6	213.4	4.7
<b>Total</b>	<b>3,795.8</b>	<b>100.0</b>	<b>4,957.2</b>	<b>100.0</b>	<b>4,527.0</b>	<b>100.0</b>
<u>Less:</u> allowance for expected credit loss	(162.0)	(4.3)	(231.6)	(4.7)	(226.9)	(5.0)
<b>Hire purchase receivables -net</b>	<b>3,633.8</b>	<b>95.7</b>	<b>4,725.6</b>	<b>95.3</b>	<b>4,300.1</b>	<b>95.0</b>
<i>Performing Loan ratio</i>		96.5		95.4		95.3
<i>NPL ratio</i>		3.5		4.6		4.7

#### The adequacy of the Company and its subsidiaries' allowance for expected credit loss

The Company and its subsidiaries had classified its receivables according to the classification standard and the reserve setting by new criteria according to the TFRS9 principles. The Company and its subsidiaries' hire purchase receivables were reclassified into 3 levels as follows;

- Level 1 - Receivables that do not have significant increase in credit risks, such as receivables without outstanding debt or with not more than 30 days outstanding according to the old criteria. The value of allowance for credit loss shall be measured by the expected credit loss in the next 12 months.
- Level 2 - Receivables which have significant increase in credit risks, such as receivables with 31-90 days outstanding according to the old criteria. The allowance for credit loss shall be measured by the Lifetime Expected Credit Loss.
- Level 3 - Receivables with credit impairment or, if considered by old criteria, receivables with more than 90 days outstanding and debtors under the process of prosecution and have not yet been

written off from accounting. The allowance for credit loss shall be measured by the Lifetime Expected Credit Loss.

In consideration of allowance for impairment according to TFRS9 principles, the Company will set the allowance for the Expected Credit Loss (ECL), which is calculated by referring to the current value of total expected loss cash flow which is estimated by referring to information and experience in the past of the loss of receivable group considered to have the same characteristics of credit risk and will consider the risk from the Macroeconomic Assumption factor. However, the Company has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. Furthermore, expected credit loss was included management overlay for the factors which are not captured by the model. However, its subsidiaries start operated hire purchase for new motorcycles and operated loan to customers in the year 2022 and 2023, respectively. there is no historical loss experience information available. As a result, allowance for expected credit losses is estimated using the average historical

loss experience of companies in the same industry and adjusted the additional reserve for business management.

(NPLs) of the Company and its subsidiaries were 122.9%, 102.6% and 106.3%, respectively, reflected the adequacy of the Company and its subsidiaries' allowance for expected credit loss.

At the end of 2021 – 2023, the ratio of allowance for expected credit loss to non-performing loans

#### Assets Foreclosed

Assets foreclosed of the Company and its subsidiaries such as trucks and motorcycles repossessed from contractual customers' default. The assets foreclosed were presented in the financial statements with the costs less the allowance for impairment (if any). At the end of 2021 – 2023, the Company and its subsidiaries had assets foreclosed - net. The details were as follows:

Aging of assets foreclosed (from the date of confiscation)	31 December 2021		31 December 2022		31 December 2023	
	THB million	%	THB million	%	THB million	%
Less than 1 month	9.8	86.7	40.0	46.6	25.8	16.9
1-3 months	0.6	5.3	27.4	32.0	44.6	29.2
4-6 months	0.9	8.9	15.6	18.1	33.3	21.8
7-12 months	-	-	2.8	3.3	34.9	22.9
More than 12 months	-	-	-	-	14.1	9.2
<b>Total</b>	<b>11.3</b>	<b>100</b>	<b>85.8</b>	<b>100</b>	<b>152.7</b>	<b>100.0</b>
<u>Less</u> Allowance for impairment	-		-		(1.8)	
<b>Foreclosed assets – net</b>	<b>11.3</b>		<b>85.8</b>		<b>150.9</b>	

At the end of 2021 – 2023, The net of assets foreclosed amounted to Baht 11.3 million, Baht 85.8 million, and Baht 150.9 million, respectively, the Company had an increased number of contracts closed due to vehicle seizures which resulted from oil price situation and economic slowdown.

Land, building, and equipment

At the end of 2021 - 2023, land, building, and equipment of the Company and its subsidiaries, detail as follow;

Net accounting value	31 December 2021		31 December 2022		31 December 2023	
	THB million	%	THB million	%	THB million	%
Land	54.1	56.3	73.0	60.3	73.1	64.2
Building and building improvement	17.1	17.8	17.8	14.7	16.7	14.7
Office equipments,computers and equipments	24.3	25.3	29.2	24.1	22.3	19.6
Motor vehicles	0.6	0.6	1.1	0.9	1.7	1.5
Total land, buildings, and equipment – net	96.1	100.0	121.1	100.0	113.8	100.0

In 2022, the Company had land, building, and equipment increased by Baht 25.0 million or 26.0% from the end of 2021 and in 2023 decreased by Baht 7.3 million or 6.0% from the end of 2022 result from depreciation for the year.

Rights of use assets

At the end of 2021 - 2023, rights of use assets of the Company and its subsidiaries, detail as follows;

Net book value	31 December 2021		31 December 2022		31 December 2023	
	THB million	%	THB million	%	THB million	%
Vehicles	18.5	65.3	15.1	52.1	10.9	57.1
Real estate	9.1	32.0	12.2	42.1	6.3	33.0
Others	0.8	2.7	1.7	5.8	1.9	9.9
Totals	28.3	100.0	28.9	100.0	19.1	100.0

Liabilities

At the end of 2021 - 2023, total liabilities of the Company and its subsidiaries amounted to Baht 2,076.1 million, Baht 3,363.9 million, and Baht 3,242.5 million, respectively, detail as follows;

Total liabilities	31 December 2021		31 December 2022		31 December 2023	
	THB million	%	THB million	%	THB million	%
Loans from financial institutions	690.4	33.2	246.5	7.3	308.7	9.5
Debenture	1,044	50.3	2,664.1	79.2	2,373.1	73.1
Loans from related persons	150.8	7.3	30.0	0.9	80.0	2.5
Loans from other persons	16.0	0.8	200.0	6.0	310.0	9.6
Total loans	1,901.2	91.6	3,140.6	93.4	3,071.8	94.7
Other Liabilities <sup>1</sup>	174.9	8.4	223.3	6.6	170.7	5.3
Total Liabilities	2,076.1	100	3,363.9	100.0	3,242.5	100.0

<sup>1</sup> Other liabilities included trade payables and other payables, lease liabilities, income tax payables and provision of employee benefit etc.

Loan from financial institutions

At the end of 2021 - 2023, the Company and its subsidiaries had balance of short-term and long-term loan from financial institutions amounted to Baht 690.4 million, Baht 246.5 million and Baht 308.7 million, respectively. The types of short-term and long-term loans are as follows:

Loans from financial institutions	31 December 2021		31 December 2022		31 December 2023	
	THB million	%	THB million	%	THB million	%
Short-term loans	70.0	10.1	-	-	-	-
Long-term loans <sup>1</sup>	620.4	89.9	246.5	100.0	308.7	100.0
Total	690.4	100.0	246.5	100.0	308.7	100.0

<sup>1</sup> Total long-term loans from financial institutions due within 1 year.

At the end of 2022, loans from financial institutions decreased by Baht 443.9 million or 64.3% compared with year 2021 due to gradually repay loan from financial institutions. At the end of 2023, loan from financial institutions increased by Baht 62.2 million or 25.2% compared with year 2022 due to during the year the Company had additional long-term loans from financial institutions to support the expansion of hire purchase loan portfolios. In addition, there is a gradual repayment of loans from financial institutions.



Debenture

At the end of 2021 - 2023, the Company had issued name registered, unsubordinated, unsecured and bond holder representative debentures amounted to Baht 1,044.0 million, Baht 2,664.1 million and Baht 2,373.1 million, respectively, accounted for 50.3%, 79.2% and 73.1%, respectively, of total liabilities. The details are as follows;

Debentures	Issue date	Interest rate (percent)	Maturity	31 December 2021	31 December 2022	31 December 2023
				THB million	THB million	THB million
No 1/2021	28 May 2021	5.55	2 years	500.0	500.0	-
No 2/2021 Tranche 1	29 October 2021	5.25	2 years	349.3	349.3	-
No 2/2021 Tranche 2	29 October 2021	5.50	3 years	203.6	203.6	203.6
No 1/2022 Tranche 1	26 April 2022	5.40	2 years	-	321.1	321.1
No 1/2022 Tranche 2	26 April 2022	5.65	3 years	-	478.9	478.9
No 2/2022 Tranche 1	6 October 2022	5.50	2 years	-	558.5	558.5
No 2/2022 Tranche 2	6 October 2022	5.70	3 years	-	269.1	269.1
No 1/2023 Tranche 1	1 June 2023	6.20	2 years 3 months	-	-	302.9
No 1/2023 Tranche 2	1 June 2023	6.50	3 years 3 months	-	-	249.9
Total				1,052.9	2,680.5	2,384.0
Less: Deferred issuing costs				(8.9)	(16.4)	(10.9)
Long - term debenture – net				1,044.0	2,664.1	2,373.1

Loans from related persons

Loans from related persons were borrowed from directors, shareholders, and related persons with them. At the end of 2021 - 2023, the Company and its subsidiaries had balance of loans from related persons were Baht 150.8 million, Baht 30.0 million, and Baht 80.0 million, respectively. They were divided into short-term loans and long-term loans as follows:

Loans from related persons	31 December 2021		31 December 2022		31 December 2023	
	THB million	%	THB million	%	THB million	%
Short-term loans	120.0	79.6	30.0	100.0	-	-
Long-term loans <sup>/1</sup>	30.8	20.4	-	-	80.0	100.0
Total	150.80	100.0	30.0	100.0	80.0	100.0

<sup>/1</sup> Total long-term loans from related persons due within 1 year.

At the end of 2022, Loans from related persons decreased by Baht 120.8 million or 80.1% compared with year 2021. At the end of 2023, increased by Baht 50.0 million or 166.7% compared with year 2022. The Company had plan to use such cash flow received from business operation to gradually repay the loans from related persons and using borrowing from other sources of funding, while a subsidiary had loans from related person due to the subsidiary began operating hire purchase business, it sought more funding sources for expanding credit portfolio.

Loans from other persons

Loans from other persons	31 December 2021		31 December 2022		31 December 2023	
	THB million	%	THB million	%	THB million	%
Short-term loans	16.0	100.0	-	-	-	-
Long-term loans <sup>/1</sup>	-	-	200.0	100.0	310.0	100.0
Total	16.0	100.0	200.0	100.0	310.0	100.0

<sup>/1</sup> Total long-term loans from related persons due within 1 year.

At the end of 2022, the Company and its subsidiaries had loans from other persons increased by Baht 184.0 million or 1,150.0 % compared with the year 2021. At the end of 2023, increased by Baht 110.0 million or 55.0 % compared with the year 2022 due to a subsidiary has operated hire purchase business, therefore, the subsidiary seeks more sources of funding for expanding credit portfolios.

Shareholders' equity

At the end of 2021 - 2023, shareholders' equity of the Company and its subsidiaries amounted to Baht 1,958.6 million Baht 1,965.5 million, and Baht 1,879.2 million, respectively. The retained earnings in 2021 - 2023 amounted to Baht 650.5 million, Baht 657.7 million and Baht 571.4 million, respectively.



CASH FLOW AND LIQUIDITY ANALYSIS

Cash flow

The change in cash flow of the Company and its subsidiaries during the year 2021 -2023 were summarized as follows:

Cashflow	2021	2022	2023
	THB million	THB million	THB million
Net cash received from (used in) operating activities	(907.8)	(979.5)	370.5
Net cash flow received from (used in) investing activities	(61.7)	(94.8)	(10.7)
Net cash flow received from (used in) financing activities	982.6	1,222.9	(223.8)
Net cash and cash equivalent increase (decrease)	13.1	148.6	136.0
Cash and cash equivalents at beginning of year	128.4	141.5	290.1
Cash and cash equivalents at the end year	141.5	290.1	426.1

During the year 2021 - 2023, the Company and its subsidiaries had a profit (loss) before tax amount to Baht 227.4 million, Baht 81.5 million, and loss of Baht 98.3 million, respectively. The Company still used most of cash in hire purchase portfolio expansion. Although the Company approved loan application carefully to prevent risk from debtor quality. This was mainly resulted from an increase in hire purchase receivables during the year 2021 - 2023 by Baht 1,337.7 million, Baht 1,716.0 million and Baht 644.8 million Baht, respectively. The Company and its subsidiaries had the net cash flow used in operating activities during the year 2021 - 2022 by Baht 907.8 million, Baht 979.5 million, respectively, and in 2023, the net cash flow received from operating activities amounted to Baht 370.5 million because the increasing of cash flow form the disposal of assets foreclosed corresponds to the volume for repossession in the year 2023.

The net cash flow used in investing activities of the Company and its subsidiaries during the year 2021 - 2023 amounted to Baht 61.6 million, Baht 94.8 million, and Baht 10.7 million, respectively. Mainly resulted from in 2021 - 2022 the Company and its subsidiaries had Restricted bank deposits increased by Baht 25.0 million, and Baht 55.0 million, respectively. During the year 2021 - 2023 there were a purchase of lands, improve buildings and computer equipment amounted to Baht 34.5 million, Baht 36.4 million, and Baht 3.9 million, respectively, and in 2023 there were acquisition of intangible assets amounted to Baht 7.5 million.

The net cash flow received from financing activities of the Company and its subsidiaries during the year 2021 - 2022 amounted to Baht 982.6 million and Baht 1,222.9 million, respectively, and during the year 2023, there were net cash flow used in financing activities amounted to Baht 223.8 million. During the year 2021 - 2023, mostly cash received from long-term debentures issuance amounted to Baht 1,052.9 million, Baht 1,627.6 million and Baht 552.8 million, respectively, used for working capital for origination and repayment of loans and in the year 2023 repayment of mature debentures amounted to Baht 849.3 million.

Liquidity and capital adequacy

The Company and its subsidiaries disclosed the details of Liquidity and capital adequacy under section “Corporate Group Structure and Business Operation” and sub-section “Product or service sourcing and conditions required to comply with loan agreements from financial institutions”.

Liabilities commitments and management of Off-balance sheet liabilities

The Company and its subsidiaries disclosed the details of commitment under section 34 of the notes to the consolidated financial statement for the year ended 31 December 2023.



# FINANCIAL SUMMARY

## Auditor's report summary

The auditor has provided opinions in the auditor's report on the Company's consolidated financial statements for the year 2021 - 2023 as follows:

Financial Statement	Auditor's report summary
The consolidated financial statements for the year ended 31 December 2021	<ul style="list-style-type: none"><li>• The auditors are Ms. Somjai Khunapasut, certified public accountant (Thailand) No. 4499 from EY Office Limited, an auditor approved by the Office of the SEC.</li><li>• The auditor unqualified in the auditor's report that the financial statements show the Company and its subsidiaries' financial position as of December 31, 2021 and their financial performance and cash flows for the year ended the same day are fairly accurate, in essence, in accordance with the Thai Financial Reporting Standards.</li></ul>
The consolidated financial statements for the year ended 31 December 2022	<ul style="list-style-type: none"><li>• The auditors are Ms. Somjai Khunapasut, certified public accountant (Thailand) No. 4499 from EY Office Limited, an auditor approved by the Office of the SEC.</li><li>• The auditor unqualified in the auditor's report that the consolidated financial statements show the Company and its subsidiaries' financial position as of December 31, 2022 and their financial performance and cash flows for the year ended the same day are fairly accurate, in essence, in accordance with the Thai Financial Reporting Standards.</li></ul>
The consolidated financial statements for the year ended 31 December 2023	<ul style="list-style-type: none"><li>• The auditors are Ms. Bongkot Kriangphan-amorn, certified public accountant (Thailand) No. 6777 from EY Office Limited, an auditor approved by the Office of the SEC.</li><li>• The auditor unqualified in the auditor's report that the consolidated financial statements show the Company and its subsidiaries' financial position as of December 31, 2023 and their financial performance and cash flows for the year ended the same day are fairly accurate, in essence, in accordance with the Thai Financial Reporting Standards.</li></ul>



## Financial Summary

### Summary of the Group's financial statements

#### Statements of financial position as at December 31, 2021 - 2023

The Company and its subsidiaries present the separate statement of financial position as of December 31, 2021 - 2023. The Company and its subsidiaries prepare the financial statements in accordance with the Thai Financial Reporting Standards (TFRS) are as follow;

The statement of financial position	2021		2022		2023	
	THB Million	%	THB Million	%	THB Million	%
<b>Assets</b>						
<u>Current assets</u>						
Cash and cash equivalents	141.6	3.5	290.1	5.3	426.2	7.9
Current portion of hire purchase receivables - net	1,126.9	27.9	1,516.5	27.5	1,364.3	25.4
Current portion of loan receivables - net	-	-	-	-	4.4	0.1
Assets foreclosed net	11.3	0.3	85.8	1.6	150.9	2.8
Other receivables	14.6	0.4	45.6	0.8	24.4	0.5
Other current assets	7.2	0.2	11.4	0.2	8.8	0.2
<b>Total current assets</b>	<b>1,301.6</b>	<b>32.3</b>	<b>1,949.4</b>	<b>35.4</b>	<b>1,979.0</b>	<b>36.8</b>
<u>Non - current assets</u>						
Hire purchase receivables – net of current portion	2,506.9	62.1	3,209.1	58.2	2,935.8	54.6
Investment in subsidiary	-	-	-	-	16.2	0.3
Restricted bank deposits	63.0	1.5	118.0	2.1	118.0	2.2
Investment in subsidiary	-	-	-	-	-	-
Land, buildings and equipment - net	96.2	2.4	121.1	2.2	113.8	2.1
Right-of-use assets - net	28.3	0.7	28.9	0.5	19.1	0.4
Intangible assets - net	6.3	0.2	8.9	0.3	12.5	0.2
Deferred tax asset	30.4	0.7	73.7	1.3	141.7	2.6
Other non-current receivables	-	-	-	-	36.0	0.7
Other non-current assets	1.8	0.1	2.3	0.0	1.9	0.04
Total non-current assets	2,732.9	67.7	3,562.0	64.6	3,395.0	63.2
<b>Total assets</b>	<b>4,034.5</b>	<b>100.0</b>	<b>5,511.4</b>	<b>100.0</b>	<b>5,374.0</b>	<b>100.0</b>
<b>Liabilities</b>						
<u>Current liabilities</u>						
Short-term loans from a financial institution	70.0	1.7	-	-	-	-
Short-term loans from related persons	120.0	3.0	30.0	0.5	-	-
Short-term loans from others	16.0	0.4	-	-	-	-
Trade and other payables	90.0	2.2	132.9	2.4	96.8	1.8

The statement of financial position	2021		2022		2023	
	THB Million	%	THB Million	%	THB Million	%
Current portion of long-term loans from financial institutions	230.2	5.7	98.9	1.8	157.2	2.9
Current portion of long-term loans from related persons	30.8	0.8	-	-	-	-
Long-term debentures - net	-	-	846.7	15.4	1,080.1	20.1
Current portion of lease liabilities	10.1	0.3	13.5	0.2	10.2	0.2
Income tax payable	29.6	0.7	25.0	0.5	18.3	0.3
Other current liabilities	17.4	0.4	21.7	0.4	13.5	0.3
<b>Total current liabilities</b>	<b>614.1</b>	<b>15.2</b>	<b>1,168.7</b>	<b>21.2</b>	<b>1,376.1</b>	<b>25.6</b>
<u>Non - current liabilities</u>						
Long-term loans from financial institutions - net of current portion	390.2	9.7	147.6	2.7	151.5	2.8
Long-term loans from related persons - net of current portion	-	-	-	-	80.0	1.5
Long-term debentures - net of current portion	-	-	200.0	3.6	310.0	5.8
Lease liabilities - net of current portion	1,044.0	25.9	1,817.5	33.0	1,293.0	24.1
Lease liabilities - net of current portion	18.0	0.4	16.1	0.3	9.7	0.2
Provision for long-term employee benefits	9.8	0.2	14.0	0.2	22.2	0.4
Total non-current liabilities	1,462.0	36.2	2,195.2	39.8	1,866.4	34.7
<b>Total liabilities</b>	<b>2,076.1</b>	<b>51.5</b>	<b>3,363.9</b>	<b>61.0</b>	<b>3,242.5</b>	<b>60.3</b>
<b>Shareholders' equity</b>						
Issued and fully paid up	935.0	23.2	935.0	17.0	935.0	17.4
Share premium	372.8	9.2	372.8	6.8	372.8	6.9
Appropriated - statutory reserve	21.8	0.5	26.2	0.5	26.2	0.5
Unappropriated	628.8	15.6	631.5	11.4	545.2	10.1
Equity attributable to the Company	1,958.4	48.5	1,965.5	35.7	1,879.2	35.0
Non-controlling interests of the subsidiary	-	-	182.0	3.3	252.3	4.7
<b>Total shareholders equity</b>	<b>1,958.4</b>	<b>48.5</b>	<b>2,147.5</b>	<b>39.0</b>	<b>2,131.5</b>	<b>39.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,037.5</b>	<b>100.0</b>	<b>5,511.4</b>	<b>100.0</b>	<b>5,374.0</b>	<b>100.0</b>



### Statement of comprehensive income for the years ended 31 December 2021 - 2023

The Company and its subsidiaries present the separate statement of comprehensive income for the year ended December 31, 2021-2023. The Company and its subsidiaries prepare the financial statements in accordance with the Thai Financial Reporting Standards (TFRS) are as follow;

Statements of comprehensive income	2021		2022		2023	
	THB Million	%	THB Million	%	THB Million	%
<b>Revenues</b>						
Interest income from hire purchase	503.9	79.7	706.2	82.7	782.9	85.2
Interest income from loan	-	-	-	-	1.0	0.1
Fee and service income	119.9	19.0	140.2	16.4	124.7	13.6
Other income	8.6	1.3	7.3	0.9	10.7	1.2
<b>Total revenues</b>	<b>632.4</b>	<b>100.0</b>	<b>853.7</b>	<b>100.0</b>	<b>919.3</b>	<b>100.0</b>
<b>Expenses</b>						
Selling and administrative expenses	186.2	29.4	291.5	34.1	322.1	35.0
Expected credit loss	112.0	17.7	160.0	18.8	201.4	21.9
Gain on disposals of assets foreclosed	43.6	6.9	173.7	20.3	292.1	31.8
Total expenses	<b>341.8</b>	<b>54.0</b>	<b>625.2</b>	<b>73.2</b>	<b>815.6</b>	<b>88.7</b>
<b>Profit from operating activities</b>	<b>290.6</b>	<b>46.0</b>	<b>228.5</b>	<b>26.8</b>	<b>103.7</b>	<b>11.3</b>
Finance cost	(63.2)	(10.0)	(147.0)	(17.3)	(202.0)	(22.0)
<b>Profit before income tax expenses</b>	<b>227.4</b>	<b>36.0</b>	<b>81.5</b>	<b>9.5</b>	<b>(98.3)</b>	<b>(10.7)</b>
Income tax expenses	(40.0)	(6.3)	(16.3)	(1.9)	18.3	2.0
<b>Profit for the year</b>	<b>187.4</b>	<b>29.7</b>	<b>65.2</b>	<b>7.6</b>	<b>(80.0)</b>	<b>(8.7)</b>
<b>Other comprehensive income:</b>						
Items not to be recognized in profit or loss in subsequent periods:						
Actuarial gain – net income tax	(0.7)	0.1	-	-	(0.3)	-
<b>Total comprehensive income for the year</b>	<b>186.7</b>	<b>29.6</b>	<b>65.2</b>	<b>7.6</b>	<b>(80.3)</b>	<b>(8.7)</b>
<b>Profit attributable to</b>						
Equity attributable to the Company	186.7		79.1		(52.5)	
Non-controlling interests of the subsidiaries	-		(14.0)		(27.5)	
<b>Total comprehensive income attributable to</b>						
Equity attributable to the Company	186.7		79.1		(52.7)	
Non-controlling interests of the subsidiaries	-		(14.0)		(27.6)	
<b>Earnings per share</b>						
Earnings per share (Baht / Shares)	0.20		0.07		(0.056)	
Weighted average number of ordinary shares (Shares)	935,000,000		935,000,000		935,000,000	

### Cash flow statements for the year ended 31 December 2021 - 2023

The Company and its subsidiaries present the separate statement of cash flow for the year ended December 31, 2021-2023 The Company and its subsidiaries prepare the financial statements in accordance with the Thai Financial Reporting Standards (TFRS) are as follow;

Cash flow statements	2564	2022	2023
	THB Million	THB Million	THB Million
Cash flow from operating activities			
Profit before income tax expenses	227.4	81.5	(98.3)
Adjustments to reconcile profit before income tax expenses It is cash received (paid) from operating activities.			
Depreciation and Amortization	20.1	26.2	28.8
Expected credit losses	128.5	191.8	264.3
Losses on confiscation assets	69.1	47.1	43.8
Gain (loss) on disposals equipment	(0.5)	(1.8)	(0.7)
Loss from write-off of assets	-	0.3	0.4
Gain (loss) on disposal of right-of-use assets	-	-	(0.1)
Gain (loss) from sale of right-of-use assets	-	0.2	0.1
Loss on impairment of assets foreclosed	-	-	1.7
Provision for long-term employee benefits	2.5	4.6	7.8
Interest income from hire purchase	(503.9)	(706.2)	(782.9)
Interest income from loans	-	-	(1.0)
Financial costs	63.1	147.0	202.0
<b>Operating losses before changes in operating assets and liabilities</b>	<b>(19.2)</b>	<b>(209.1)</b>	<b>(334.1)</b>
Operating assets (increase) decrease			
Debtors under hire-purchase contracts	(1,337.7)	(1,761.0)	(644.8)
Loan receivables	-	-	(20.4)
Assets foreclosed	21.0	(39.9)	633.7
Other debtors	(2.6)	(30.8)	(15.1)
Other current assets	(2.5)	(4.2)	2.8
Other non-current assets	(0.6)	(0.5)	0.4
Operating liabilities increased (decreased)			
Trade and other payables	22.9	28.1	(45.5)
Other current liabilities	(1.3)	0.9	4.5
Reserve long-term employee benefits	-	(0.4)	-
Cash was used in operating activities	(1,319.9)	(1,546.2)	(418.5)
Cash received from interest from hire purchase contracts	454.2	631.1	844.8
Cash received from interest income from loans	-	-	0.7
Income tax paid in cash	(42.6)	(64.4)	(56.5)
<b>Net cash used in operating activities</b>	<b>(907.8)</b>	<b>(979.5)</b>	<b>(370.4)</b>

Cash flow statements	2021	2022	2023
	THB Million	THB Million	THB Million
<b>Cash flows from investing activities</b>			
Increase in restricted bank deposits	(25.0)	(55.0)	(0.02)
Cash paid for acquisitions of land, buildings and equipment	(34.5)	(36.4)	(3.9)
Cash paid for acquisitions of intangible assets	(3.1)	(5.2)	(7.5)
Cash received from disposals of equipment	0.9	1.8	0.8
<b>Net cash flows used in investing activities</b>	<b>(61.7)</b>	<b>(94.8)</b>	<b>(10.7)</b>
<b>Cash flows from financing activities</b>			
Decrease in short-term loans from financial institutions	(185.2)	(70.0)	-
Decrease in short-term loans from related persons	-	(90.0)	(30.0)
Increase (decrease) in short-term loans from others	6.8	(16.0)	-
Cash received from long-term loans from financial institutions	740.0	200.0	200.0
Repayment of long-term loans from financial institutions	(352.5)	(574.0)	(137.7)
Repayment of long-terms loans from related persons	(154.8)	(30.8)	-
Repayment of long-terms loans from others	-	-	80.0
Repayment of long-terms loans from related persons	-	200.0	110.0
Cash received from issuance of debentures	1,052.9	1,627.6	552.8
Cash paid from issuance of debentures	-	-	(849.3)
Cash paid for expenses of issuance from debentures	(10.7)	(15.1)	(5.3)
Repayment of liabilities under lease and hire purchase agreements	(9.5)	(12.4)	(14.1)
Cash received from capital increase	-	-	-
Cash received from non-controlling interests of the subsidiary	-	196.0	98.0
Dividend paid	(51.4)	(72.0)	(33.7)
Dividend paid- subsidiary	-	-	0.002
Interest expense	(52.8)	(120.3)	(194.4)
<b>Net cash flows from financing activities</b>	<b>982.6</b>	<b>1,223.0</b>	<b>223.8</b>
Net increase in cash and cash equivalents	13.1	148.6	136.0
Cash and cash equivalents at beginning of year	128.4	141.5	290.1
<b>Cash and cash equivalents at the end of year</b>	<b>141.5</b>	<b>290.1</b>	<b>426.2</b>

### Financial Highlights

Significant ratio	Unit	2021	2022	2023
<b>Liquidity ratio</b>				
Liquidity ratio	(Time)	2.12	1.67	1.44
<b>Profitability Ratio</b>				
Interest rate received	(%)	15.90	16.14	16.91
Interest rate paid	(%)	4.59	5.77	6.45
Interest rate spread	(%)	11.31	10.37	10.46
Net interest margin	(%)	13.91	12.78	12.22
Net profit margin	(%)	29.63	7.63	(8.71)
Return on equity	(%)	9.92	3.17	(3.74)
<b>Efficiency Ratio</b>				
Return on assets	(%)	5.53	1.36	(1.47)
Total assets turnover	(Time)	0.19	0.18	0.17
<b>Financial Ratio</b>				
Debt to equity ratio	(Time)	1.06	1.57	1.52
Lend to borrowing ratio	(Time)	1.97	1.56	1.40
Lending to loan ratio	(Time)	0.98	0.93	0.87
Dividend payout ratio	(%)	38.55	38.99	-
<b>Loan Asset Quality Ratio</b>				
Non accrued receivables over total receivables	(%)	3.47	4.56	4.69
NPL ratio and assets foreclosed to total assets	(%)	3.77	6.29	8.01
Allowance of expected credit loss over total NPL	(%)	122.87	102.55	106.46
Allowance of expected credit loss over total assets	(%)	4.27	4.67	95.10



# GENERAL INFORMATION

## 1 GENERAL INFORMATION

### 1.1 Company

Company name:	:	<b>Micro Leasing Public Company Limited (MICRO)</b>
Registration number	:	<b>0107562000416</b>
Type of business	:	<b>Hire purchase financing and other financing services for used trucks</b>
Head Office address	:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000
Phone number	:	034 109 200
Homepage	:	www.microleasingplc.com
Capital	:	935,000,000 baht (Information as of 31 December 2023)
Paid-up capital	:	935,000,000 baht (Information as of 31 December 2023)

### 1.2 Subsidiary

Company name	:	<b>Micro Insure Broker Company Limited</b>
Registration number	:	<b>0735564007704</b>
Type of business	:	<b>Life Insurance and Non – Life Insurance Broker</b>
License	:	Life Insurance Broker 00032/2564 Life Insurance Broker 00020/2564
Head Office address	:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000
Phone number	:	034 109 228
Homepage	:	www.microleasingplc.com
Capital	:	3,000,000 Baht (Information as of 31 December 2023)
Paid-up capital	:	3,000,000 Baht (Information as of 31 December 2023)
Company name	:	<b>Micro Fin Company Limited</b>
Registration number	:	<b>0735565000690</b>
Type of business	:	<b>Supervised Personal Loan</b>
Head Office address	:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000
Phone number	:	034 109 227
Homepage	:	www.microleasingplc.com
Capital	:	50,000,000 Baht (Information as of 31 December 2023)
Paid-up capital	:	50,000,000 Baht (Information as of 31 December 2023)





1.3 Joint venture company

Company name	:	Micro Plusleasing Company Limited
Registration number	:	0735565002854
Type of business	:	Hire purchase financing for motorcycle
Head Office address	:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000
Phone number	:	02-114-3459
Homepage	:	www.microleasingplc.com
Capital	:	800,000,000 Baht (Information as of 31 December 2023)
Paid-up capital	:	800,000,000 Baht (Information as of 31 December 2023)

2 OTHER REFERENCES

(1)	Ordinary Share registrar	:	Thailand Securities Depository Company Limited
	Location	:	93 The Stock Exchange of Thailand Building 1st Floor Tower B Ratchadaphisek Road, Dindang, Dindang, Bangkok 10400
	Phone	:	02 009 9726
	Call Center	:	02 009 9999
	Fax	:	02 009 9807
	Website	:	www.set.or.th/tsd
(2)	Auditor	:	EY Office Company Limited
	Location	:	Class 33 Building Lake Ratchada No. 193 / 136 - 137 Ratchadapisek Road.Klongtoey, Klongtoey, Bangkok
	Phone	:	02 264 9090
	Fax	:	02 264 0789-90
	Website	:	www.ey.com/th
(3)	Debenture Registrar	:	Siam Commercial Bank
	Location	:	9 Ratchadapisek Road, Jatujak, Bangkok 10900 Thailand
	Phone	:	02 544 1000
	Website	:	www.scb.co.th
(4)	Debenture Registrar	:	CIMB THAI
	Location	:	44 Langsuan Road, Lumpini, Pathum Wan, Bangkok 10330
	Phone	:	02 626 7777
	Website	:	www.cimbthai.com
(5)	Debenture Representative	:	Asia Plus Advisory Company Limited
	Location	:	11th Floor, Sathon City Building, No. 175 South Sathorn Road Thungmahamek, Sathorn, Bangkok
	Phone	:	02 680 4002 - 3
	Fax	:	02 670 9291
	Website	:	www.asiaplusadvisory.co.th
(6)	Company Secretary	:	Mr. Kandanai Chonsuwat
	Location	:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000
	Phone	:	034 109 200

(7)	Investor Relations	:	Ms. Thanaporn Waewsuwun
	Location	:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000
	Phone	:	034 109 200
(8)	Internal Audit Department	:	Mr. Thanut Pholwattana
	Location	:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000
	Phone	:	034 109 200
(9)	Manager of Risk Management and Corporate Governance	:	Mr. Charusak Boonnom
	Department	:	
	Location	:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000
	Phone	:	034 109 200

3 SERVICE BRANCH

Branch	Phone	Address
Nakorn Pathom (Head Office) (Mon - Sat 8.00 - 17.00)	(034)-109200	863/3 Petchkasem Road, Sanamchan, Mueang Nakhon Pathom, Nakhon Pathom Province 73000
Ratchburi Branch (Mon - Sat 8.00 - 17.00)	(032)-327885	157/20 Petchkasem Road, Na Mueang, Mueang Ratchaburi 70000
Kanchanaburi Branch (Mon - Sat 8.00 - 17.00)	(034)-624486	70/13 Moo. 8 Kaeng Sian, Mueang Kanchanaburi, Kanchanaburi Province 71000
Suphanburi Branch (Mon - Sat 8.00 - 17.00)	(035)-056086	33/19 Moo. 4 Sanam Chai, Mueang Saphanburi, Suphanburi Province 72000
Nakornratchasima Branch (Mon - Sat 8.00 - 17.00)	(044)-222052	150/12 Moo. 1 Suranari, Mueang Nakornratchasima, Nakorn-ratchasima Province 30000
Chonburi Branch (Mon - Sat 8.00 - 17.00)	(038)-284524	20/9-20/10 Moo. 1 Nong Khok, Mueang Chon Buri, Chon Buri Province 20000
Khonkaen Branch (Mon - Sat 8.00 - 17.00)	(043)-467348-9	410-410/1 Moo. 5 Mueang, Kao Mueang, Khonkaen Khonkaen Province 40000
Phitsanulok Branch (Mon - Sat 8.00 - 17.00)	(055)-377755	362/22-362/23 Moo. 3 Aranyik, Mueang Phitsanulok, Phitsanu-lok Province 65000
Saraburi Branch (Mon - Sat 8.00 - 17.00)	(036)-380159	144/5-144/6 Nong Khae, Nong Khae Sara Buri Province 18140
Ubon Ratchathani Branch (Mon - Sat 8.00 - 17.00)	(045)-311940	145/7 Moo. 20 Kham Yai, Mueang Ubon Ratchathani, Ubon Ratchathani Province 34000
Nakorn Sawan Branch (Mon - Sat8.00 - 17.00)	(056)-225477	132/16 Moo. 10 Nong Krot, Mueang Nakhon Sawan, Nakhon Sawan Province 60000
Surat Thani Branch (Mon - Sat 8.00 - 17.00)	(077)-313620	16/18-19 Moo. 3 Makham Tia, Mueang Surat Thani, Surat Thani Province 84000



Branch	Phone	Address
<b>Samut Prakan Branch</b> (Mon - Sat 8.00 - 17.00)	(034)-109200, 7130	235-236 Moo. 2 Bang Chak, Phra Pradaeng Samut Prakan Province 10130
<b>Pathum Thani Branch</b> (Mon - Sat 8.00 - 17.00)	(034)-109200, 7140	142-143 Moo. 2 Sam Khok, Sam Khok Pathum Thani Province 12160
<b>Phrae Branch</b> (Mon - Sat 8.00 - 17.00)	(034)-109200, 7150	199/4 Moo. 7 Na Chak, Mueang Phrae Phrae Province 54000
<b>Prachin Buri Branch</b> (Mon - Sat 8.00 - 17.00)	(034)-109200, 7160	199/10 Moo.9 Mueang Kao, Kabin Buri Kabin Buri Province 25240
<b>Udon Thani Branch</b> (Mon – Sat 8.00 – 17.00)	(034)-109200, 7100	140/136, K3 Building, Lane Station Road, Mak Khaeng Mueang Udon Thani, Udon Thani Province 41000
<b>Chiang Mai Branch</b> (Mon – Sat 8.00 – 17.00)	(034)-109200, 7180	418/16 Panna Oasis, Chiang Mai-Lampang Road Nong Pa Khrang Chiang Mai. Chiang Mai Province 50000
<b>Roi – Et Branch</b> (Mon – Sat 8.00 – 17.00)	(034)-109200, 7190	287/20 Moo.7 Niwet, Thawat Buir, Roi Et Province 45170
<b>Rayong Branch</b> (Mon – Sat 8.00 – 17.00)	(034)-109200, 7200-01	133/60 Moo 2 Thap Ma Mueang Rayong Rayong 21000
<b>Sukhothai Branch</b> (Mon – Sat 8.00 – 17.00)	(034)-109200, 7210-11	330/5 Moo 9 Pak Khwae Sukhothai Mueang, Sukhothai 64000
<b>Bangkok Branch</b> (Mon – Sat 8.00 – 17.00)	(034)- 109200, 7220-21	890 Thoetthai Road Bang Khae Bangkok 10160
<b>Sakon Nakhon Branch</b> (Mon – Sat 8.00 – 17.00)	(034)-109200, 7230-31	592/6 Charoen Mueang Road That Choengchum Mueang Sakon Nakhon Sakon Nakhon 47000
<b>Chaiyaphum Branch</b> (Mon – Sat 8.00-17.00)	(034)109-200, 7240-41	148/3 Moo 6 Nai Mueang Mueang Chaiyaphum Chaiyaphum 36000
<b>Surin Branch</b> (Mon – Sat 8.00 – 17.00)	(034)109-200, 7250-51	Surin Build 2 (Build 1) Soi Sukprasert Nok Mueang Mueang Surin , Surin 32000

#### 4 AUDITING FEE

The Company paid auditing fee for the review of financial statement of the year 2023 to EY Offices Company Limited as follows:

Fees (Baht)	2023
Auditing fee for financial statement review	3,000,000
Other service fees	1,020,000
<b>Total</b>	<b>4,020,000</b>

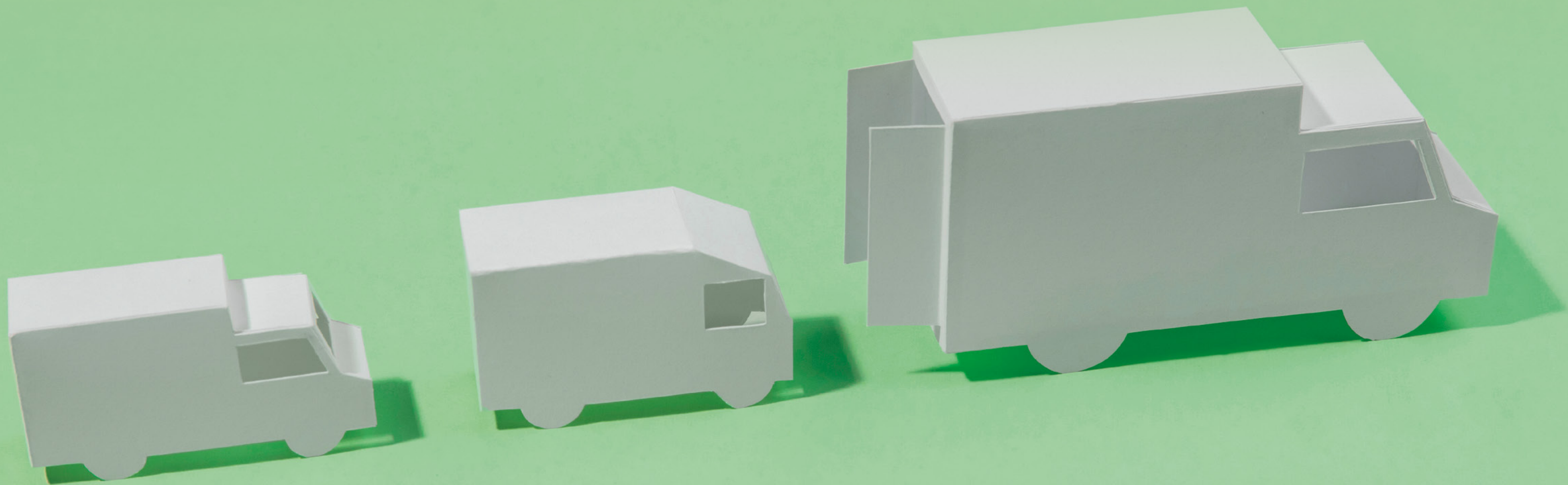
#### 5 LEGAL DISPUTE

As of December 31, 2023 the Company does not have any legal dispute which may affect the Company's assets in excess of 5 % shareholders' equity. According to the financial statements for ended December 31, 2023 and there are no other legal disputes that may materially affect the Company's business operations. There are also no other legal disputes that are not arising from the normal business operations of the company.

PART 2

MICRO LEASING PUBLIC COMPANY LIMITED  
/ ANNUAL REPORT 2023

# CORPORATE GOVERNANCE





# CORPORATE GOVERNANCE

## 1. GOOD CORPORATE GOVERNANCE POLICY

The Company is aware of the significance of the Good Corporate Governance to supervise the Company's operation to be in accordance with its objectives, strategy, policy, plan and defined budget. The Company's performance will be monitored, evaluated, and supervised under the ethical business conduct which is transparent and auditable. The Company respects the rights of and takes responsibilities for shareholders, investors, and stakeholders, taking into account the impact on environment and also always adjusts itself to changes to be competitive in the market and to deliver good long-term performance.

The Board of Directors set up the Good Corporate Governance Policy for the Board of Directors, executives and employees to use as the practice guidelines for the sustainable effect on the Company and overall society. The Board of Directors updates the practice principles at least once a year and discloses the information in the Annual Report and the Annual Registration Statement (Form 56-1). The Board of Directors defines 8 practices that include the significant principles according to the Good Corporate Governance which can be summarized as follows:

### Practice 1: Realize the roles and responsibilities of the Board of Directors as the corporate leader creating value to the business sustainably.

- The Board of Directors sets objectives and goals of the Company, defines strategic operational policy, and manages significant resources to achieve the Company's objectives and goals and follows up, evaluates and supervises the performance reporting.
- The Board of Directors provides the policy for directors, executives and employees reflecting the operational guidelines that bring competency and good long-term performance, encourages the Company to conduct business with ethics, to bring benefits to society, to reduce impact on environment, to have a follow-up on the result and to review the policy regularly.
- The Board of Directors has duty in supervising directors and executives to perform their duties with responsibilities, discreteness and honesty to the corporate. The operations shall be supervised to be in accordance with the legal requirements,

regulations, and shareholders' meeting resolutions for the best interest of the Company.

- The Board of Directors understands its role and responsibility scope, defines and assigns the duties and responsibilities to Managing Director and the Management clearly, including monitoring the performance of duties of the Managing Director and the Management.
- The Board of Directors sets up the Board Charter as the practices of duties for every director, regularly reviews the Charter at least once a year and regularly reviews the roles and responsibilities of directors and executives to be in accordance with the corporate direction.

### Practice 2: Define objectives and key goals of business for sustainability.

The Board of Directors clearly defines the Company's vision, mission, corporate values, strategy, goals, short-term and long-term plans of each year in the annual business plan and has them reviewed every year so that the Company's personnels shall practice and aim for the goals within the defined timeframe and support the Company's sustainable growth.

**Vision:** The Company is committed to be the leader of used trucks financial services provider in Thailand.

#### Mission:

- To our Customers and Business Partners: Ensure excellent services.
- Maintain strong relationship and satisfy the needs of our customers and business partners.
- To our Employees: Quality and professional workplace. Openness and honesty. Fair share of benefits to all our employees.
- To our Shareholders: Sustainable growth with good corporate governance and transparency to maximize shareholders' value.
- To our Society: Cooperate with society and government to develop our country's economy in order to create a sustainable and prosperous society.





**Corporate Values:** Morality Candidness Industriousness Robustness Objectivity

Moreover, the Board of Directors shall govern to ensure the objectives, goals, strategy and annual plans to be in accordance with the Company’s objectives and goals achievement, taking into consideration the environmental factors, opportunities and acceptable risks. The innovation and technology shall be applied appropriately and safely. The Board of Directors shall communicate the Company’s objectives and goals through the strategy and business plans for the whole organization’s acknowledgement.

**Practice 3: Establish and support the effective committees.**

The Board of Directors defined and reviewed the structure of committees in terms of size, composition, proportion of independent directors as suitable and necessary to achieve the Company’s key objectives and goals, which are summarized as follows:

- The Board of Directors composes of qualified directors who can contribute to the Company’s business and has at least 1 independent director out of total 3 directors but must not be less than 3 persons. The number and qualification of independent directors shall comply with the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (“SET”). The Board shall supervise to ensure that the independent directors can work with all committees efficiently and are able to provide their opinions independently.
- The Company selected an Independent Director to be the Chairman of the Board of Directors.
- The Company has a policy that does not allow the Chairman of the Board of Directors to be the same person as the Managing Director in order to balance the power in operations and shall clearly define the separating roles and duties of each position.
- The details of the Board of Directors’ composition, including the qualification of directors, term of office, authority, duties and responsibilities, and performance evaluation are defined in the charter of each committee. The information about the number of directors, number of years in term of office, and the position holding in other listed companies of directors, is disclosed in the Company’s Annual Report and web site.
- The Board of Directors appointed the Nomination and Remuneration Committee mostly consisting

of independent directors in order to consider the criteria and methods to recruit the qualified directors who can contribute to the effective committee composition. The roles of the Nomination and Remuneration Committee are defined in such committee charter.

- The Board of Directors supervises all directors in taking responsibility for their duties and time management by stating in the charter and informing every director to acknowledge them. This includes the defined appropriate number of listed companies in which each director can hold position and the number of meetings needed to be attended in order to increase the efficiency of their performance.
- Directors are required to attend Board of Directors meetings for at least 75% of total Board of Directors meetings held in a year.
- Each director can hold a position in at most 5 other listed companies, taking into consideration the appropriate positions and the company business.
- Each director should receive necessary training and development continuously according to the courses held by the Institute of the Board of Directors (IOD) or other academic institutions.
- Independent directors can hold the position continuously for not more than 9 years from the date of the first appointment. In the case that any Independent Director shall be appointed to continue holding his position, the Board should reasonably consider the necessity of the case.
- The information about continuous training and development of the Board shall be revealed in the Annual Reports.
- The policy of investment and corporate governance of subsidiary companies, associate companies and joint ventures shall be established.
- Performance evaluation of the Board of Directors, committees and individual director is conducted at least once a year.
- The Board of Directors supports every director to have knowledge and understanding and to develop skills concerning his role and duty, nature of business operation and relevant law.
- The meeting schedule and agenda shall be set in advance so that directors can manage their time to attend.

The Company appoints the Company Secretary to perform duties regarding Board of Directors

meetings and shareholders’ meetings, to support the Board of Directors’ tasks and to coordinate with others to ensure the implementation of the Board of Directors’ resolutions. The Company Secretary must have appropriate and necessary knowledge and experiences that can contribute to the Board’s work and should receive continuous training and development contributing to perform the duties.

**The criteria of performance evaluation of the Board of Directors as a group, individual and Committees are as follows:**

1. The performance evaluation of the Board as a group is divided into 6 topics as follows:
  - 1) Structure and qualification of the Board
  - 2) Role, duty and responsibility of the Board
  - 3) Board meetings
  - 4) Director’s performance of duty
  - 5) Relationship with Management and
  - 6) Self-development of directors and executives development
2. Performance evaluation of the Board as an individual (self-evaluation) is divided into 3 topics as follows:

- 1) Structure and qualification of the Board
  - 2) Board meetings
  - 3) Role, duty and responsibility of the Board.
3. Performance evaluatin of committee as a group is divided into 6 topics as follows:
    - 1) Structure and qualification of committees in defined issues are appropriate and support the efficiency of the committee’s performance,.
    - 2) Meetings of the committees take action in various issues so that the committees can perform their duties in the meetings efficiently
    - 3) Roles, duties, and responsibilities of the committees give importance to and provide time to consider and review various issues sufficiently.

The score level counts from 1 – 5 from Strongly disagree or No action taken in that issue to Strongly agree or Excellent action taken on that issue. The result of each performance evaluation form for committee in 2023 is as follows:

In 2022 Evaluation Form	2022 Average Score (Full 5 points)	2023 Average Score (Full 5 points)
Performance evaluation form of the Board as a group	4.71	4.71
Performance evaluation form of the Board (as individual: self-evaluation)	4.78	4.78
Performance evaluation form of the Committee as a group (Audit Committee)	4.98	4.98
Performance evaluation form of the Committee (as individual: self-evaluation)	5.00	5.00
Performance evaluation form of the Committee as a group (Nomination and Remuneration Committee)	4.96	4.96
Performance evaluation form of the Committee (as individual: self-evaluation)	4.97	4.97
Performance evaluation form of the Committee as a group (Risk Management Committee)	4.96	4.06
Performance evaluation form of the Committee (as individual: self-evaluation)	4.97	4.95
Performance evaluation form of the Committee as a group (Executive Committee)	4.20	4.26
Performance evaluation form of the Committee (as individual: self-evaluation)	4.19	4.45



## Performance Evaluation of Managing Director

The Company requires the conduct of performance evaluation of Managing Director once a year, from January – December each year according to process. The Nomination and Remuneration Committee defines the criteria, considers and evaluates performance by comparing to the Key Performance Indicator: KPI as defined according to the strategy and goals each year, including the management competency. However, the final performance evaluation of Managing Director is deemed confidential and cannot be disclosed.

### Practice 4: Recruiting and developing senior executives and personnel management.

- The Board of Directors assigned the Nomination and Remuneration Committee to consider the criteria and methods to select qualified individuals for the Managing Director position. The Board of Directors defined the qualification of the Managing Director, senior executives and their Succession Plan with details according to the Executive recruitment policy for the key position succession.
- The Board of Directors shall supervise the defining of remuneration structure and performance evaluation of senior executives to be appropriately conducted, taking into consideration the sufficiency of duties and responsibilities, the estimated compensation rate in the same industry, the performance of the Company and the performance and competency of each senior executive.
- The Board of Directors shall supervise to ensure that the structure and relationship of shareholders are not the obstacles of the Board's performance of duty. When there is a change of directors or there are new directors coming, they shall be introduced to the business nature and business direction of the Company.
- The Board of Directors shall monitor the management and personnel development to ensure the appropriate number, knowledge, skills, experiences and motivation. Training and knowledge providing shall also be conducted to relevant people in the corporate governance system of the Company, such as directors, audit directors, executives, and company secretary.

In 2023, the company has been investing in enhancing the human capital at all levels, for both the employees at the head quarter and also the employees at 25 branches nationwide. The modern hybrid training platform by using classroom training, online training, coaching & giving feedback, and on-the-job training aiming to upskill and reskill our

employee professional skills such as digital skills and leadership skills to foster the construction of a more sustainable future.

### Practice 5: Promote innovation and business conduct with responsibility.

The Board of Directors gives importance and support to the innovation development that creates value to business and sustainable growth to the Company together with mutual benefits to the Company, customers, partners or relating parties. Responsibility to society and environment, including the efficient resources allocation and management, are taken into account. The Board of Directors shall promote the innovation creation, ensure that the Management applies such innovation as a part of operational development strategies, and also define business format, way of thinking, working process improvement, information technology management, and risk supervision to enable the Company to achieve its objectives, business strategy and main goals of the Company sustainably. The practice guideline to each stakeholder group is defined as follows:

**Shareholders:** The Company commits to conduct business to grow sustainably in order to add value to the Company which results in the good return for shareholders.

**Employees:** The Company shall oversee all employees to get support and competency development for their highest potential in operation. The Company conducts fair employment and reasonable compensation, opens opportunities to hear employees' opinions, and provides welfare and good working environment. Any employment, appointment, transfer and penalty process shall be determined on the fairness basis.

**Customers:** The Company commits to provide quality, standard, ontime and variety of services, and strictly follow the agreement in responding to the short-term and long-term demand of customers and to create customer confidence and satisfaction with our services.

**Trade Partners:** The Company shall respect the rights of every trade partner and treat them with equality and fairness. The agreement and agreed conditions shall be followed strictly. The Company also has guidelines for monitoring and evaluating trade partners in order to develop the sustainable business partnership.

**Community, society and environment:** The Company shall apply knowledge and experiences in business to develop the projects that bring benefits to community physically. The Company shall also manage and supervise to be assured that the

Company shall not create or cause any negative impact on the environment.

**Competitors:** The Company shall conduct business openly and transparently and shall not create any unfair competitive advantage and be corruption free.

### Practice 6: Supervise the risk management system and internal control

- The Board of Directors appoints the Audit Committee to support the Board of Directors in supervising the Company to have the good corporate governance system and to provide honest opinions on financial statement, internal control system, and risk management, in order to effectively achieve the objectives and provide opportunities to Management and auditors to consult for potential risks and to make the financial reporting reliable. The scope of authority, duties and responsibilities of the Audit Committee is stated in the Audit Committee Charter.
- The Board of Directors defines the Risk Management Policy and appointed the Risk Management Committee to supervise risk management of the Company.
- The Board of Directors shall follow up and manage conflict of interest that may occur between the Company and the management, committees or shareholders, including the protection of the improper use of the Company's assets, data and opportunities and transactions with persons connecting with the Company in the improper manner.
- The Company's Anti-Corruption Policy prohibited its directors, committees, executives and employees of the Company from demanding, conducting or accepting the corruptions for

the benefits of their own, families, friends, or acquaintances. They must strictly comply with the law, regulations, and requirements relating to the anti-corruption to create reliability to business stakeholders that the Company shall conduct business with integrity, transparency and fairness.

- The Company defined more than one channel for whistleblowers for more convenience. The whistleblowing channels are disclosed in the Company's website or annual reports. The whistleblowing can be made to the Company's Audit Committee. The complaints and whistleblowing information sent to the Company shall be kept confidential. The Audit Committee will order to verify the information and define solutions (if any) and report to the Board of Directors.

### Practice 7: Retain financial creditability and information disclosure

- The Board of Directors gives importance to the financial information disclosure in terms of accuracy, sufficiency, and timeliness. The persons relating to preparing and disclosing the information must have knowledge and competency suitable for the responsibility. There must be enough manpower to conduct the assignment. The Board of Directors shall supervise the information disclosure including Financial Statements, Annual Report and the Management Discussion and Analysis or MD&A to reflect the financial status and operating result sufficiently.
- The Board of Directors shall monitor the financial liquidity and ability to pay debt of the Company. The management shall report to the Board of Directors regularly. The discussion among the management and the board shall be held to find solutions if there is a sign of liquidity problems.



- If the Company gets financial problems or tend to get them, the Board of Directors shall supervise to ensure that the Company has problem solving solution plans which are reviewed for rationality, taking into account the creditors and all stakeholders' rights.
- The Company assigned Investor Relations officers to communicate with shareholders and other stakeholders with appropriateness, equality and in timeliness. Investor Relations officers shall disclose the Company information, financial information, and general information to shareholders, securities analysts, credit rating companies and relevant government agencies through various channels, such as reporting to the The Securities and Exchange Commission, the Stock Exchange of Thailand and the Company's website, etc.

#### Investor Relations Activities in 2023

1. 8 Time Analyst Meeting, with approximately 20-30 attendants, to inform the quarterly operating performance to analysts, institutional investors, and general investors by senior executives of the Company.

2. 12 Time Conference Calls to provide further information to investors and analysts after the information was publicized.

- The Board of Directors shall support the application of Information Technology in information disclosure. The Company sees the importance of the regular information disclosure so that shareholders can get information regularly from the Company's website. Such information shall regularly be updated.

#### Practice 8: Support the shareholders' participation and communication

- The Board of Directors shall supervise to ensure that shareholders participate in significant issues by sending the meeting invitation and relevant information to shareholders and publicize them on the Company's website prior to the meeting date for a period as required by law or relevant regulations so that shareholders can have time to study the information in advance of the meeting date. The Company defines the requirement for minor shareholders should they want to propose the additional meeting agenda or the nomination of candidates for director positions.
- The Board of Directors opens opportunities for shareholders to submit questions before the meeting date by setting the requirement for sending questions in advance and publicize the requirement on the Company's website.

- The Board of Directors shall supervise to assure the shareholders' meetings be conducted properly, transparently, efficiently and open for shareholders to exercise their rights and get equal opportunities to independently share their opinions, suggestions or questions relevant to the agendas before voting on any agenda. All relevant directors and executives must attend the meetings to answer the shareholders' questions in the meetings.
- The Board of Directors shall supervise to ensure that the meeting resolutions disclosure and minutes taking of shareholders' meetings are disclosed correctly and completely according to the relevant requirements.

## 2. CORPORATE GOVERNANCE FOR SUBSIDIARY AND/OR ASSOCIATE COMPANIES

The Board of Directors meeting no. 10/2022 on 14<sup>th</sup> November 2022 had a resolution to approve the review of the governance and management policy of subsidiaries and associated companies. The objective is to set direct and indirect measures and mechanisms to enable the Company to supervise and manage the affairs of subsidiaries and associated companies. Including monitoring the subsidiaries and associated companies. Various measures and mechanisms are followed. stipulated in order to protect the interests of the Company's investments in such subsidiaries and associated companies. Including to comply with the requirements of the law on public limited companies. Securities and Exchange Law as well as announcements of regulations and various criteria related to the Capital Market Supervisory Board Securities and Exchange Commission and the Stock Exchange of Thailand.



## 3. SUPERVISION OF THE USE OF INSIDE INFORMATION

The Company realizes the importance of the use of Company's inside information. In order to prevent the exploitation of the use of inside information which has not yet been disclosed to the public and could affect the changes in trading prices of securities of the Company to be traded in the Stock Exchange of Thailand, the Company has a policy and methods to supervise the use of inside information of directors, executives, and staff of the Company. The Board of Directors meeting (after becoming the public

company) no. 5/2019 on 13<sup>th</sup> December 2019 had a resolution to approve the defining of the use of inside information policy in order for the Company to have good corporate governance as follows:

1. Directors, executives and employees of the Company must keep the Company's confidentiality and inside information of their responsibilities from other persons, including the Company's personnel who are not involved.
2. The Company has to have the inside information use protection by limiting the access to information that is not yet revealed to public and is allowed to know for only involved persons as necessary. The persons responsible for such inside information must reinforce involved persons to comply strictly.
3. Directors, executives and employees of the Company must not disclose or exploit the Company's confidentiality and/or inside information for their own or others' benefits either directly or indirectly and regardless of whether they shall get return or not.
4. The Company defines an individual or unit to be responsible for disclosing information to the public to ensure that the accurate and complete information is disclosed in compliance with the legal requirement.
5. The Company must regulate the persons who are involved with inside information, such as financial consultant, legal consultant and auditor, including colleagues who are involved in managing information that are not yet disclosed to the public and are in the process which is considering to be within the scope of inside information retention and can have effect on the changes in price of securities value or can cause the Company's business disadvantages. Those persons have to sign contract of confidentiality retention until the information is disclosed to the Stock Exchange of Thailand and the Securities and Exchange Commission.
6. Directors, executives and employees of the Company have duties to protect the Company's inside information and not to exploit the inside information although they have already been dismissed or have terminated their duties at the Company.
7. Directors and executives have duties to report their securities holding and changes in securities holding, under Section 59 of the Securities and Exchange Act B.E. 2535, to the Securities and Exchange Commission within 3 working days after the date of selling, transferring or accepting transfer of securities or derivatives by reporting via the electronics system on www.sec.

or.th. The Company's securities are prohibited to be traded during 1 month period before the financial statement is disclosed to the public. This requirement includes spouses or cohabitants and their underage child and juristic persons of which directors and executives, spouses or cohabitants and their underage child hold shares together for more than 30% of total number of voting rights of the Company.

8. Directors, executives and employees of the Company must not trade or accept transfer of Company's securities by exploiting confidentiality and/or inside information of the Company and/or enter any juristic act by exploiting confidentiality and/or inside information of the Company in a way that is likely to take advantage of outsiders. This requirement includes spouses and underage child of directors, executives and employees of the Company. Any violation against such requirement shall be considered a serious offense and shall be taken into legal process by the Company.

9. The Company requires directors and executives being informed of significant inside information that has effect on the changes in price or securities value to suspend trading of the Company's securities for 1 month period prior to the disclosure of financial statement or such inside information to the public. They are also prohibited to reveal the significant information to other persons. During the period of 30 days before the performance announcement, the Company Secretary will send the document to inform directors, executives and acknowledged agencies. Any action should wait for at least 24 hours after such information is disclosed to public. In this regard, in the case that the information disclosure is not generally aware of or is very complicated, the waiting period should last 48 hours after such information is disclosed to public before trading Company's shares. Such persons and persons involved with inside information are also prohibited to disclose such information to other people.

10. The Company must provide knowledge to directors, executives about the duties of preparing and disclosing report of Company's securities holding of their own, spouses, and underage child to the Securities and Exchange Commission under Section 59 and Penalty provisions under the Securities and Exchange Act B.E. 2535 (including amendments.)

In this regard, the Company shall deem any action violating the use of inside information policy and unauthorized disclosure of information resulting in damages to the Company as the offenses subject to disciplinary penalty and/or legal liability. The penalty will be considered from the intent of action and the serious level of the offense.





#### 4. COMPLIANCE WITH GOOD CORPORATE GOVERNANCE IN OTHER AREAS

- Scored 100% in quality evaluation of 2023 Annual General Meeting from Thai Investor Association for first years
- Received “Very Good” rating from 2023 corporate governance evaluation Thai Investor Association.

#### Code of Conduct

Micro Leasing Public Company Limited (the “Company”), is committed to conducting business

with honesty, transparency and fairness in accordance with good corporate governance principles. Responsible to customers, business partners, shareholders, employees, and society, therefore, the Company’s “Code of Conduct” has been prepared as a guideline for good practice to achieve objectives in accordance with the intent and purpose. Committed to running the company’s business This will create confidence for investors. Including all related parties. The Board of Directors will regard the mission and duty that the Board of Directors, executives and all employees must perform and arrange to review this Code of Conduct annually. to suit the changing business environment

#### Practices and Responsibilities towards Stakeholders

The Company is committed to conducting business with honesty and fairness. Adhere to the principles of compliance with the rules and regulations set by the company as well as complying with all relevant laws and regulations. taking into account the benefits and the impact of the organization’s operations on the Company’s stakeholders, namely customers, business partners, employees, shareholders, Competitors and society.

#### 5. CODE OF CONDUCT

The Board of Directors meeting no. 9/2023 on 13rd November 2023 had a resolution to approve the review of code f conduct for the Company is committed to conducting business with honesty, transparency and fairness in accordance with good corporate governance principles. Responsible to customers, business partners, shareholders, employees, and society, therefore, the Company’s “Code of Conduct” has been prepared as a guideline for good practice to achieve objectives in accordance with the intent and purpose. Committed to running the company’s business This will create confidence for investors. Including all related parties. The Board of Directors will regard the mission and duty that the Board of Directors, executives and all employees must perform and arrange to review this Code of Conduct annually. to suit the changing business environment

#### Practices and Responsibilities towards Stakeholders

The Company is committed to conducting business with honesty and fairness. Adhere to the principles of compliance with the rules and regulations set by the company as well as complying with all relevant laws and regulations. taking into account the benefits and the impact of the organization’s operations on the Company’s stakeholders, namely customers, business partners, employees, shareholders, Competitors and society.



Please find more details corporate governance for subsidiary and/ or associate companies on the Company’s website ([www.microleasingplc.com](http://www.microleasingplc.com))

#### 6. ANTI-CORRUPTION POLICY

The Board of Directors meeting no. 9/2023 on 13<sup>rd</sup> November 2023 had a resolution to approve the review of Anti-Corruption policy for the company has a policy to prevent directors from Executives and employees of the company give bribes or receive compensation. or give money to any other person Government officials or private agencies To offer or receive inappropriate business benefits or to gain a competitive advantage in business or to cause an abuse of power. Using influence to benefit business operations illegally This includes claims Carrying out or accepting corruption for the benefit of oneself, family, and fellow travelers Acquaintances or other relationships of any form, direct or indirect, and affiliates, businesses, associates will not cooperate or support any activities. that is against the law that may involve corruption or is a threat to society and national security, the company will not take disciplinary action. or have negative consequences for those who reject corruption Even if that action results in damage to the company’s business or loss of business opportunities or benefits. 7. Whistle Blowing Policy



Please find more details corporate governance for subsidiary and/ or associate companies on the Company’s website ([www.microleasingplc.com](http://www.microleasingplc.com))

#### 7. WHISTLE BLOWING POLICY

The Board of Directors meeting no. 9/2023 on 13<sup>rd</sup> November 2023 had a resolution to approve the review of whistle blowing policy for the Company has a policy prohibiting directors, executives, and employees from bribery and is aware of the importance of preventing corruption and wrongdoing that may occur from operations and contact with stakeholders that may affect. Decision making and business operations of the Company, therefore, has established a mechanism for receiving complaints and taking action in cases where there are clues regarding violations of the law, rules, regulations, charters and ethics. or behavior that may indicate corruption of personnel, including measures to protect and provide fairness to those who report information or give clues about corruption or non-compliance with laws, rules, regulations, charters and ethics.



# MANAGEMENT STRUCTURE





1. BOARD OF DIRECTORS AND SUB-COMMITTEES

The Company’s Board of Directors consists of individuals with recognized knowledge and abilities. Play an important role in setting the objectives and goals of the company. By collaborating with executives in formulating strategies and operational policies both short-term and long-term Including important plans of the company every year. as well

as supervise, inspect and evaluate the Company’s operations.

The Company’s committee structure, including Audit Committee and Independent Directors comply with the requirements of the Notification of the Capital Market Supervisory Board No. Tor Chor. 39/2016 Re: Application for and Permission to Offer for Sale of Newly Issued Shares dated September 30,2016 (including the amendments) in all respects.

1) Board of Directors

As of December 31, 2023 the Board of Directors consisted of 11 Directors as follows:

Name – Last name		Position
1	Asst. Prof. Krit Umpote	Independent Director, Chairman
2	Mr. Weidt Nuchjalearn	Independent Director, Vice Chairman
3	Mr. Chalong Luengprasit	Independent Director
4	Dr. Pijak Chantaviroj	Independent Director
5	Mr. Thammasak Auchyawat	Director
6	Mr. Keittipong Toemkunanon	Director
7	Mr. Wisarn Booranasuntikoon	Director
8	Mrs. Rotsanan Yingthaweesak	Director
9	Mr. Tanyakon Autchayawat	Director
10	Mr. Jedsada Auchyawat	Director
11	Mr. Kitsada Auchyawat	Director
Mr. Kandanai Chonsuwat		Company Secretary

Authorized Director

The authorized directors of the Company according to the company certificate dated November 24, 2023 are Mr. Wisarn Booranasuntikoon or Mr. Keittipong Toemkunanon in co-signing with Mr. Thammasak

Auchyawat or Mrs. Rotsanan Yingthaweesak or Mr. Tanyakon Autchayawat or Mr. Jedsada Auchyawat or Mr. Kitsada Auchyawat, as 2 signatures with the Company seal.

Meeting Attendance of the Board of Directors

The meeting attendance of the Board of Directors in 2022 and 2023 are as follows:

Board of Directors List		No. of attendance / Total meetings	
		2022	2023
1	Asst. Prof. Krit Umpote	12/12	10/10
2	Mr. Weidt Nuchjalearn	12/12	10/10
3	Mr. Chalong Luengprasit	12/12	10/10
4	Dr. Pijak Chantaviroj	12/12	10/10
5	Mr. Thammasak Auchyawat	12/12	10/10
6	Mr. Keittipong Toemkunanon	12/12	10/10
7	Mr. Wisarn Booranasuntikoon	12/12	10/10
8	Mrs. Rotsanan Yingthaweesak	12/12	10/10
9	Mr. Tanyakon Autchayawat	12/12	10/10
10	Mr. Jedsada Auchyawat	12/12	10/10
11	Mr. Kitsada Auchyawat	12/12	9/10

2) Audit Committee

As of December 31, 2023 the Audit Committee consisted of 3 Directors as follows:

Name – Last name		Position
1	Mr. Chalong Luengprasit	Chairman of Audit Committee
2	Mr. Weidt Nuchjalearn	Audit Director
3	Dr. Pijak Chantaviroj	Audit Director
Mr. Thanat Pholwatana		Audit Committee Secretary

The whole Audit Committee has knowledge and experiences in accounting and finance and is qualified to examine the credibility of the Company's financial statement with the following members: Mr. Chalong Luengprasit, holding the position of Chairman of Audit Committee and Independent Director, Bachelor's Degree of Accounting from Siam University and Master's Degree of Accounting from Chulalongkorn University,

Mr.Weidt Nuchjalearn holding the position of Audit director & independent director. And Dr.Pijak. Chantaviroj holding the position of Audit director & independent director, Bachelor’s Degree of Degree of Accounting and Master Degree of Business Accounting from Siam University, Doctor of Philosophy (Public Administration) from Rangsit University.

Meeting Attendance of Audit Committee

Meeting attendance of the Audit Committee is as follows:

Audit Committee list		No. of meeting attendance/Total meetings	
		2022	2023
1	Mr. Chalong Luengprasit	7/7	5/5
2	Mr. Weidt Nuchjalearn	7/7	5/5
3	Dr. Pijak Chantaviroj	7/7	5/5

3) Nomination and Remuneration Committee

As of December 31, 2023 the Nomination and Remuneration Committee consisted of 3 Directors as follows:

Name – Last name		Position
1	Mr. Chalong Luengprasit	Chairman of Nomination and Remuneration Committee
2	Dr. Pijak Chantaviroj	Nomination and Remuneration Director
3	Mr. Thammasak Auchyawat	Nomination and Remuneration Director

Meeting attendance of Nomination and Remuneration Committee

Meeting attendance of Nomination and Remuneration Committee is as follows:

Nomination and Remuneration Committee list		No. of meeting attendance/ Total meetings	
		2022	2023
1.	Mr. Chalong Luengprasit	5/5	3/3
2.	Dr. Pijak Chantaviroj	5/5	3/3
3.	Mr. Thammasak Auchyawat	5/5	3/3

4) Risk Management Committee

As of December 31, 2023 the Risk Management Committee consisted of 7 Directors as follows:

Name – Last name		Position
1	Mr. Weidt Nuchjalearn	Chairman of Risk Management Committee
2	Mr. Wisarn Booranasuntikoon	Risk Management Director
3	Mr. Tanyakon Autchayawat	Risk Management Director
4	Mr. Jedsada Auchyawat	Risk Management Director
5	Mr. Preeda Iramaneerat	Risk Management Director
6	Mr. Kandanai Chonsuwat	Risk Management Director
7	Mr. Wisan Wethayanukool	Risk Management Director

Meeting Attendance of Risk Management Committee

Meeting Attendance of Risk Management Committee is as follows:

Risk Management Committee list		No. of meeting attendance/ Total meetings	
		2022	2023
1	Mr. Weidt Nuchjalearn	5/5	4/4
2	Mr. Wisarn Booranasuntikoon	5/5	4/4
3	Mr. Tanyakon Autchayawat	5/5	4/4
4	Mr. Jedsada Auchyawat	5/5	4/4
5	Mr. Preeda Iramaneerat	5/5	4/4
6	Mr. Kandanai Chonsuwat	5/5	4/4
7	Mr. Wisan Wethayanukool	5/5	4/4



5) Executive Committee

As of December 31, 2023 the Executive Committee consisted of 8 Executive Directors as follows:

Name – Last name		Position
1.	Mr. Wisarn Booranasuntikoon	Chairman of Executive Committee
2.	Mrs. Rotsanan Yingthaweesak	Executive Vice President
3.	Mr. Tanyakon Autchayawat	Executive Director
4.	Mr. Jedsada Auchyawat	Executive Director
5.	Mr. Preeda Iramaneerat	Executive Director
6.	Mr. Kantdanai Chonsuwat	Executive Director
7.	Mr. Wisan Wethayanukool	Executive Director
8.	Mr. Kitsada Auchyawat <sup>/1</sup>	Executive Director

<sup>/1</sup> Mr.Kitsada Auchyawat was appointed as the Executive Director to the Executive Committee (Special) No.6/2023 on July 26, 2023

Meeting Attendance of Executive Committee

Meeting Attendance of Executive Committee is as follows:

Executive Committee list		No. of meeting attendance/ Total meetings	
		2022	2023
1.	Mr. Wisarn Booranasuntikoonl	12/12	12/12
2.	Mrs. Rotsanan Yingthaweesak	12/12	12/12
3.	Mr. Tanyakon Autchayawat	12/12	12/12
4.	Mr. Jedsada Auchyawat	12/12	12/12
5.	Mr. Preeda Iramaneerat	12/12	12/12
6.	Mr. Kandanaï Chonsuwat	12/12	12/12
7.	Mr. Wisan Wethayanukool	12/12	12/12
8.	Mr. Kitsada Auchyawat	-	5/12

2. EXECUTIVES

As of December 31, 2023 the Company had 8 Executives as follows:

Name – Last name		Position
1.	Mr. Wisarn Booranasuntikoon	Managing Director
2.	Mrs. Rotsanan Yingthaweesak	Senior Executive Director
3.	Mr. Jedsada Auchyawat	Deputy Managing Director of Credit Operation
4.	Mr. Kandanaï Chonsuwat	Deputy Managing Director of Accounting and Finance
5.	Mr. Preeda Iramaneerat	Deputy Managing Director Business Resources and Invesment
6.	Mr. Tanyakon Autchayawat	Assistant Managing Director of Credit Operation
7.	Mr. Wisan Wethayanukool	Chief Financial Offier
8.	Mr. Kitsada Auchyawat <sup>/1</sup>	Assistant Managing Director of Credit Operation

<sup>/1</sup> Mr.Kitsada Auchyawat was appointed as the Assistant Managing Director of Credit Operation to the Board of Directors No.6/2023 on July 14, 2023

3. COMPANY SECRETARY

The Board of Directors Meeting No. 1/2021, held on February 25, 2021 had a meeting resolution to appoint Mr. Kandanaï Chonsuwat as the Company Secretary. who is considered by the Board of Directors to be appropriate, knowledgeable with the requirements under Section 89/15 of the Public Company Act B.E. 2564 B.E. 2535 (including any amendments), which specifies the roles and responsibilities of the Company Secretary as follows:

- 1) Prepare and keep the following Company documents:  
1.1) Director’s registration  
1.2) Invitation letter for director meetings, minutesof meetings, annual reports  
1.3) Invitation letters for shareholder’s meetings and minutes of shareholder’s meetings
- 2) Keep the reports of conflict of interest reported by directors or executives.

- 3) Conduct Board of Directors meetings and shareholders’ meetings.
- 4) Give advice on requirements and regulations to committees or executives as needed.
- 5) Supervise and coordinate to make the Company comply with the law, regulatioins, requirements, Board of Directors meeting resolutions, shareholders’ meeting resolutions, Corporate Governance policy and business ethics.
- 6) Perform other duties as required by the Securities and Exchange Act and the Capital Market Supervisory Board.

4. DIRECTOR’S SHAREHOLDING INFORMATION

Shareholding information report of **Micro Leasing Public Company Limited (“MICRO”)** of Directors and Executives, spouse and underage children

	Name - lastname	Position	No. of shares		
			31 December 2021	31 December 2022	+ / -
1	Asst. Prof. Krit Umphot Spouse and underage children	Chairman/ Independent Director	-	-	-
2	Mr. Weidt Nuchjalearn Spouse and underage children	Vice Chairman / Independent Director	-	-	-
3	Mr. Chalong Luengprasit Spouse and underage children	Independent Director	100,000	100,000	-
4	Dr. Pijak Chantaviroj Spouse and underage children	Independent Director	440,000	440,000	-
5	Mr. Wisarn Booranasuntikoon Spouse and underage children	Director	120,000	120,000	-
6	Mr. Thammasak Auchyawat Spouse and underage children	Director	218,274,000	218,910,000	-
7	Mrs. Rotsanan Yingthaweesak Spouse and underage children	Director	14,548,000	15,478,800	930,800
8	Mr. Thanyakorn Autchayawat Spouse and underage children	Director	57,230,000	57,230,000	-
9	Mr. Jedsada Auchyawat Spouse and underage children	Director	123,150,000	123,150,000	-
10	Mr. Kitsada Auchyawat Spouse and underage children	Director	128,750,000	128,750,000	-
11	Mr. Keittipong Toemkunanon Spouse and underage children	Director	28,000,000	28,000,000	-
12	Mr. Preeda Iramaneerat Spouse and underage children	Deputy Managing Director of Resources and Investment	4,613,300	4,313,300	(300,000)
13	Mr. Kandanai Chonsuwat Spouse and underage children	Deputy Managing Director of Accounting and Finance	3,484,000	3,484,000	-
14	Mr. Wisan Wethayanukool Spouse and underage children	Chief Financial Officer	320,700	327,000	6,300

5. REMUNERATION FOR DIRECTORS AND EXECUTIVES

1) *Remuneration for Directors*

a) Monetary compensation

The 2023 Annual General Meeting of Shareholders held on April 24, 2023 set the policy of remuneration payment to the Board of Directors and Sub-Committees 2023 Determine the remuneration of the Board of Directors in the form of monthly monetary compensation as follows:

Board of Directors’ remuneration		
Position	Monthly compensation	Allowance per meeting
Board of Directors		
Chairman of Board of Directors	60,000	20,000
Vice Chairman of Board of Directors	50,000	10,000
Director (not Independent Director/ not Executive Director)	20,000	10,000
Director (Independent Director except Chairman & Vice Chairman of Board of Directors)	40,000	10,000
Sub - Committee		
Audit Committee		
Chairman of Audit Committee	None	30,000
Audit Director	None	15,000
Nomination and Remuneration Committee		
Chairman of Nomination and Remuneration Committee	None	20,000
Nomination and Remuneration Director	None	10,000
Risk Management Committee		
Chairman of Risk Management Committee	None	20,000
Risk Management Director (Except Executive Director)	None	10,000
Other benefits	None	None

**Remark:** Directors who are the Company’s Executive Directors shall not receive compensation as the Directors.



The 2023 compensation paid to Directors as of December 31, 2023 as follows:

Directors	Monthly compen- sation	Meeting allowance				
		Executive Director	Audit Director	Nomina- tion and Remune- ration Director	Risk Manage- ment Director	Total expenses of 2023
1 Asst. Prof. Krit Umpote	720,000	200,000	-	-	-	920,000
2 Mr. Weidt Nuchjalearn	600,000	100,000	75,000	-	80,000	855,000
3 Mr. Chalong Luengprasit	480,000	100,000	150,000	60,000	-	790,000
4 Dr. Pijak Chantaviroj	480,000	100,000	75,000	30,000	-	685,000
5 Mr. Thammasak Auchyawat	240,000	100,000	-	30,000	-	370,000
6 Mr. Keittipong Toemkunanon	240,000	100,000	-	-	-	340,000
7 Mr. Wisarn Booranasuntikoon	-	-	-	-	-	-
8 Mrs. Rotsanan Yingthaweesak	-	-	-	-	-	-
9 Mr. Tanyakon Autchayawat	-	-	-	-	-	-
10 Mr. Jedsada Auchyawat	-	-	-	-	-	-
11 Mr. Kitsada Auchyawat <sup>/1</sup>	130,000	60,000	-	-	-	190,000
Total	2,890,000	760,000	300,000	120,000	80,000	4,150,000

<sup>/1</sup> Mr.Kitsada Auchyawat was appointed as the Assistant Managing Director of Credit Operation to the Board of Directors No.6/2023 on July 14, 2023

2) Compensation for Executives

a) Monetary compensation  
The monetary compensation paid to executives was as follows:

Compensation for Executives	2021		2022		2023	
	Number (person)	Compensation (million baht)	Number (person)	Compensation (million Baht)	Number (person)	Compensation (million bBaht)
Salary and Bonus	7	15.6	7	15.7	8	15.71
Others <sup>/1</sup>	7	0.3	7	0.3	8	0.20
Total	7	15.9	7	16.0	8	15.91

Remark: <sup>/1</sup> Others include travel expenses, provident fund and social security fund contribution.

b) Other compensation  
- None -

6. PERSONNEL

1) Number of all employees

As of December 31, 2021 – 2023, the Company’s number of employees was as follows:

Department/ Division		Number of employees (person)		
		2021	2022	2023
1	Executive Office Department	6	6	6
2	Marketing and Product Development	6	6	5
3	Branch Management Department	13	15	13
4	Credit Analysis Department	9	19	19
5	Human Resources Department	10	7	6
6	Accounting and Budget Department	9	12	13
7	Debt Collection Department	21	26	26
8	Credit Operation Department	13	10	13
9	Information Technology Department	16	16	16
10	Investor Relations Department	1	2	2
11	Internal Audit Department	3	6	4
12	Finance and Strategy	8	6	6
13	Procurement and Administration Department	3	5	6
14	Risk Management and Compliance	3	3	3
15	Marketing Communication and Innovation	-	3	4
16	Knowledge Management – Credit Operation	-	-	1
17	Branches	108	115	94
Total		229	257	237

Remark: The agencies under Articles 12-14 are newly established in 2021 and 15 are newly established in 2022

## 2) Compensation for Employees

The Company paid compensations to employees in various forms, salary, bonus, and other employee benefits, such as cost of living allowance, position allowance, professional allowance, area

management allowance, travel allowance, phone allowance, provident fund and social security fund contribution, etc. in accordance with the Company's employment policy. In 2023, the Company paid monetary compensations to employees (excluding executives) as follows:

Compensations for employees (Million Baht)	2021	2022	2023
Salary and bonus	70.5	98.1	101.27
Others <sup>1</sup>	6.0	8.3	9.0
<b>Total</b>	<b>76.5</b>	<b>106.4</b>	<b>110.27</b>

Remark: <sup>1</sup> Other compensations include cost of living allowance, position allowance, professional allowance, area management allowance, travel allowance, phone allowance, provident fund and social security fund contribution.

## 3) Provident Fund

Micro Leasing Public Company Limited ("MICRO") set up a provident fund and appointed Thanachart Fund Management Company Limited to manage the and register the Company in the Thanachart Taweekar Provident Fund. It was registered and effective from January 1, 2019 onwards. The objective was to provide employee welfare and morale to engage employees to the organization and to motivate them for long-term services to the Company. This was in accordance with the requirements of the Stock Exchange of Thailand in giving the rights to executives and employees to contribute to the provident fund. The Company set the rate of contribution payment to the provident fund as follows:

- Provident fund contributed by members can be higher than the company contribution but must not be higher than 14% of wages.
- Provident fund contributed by the Company is 2% of wages.

## 4) Labor dispute in the previous 3 years

-None-

## 5) Human Resources Management and Development Policy

Human Resource Management Plan for a 3-Year Period at Micro Leasing Public Company Limited aims to emphasize professionalism, excellent service, and teamwork among its employees, aligned with the organization's values of integrity, honesty, diligence, resilience, and encourages the fair sharing of benefits to support the organization in achieving its mission.

In addition, the Human Resource Management and Development plan focuses on developing the knowledge, skills, attributes, and competencies of employees to equip them for working in VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) environments commonly encountered in today's business landscape. This development strategy is vital for preparing and driving the organization towards flexibility and modernization.

Continuous learning is a cornerstone of the plan, promoting the acquisition of knowledge and skills that align with the organization's needs. It also fosters a culture that supports learning and adaptation to change. The company places emphasis on cultivating creativity and teamwork skills to enhance the ability to manage complex and uncertain situations.

Furthermore, Micro Leasing Public Company Limited has devised a knowledge management system to centralize dispersed knowledge within the organization. This system aims to make knowledge accessible to everyone, enabling efficient work practices and contributing to the organization's competitiveness. The ultimate goal is to establish a learning culture, transitioning towards becoming a Learning Organization.

The company has set policies for elevating the potential of its workforce, preparing them to face future challenges effectively and ensuring that they possess the necessary skills and knowledge and are committed to the organization's values.

### 1) Manpower planning and recruitment

Define the corporate structure, manpower planning, employment pattern, recruitment, selection, appointment, transparent transfer to open opportunities for good, competent, knowledgeable, and

qualified persons to perform in various positions and improve the corporate potential and enable the organization to work in the New Normal way in accordance with the changing environment, society, economy and technology.

### 2) Development

Prepare executives and employees of all levels to be equipped with knowledge and necessary skills from basic knowledge to in-depth knowledge of each profession or position, management knowledge, including attitude and behavior complying with key competency, management competency and position competency, by applying various tools and development methods. The development was also encouraged to occur through the knowledge management process and many knowledge exchanging platforms.

### 3) Training

Emphasize in transforming the attitude and operating methods to support the corporate to go to the international level by combining the Classroom Training, Online Training, Coaching and Giving Feedback and On-The-Job training together.

### 4). Sustainability

Work on succession planning, career management, career advancement, management of performance, compensation, welfare and benefits, development of quality of life and working environment to encourage employees to have good morale and motivate them to perform at their full potential and to have satisfaction and engagement to the organization.

### 5) Management

Cooperate to manage human resources systematically, fairly and transparently by communicating to employees about the channels for receiving information about human resource management, including controlling and supervising employees thoroughly and fairly.

### 6) Moral and ethical promotion

Encourage employees to be good, moral, and to strictly comply with the organization code of conduct by arranging activities to promote morality, ethics, and employee discipline. As well as having measures to ensure such activities are effective.

The organization has established "Expected Core Behaviors" or "Common Behaviors" with the aim of ensuring that employees understand and exhibit conduct that aligns with the organizational values. These behaviors serve as a set of guidelines for employees to adhere to, fostering a workplace culture that reflects the organization's core values and principles. The intention is to create a shared understanding of the expected behaviors that contribute to the overall success and positive environment within the organization.

### 7) Corporate Culture and Engagement Promotion

The corporate value "Morality, Candidness, Industriousness, Robustness, and Objectivity" is the key driver to encourage employees to behave in the expected way of the Company. The Company also gives importance to the well-being, good working environment and satisfaction, and strengthening employee engagement with the corporate.

## 7. STRUCTURE OF BOARD OF DIRECTORS AND SCOPE OF RESPONSIBILITIES

The Structure of the Company's committees consists of the Board of Directors and 4 committees, that is, (1) Audit Committee, (2) Nomination and Remuneration Committee, (3) Risk Management Committee, (4) Executive Committee and the scope of authority, duties and responsibilities of each committee is clearly defined as follows:

### 1. The Board of Directors

The Extraordinary General Meeting of Shareholders no.2/2019 held on September 9, 2019 had a resolution to define the scope of duty and responsibility of the Board of Directors for all company directors to acknowledge their duties and responsibilities and to completely perform their duties as follows:

1. The Board has authority, duties and responsibilities to manage and conduct business of the Company in compliance with the law, objectives and regulations of the Company, and shareholders' meeting resolutions, with integrity and concern for the Company's interests.
2. Manage to set up at least 3 Board of Directors meetings per year.
3. Define objectives, direction, policy, business plan and budget of the Company, including monitoring and supervising the administration and management of the Company and its subsidiaries (if any) to follow the defined policy, operating plan and budget, in accordance with relevant laws, notifications, requirements and regulations of the Capital Market Supervisory Board, the Securities and Exchange Commissions and the Stock Exchange of Thailand, such as the connected transaction, the acquisition or disposition of important assets, as long as not in conflict or inconsistent with other laws.
4. Conduct the Company to have the suitable and efficient accounting system, the credible financial and accounting reporting, and to establish the appropriate and sufficient internal control system and internal audit system.



5. Consider and define the Risk Management Policy for the whole organization and supervise to have the risk management system or process with the supportive measures and controlling methods to properly reduce the impact on the Company's business.

6. Consider and define the management structure, have authority to appoint committees, Managing Director, and other sub committees as deemed appropriate, including defining the scope of their authority and duties.

In this regard, the authorization of such defined duties must not allow committees, Managing Director, and sub-committees to be able to consider and approve any transactions that may have conflicts or gain/ loss or conflict of interests with the Company or subsidiaries (if any) unless it is the approval of transaction according to the policy or criteria that were considered and approved by the Board.

7. Prepare the annual report and be responsible for the preparation and disclosure of financial statements to reflect the financial status and operating performance of the previous year and present them to the shareholders' meeting for consideration and approval.

8. The Board may authorize one or many directors or any other person to act on behalf of the Board as long as they are under the Board's control or may authorize such person to have authority as deemed appropriate and within the time frame as deemed appropriate. The Board can cancel, revoke, change or amend such authorization as deemed appropriate.

In this regard, the authorization must not allow such person to be able to consider and approve any transactions that he or any person that may have conflict of interests shall do with the Company or its subsidiaries (if any) as defined in the notifications of the Capital Market Supervisory Board and/or the Securities Exchange of Thailand and/or any other announcement of related agencies unless it is the approval of transaction according to the policy or criteria that were considered and approved by the Board.

## 2. Audit Committee

Realizing the significance of the Good Corporate Governance, the Board of Directors appointed the Audit Committee to perform as an important tool or mechanism to ensure the Company's business to have the good corporate governance. The Audit Committee can help the Board of Directors in

supervising business conduct to be effective and transparent, creating creditability of information disclosure in financial reporting and supervising the internal control system to have the regulatory process that supports the further efficient and effective Company's operations. The Extraordinary General Meeting of Shareholders no. 2/2019 held on September 9, 2019 had a resolution that defined the scope of authority, duties and responsibilities of the Audit Committee as follows:

1. Review the financial reporting of the Company to ensure its accuracy and sufficient information disclosure.
2. Review the Company's internal control system and internal audit system to ensure its appropriateness and effectiveness and review the internal audit's independence, approve the appointment, transfer, and dismissal of the internal audit head or any other agencies responsible for internal audit.
3. Review the management of and compliance with the defined Risk Management Policy.
4. Review the Company's compliance with the Securities and Exchange Law, the Stock Exchange requirements and the laws relating to business of the Company and its subsidiaries (if any).
5. Consider, select, and nominate an independent individual to perform the duty of the Company's auditor, offer compensation for such individual, and attend the meeting with the auditor without participation of Management at least once a year.
6. Consider connected transactions or transactions with conflict of interests to comply with the law and requirement of the Stock Exchange to be assured that such transactions are reasonable and are in the best interest of the Company.
7. Prepare the Audit Committee report and disclose it in the Company's Annual Report. Such report must be signed by the Chairman of Audit Committee and contains at least the following information:
  - 7.1 Comments on the accuracy, completeness and creditability of the Company's financial report.
  - 7.2 Comments on the sufficiency of the Company's internal control system.
  - 7.3 Comments on the compliance with the Securities and Exchange law, the Stock Exchange requirements and the laws relating to the

Company's business.

- 7.4 Comments on the suitability of auditors.
- 7.5 Comments on transaction with conflict of interest.
- 7.6 The number of Audit Committee meetings and meeting attendance of each Audit Director.
- 7.7 Comments or overall notices that the Audit Committee receives from performing duties stated in the charter.
- 7.8 Other issues that shareholders and general investors should be aware of within the scope of duties and responsibilities assigned by the Board of Directors.
8. Perform other actions as assigned by the Board of Directors agreed by the Audit Committee.

## 3. Nomination and Remuneration Committee

The Board of Directors meeting (after becoming the public company) no. 5/2019 held on December 13, 2019 had a resolution that defined the scope of authority, duties and responsibilities of the Nomination and Remuneration Committee as follows:

### Nomination

1. Consider and propose the structure, size and composition of the Board of Directors to suit the size, type and complication of business and Company's strategy.
2. Consider and define the qualification of persons to hold positions of Directors, Committees, Managing Director, taking into account the variety of knowledge, expertise, skills, experience and time allocation that contribute to Company's business.
3. Review the succession plan of Managing Director and key executives to ensure the continuity of business.
4. In the case that a director position is vacant:
  - If a Director position is vacant due to retirement of rotation, the Nomination and Remuneration Committee shall recruit and select qualified candidates for Director and nominate for Board of Directors' approval and then propose to the Annual General Meeting of Shareholders' approval.

- If a Director position is vacant apart from the retirement of rotation, the Nomination and Remuneration Committee shall recruit and select qualified candidates for Director and nominate for Board of Directors' approval and appointment.

### Remuneration Consideration

1. Propose the structure and composition of remuneration for Company Directors, Managing Director and Senior Executives regularly every year.
2. Consider and review performance evaluation form of Company Directors and Managing Director and propose for Board of Directors' approval and evaluation processing. The Nomination and Remuneration Committee will use this form to consider and define the remuneration further.
3. Consider and define the policy and criteria of remuneration that are appropriate to the duty, responsibility and performance evaluation including performance of the Company, Directors, Managing Directors and Senior Executives, and propose for Board of Directors' approval and then propose for shareholders' meeting approval (as the case may be); for example, to review the appropriateness of current criteria, to consider the remuneration information of other companies in the same industry, to define appropriate criteria that contributes to the expected performance to be fair and in return to people who help the company achieve success.
4. Consider the appropriateness and approve the offer for sale of new securities or warrants to purchase shares for directors and employees at more than 5% of total number of securities to be allocated, taking into account the conditions to motivate directors and employees to perform to create long-term value added for shareholders and to retain qualified personnel. Such securities or warrants must not be too high and be fair to shareholders. No director in the Nomination and Remuneration Committee shall get more than 5% of the offered allocated securities in order to be entitled to make approval.

## 4. Risk Management Committee

The Board of Directors meeting (after becoming the public company) no. 5/2019 held on December 13, 2019 had a resolution that defined the scope of authority, duties and responsibilities of the Risk Management Committee as follows:

1. Define the policy and framework for risk management and propose the Risk Management Policy for Board of Directors' approval. Such policy must cover various kinds of risks that are impactful, which can be external and internal risks, such as Strategic Risk, Operational Risk, Financial Risk and Compliance Risk.
2. Prepare the risk management plan in accordance with the Risk Management Policy by assessing risks and proposing the prevention measures and solution guidelines for each type of risks.
3. Control, monitor, and supervise risk management in compliance with the defined measures to ensure the systematical risk management process that can be applied for the whole organization in order to prevent impact from various internal and external risk factors which can affect company business.
4. Review the risk management guideline framework to be assured that the corporate has appropriate and sufficient risk management. Propose the risk management guideline framework to Board of Directors for acknowledgement and consideration when defining the policies and guidelines for continuous organization development.
5. Evaluate performance of the Risk Management Committee and provide suggestions to develop and improve structure, roles, duties, and other suggestions to propose for Board of Directors' acknowledgement and approval.
6. The Risk Management Committee has authority to appoint the Risk Management working team and define their duties and responsibilities.
7. Perform other duties as assigned by the Board of Directors.

### 5. Executive Committee

The Executive Committee has authority and duty in managing the Company's business to be in accordance with objectives, regulations, policies, requirements, orders and laws, including the Securities and Exchange law, the notification of the Securities and Exchange Commission, the notification of the Capital Market Supervisory Board, the Announcement of the Board of Governors of the Stock Exchange of Thailand, other announcements, rules, regulations and/or relevant requirements and Board of Directors' meeting resolutions, and/or shareholders' meeting resolutions. Moreover, the Executive Committee has duty in considering and screening the issues to be presented to the Board of Directors for approval and/or approving the issues

as defined by requirements or orders of the Board of Directors, including implementing the Board of Directors' orders from time to time.

The Board of Directors meeting (after becoming the public company) no. 5/2019 held on December 13, 2019 had a resolution to approve the defining of the scope of authority, duties and responsibilities of the Executive Committee as follows:

1. Consider and define policies and important plans in various aspects to be in accordance with the corporate governance, such as Corporate Governance Policy, Anti Corruption Policy, policy on related transactions, Code of Conduct, Risk Management Policy, Human Resource Policy, Information Technology Security Policy, and other policies as deemed necessary and appropriate to further propose for Board of Directors' approval.
2. Prepare annual business plan that reflects short-term and long-term goals and strategic plan that defines goals at the corporate level, unit level, and functional level, and propose for Board of Directors' approval. In this regard, the business plan shall be reviewed regularly to be updated with the changing situation.
3. Define service plan, marketing plan, financial plan, and human resource plan, to be in accordance with the Company's policy, strategy, and annual business plan. Prepare budget and define regulation, requirement, announcement and operational guideline to support the implementation of the above plans to achieve the defined objectives.
4. Perform duty according to the normal process of Company business, such as the investment expenditures approval, material management, procurement, consideration of setting hire purchase interest rate and discount policy, amortization of bad debts, amortization of fixed assets, donation for public charity, rewarding, financial transaction with financial institutions, etc., within the defined financial limit.
5. Control, monitor and supervise the operations to be in accordance with the defined policies, plans, annual business plans, and measures effectively and efficiently.
6. Evaluate performance of the Executive Committee, give suggestion to improve its structure, roles, authority, duties and other suggestions and propose to the Board of Directors for acknowledgement and consideration.
7. Have authority to manage, control and supervise operations relating to the Company's normal

business operations to be in accordance with the the Company's business plan and to operate for solid result according to the Company's policy, strategy, annual business plan, direction, and other measures approved by the Board of Directors. The Executive Committee has authority to authorize other person to perform the duty as long as such authorization complies with the regulations, requirements or orders defined by the Board of Directors.

In this regard, the delegation of authority, duty and responsibility of the Executive Committee shall not be the delegation or sub delegation that enables the attorney to approve any transactions that he/she or any person may have conflicts, (according to the definition of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies), gain and loss, or other conflict of interest with the Company or its subsidiaries and/or related companies. The Executive Committee does not have authority to approve the action on such issues which need to be presented to the Board of Directors meetings and/or shareholders' meetings (on as the case may be) for further approval, unless it is the approval for transactions of normal business condition and trade terms which comply with the notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

8. Perform other duties as assigned by the Board of Directors.

### 6. Managing Director

The Board of Directors meeting (after becoming the public company) no. 5/2019 held on December 13, 2019 had a resolution that defined the scope of authority, duties and responsibilities of Managing Director as follows:

1. Supervise the company business operation to comply with the law, objectives, regulations, code of conduct of the Company, and other resolutions approved by the Board of Directors and/or shareholders' meeting with integrity and concern for Company's interests.
2. Prepare and propose business plan, investment plan and annual budgeting plan to the Board of Directors and implement the plans to achieve the objectives with strategy and business plans approved by the Board of Directors.
3. Responsible for the overall management and consider management policies for various functions of the Company to ensure the operation to achieve defined target within the framework of policy, business plan and budgeting plan

as approved by the Board of Directors and /or shareholders' meeting.

4. Define, change, revise and cancel regulations, orders, announcements, requirements, penalty code and internal control system so as to be the guideline of practices for every employee and to ensure that the internal management of the corporate complies with the Company's policy.
5. Have authority to sign in any documents related to the operations or the normal commercial transactions of the Company within the scope and authority of Managing Director.
6. Approve and/or delegate the authority to perform juristic acts binding the company in normal transactions including transactions that the Managing Director is authorized by the Board of Directors to perform on their behalf. This includes any transaction which is not directly binding on the assets of the company.
7. Consider and approve the implementation or approve the operational spending according to the Company's approval authority regulation or annual expenditure budget as approved by the Board of Directors.
8. Consider and appoint consultants necessary for the Company's business conduct within the approved budget and have authority to appoint attorneys to prosecute or enter a lawsuit related to the company.
9. Consider and approve the recruitment, employment, appointment, exchange, transfer and dismissal of executives and employees in any positions lower than Managing Director. The defined scope of authority and appropriate compensation of the Assistant Managing Director position and up must be directly reported to the Board of Directors for acknowledgement. The position level of internal audit head shall be processed under the Audit Committee's approval.
10. Supervise employees to work in accordance with the policy, regulations, and corporate governance, and support the development of knowledge, skills, and competency of employees to increase the overall organizational potential.
11. Conduct business and mission as assigned by the Board and according to the Board of Directors' policy. Managing Director does not have authority to approve any issues or connected transactions that are not in normal commercial terms, transactions of acquisition and disposition of significant assets of the Company and/or transactions that Managing Director or any



persons who may have conflict, gain/loss or conflict of interest in other forms shall do with the Company, unless it is an approval of transactions that comply with the policy and criteria that the Board considered and approved.

12. Have authority to sub delegate and/or assign other persons to perform a specific task for him/her. Such sub delegation and/or delegation shall be within the scope of delegation as stated in the given power of attorney and/or be in accordance with regulations, requirements or orders defined by the Board of Directors. In this regard, the delegation of authority, duty and responsibility of such Managing Director shall not be the delegation or sub delegation that enables such person to consider and approve any transactions that he/she or any person who may have conflicts, gain and loss, or other conflicts of interest shall do with the Company or its subsidiaries (if any) according to the definition stated in the notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or other announcements of related agencies, unless it is an approval of transactions that comply with the policy and criteria that the shareholders' meetings or the Board of Directors considered and approved.

## 7. Audit Committee with knowledge and experiences in financial statement review

- Mr. Chalong Luengprasit, Chairman of Audit Committee, graduated Bachelor's Degree of Accounting, Siam University and Master's Degree of Accounting, Chulalongkorn University.
- Mr. Pijak Chantaviroj graduated Doctorate in Public Administration, Rangsit University (In Progress), Master's Degree of Business Administration, Siam University and Bachelor's Degree of Accounting, Siam University.
- Mr. Weidt Nuchjalearn graduated Bachelor's Degree of Agricultural Economy, Kasetsart University and Master Degree of Accounting, Thammasart University.

## 8. Recruitment and Appointment of Board of Directors and Top Management

### 8.1 Board of Directors

#### Composition of Board of Directors

1. The Board of Directors consist of not less than 5 directors. Not less than half of total directors must have residence in Thailand.
2. In the Structure of The Board of Directors, at least 1 out of 3 of total number of directors, but not

less than 3 or as required by relevant law, must be independent directors.

3. The Board of Directors will select one independent director to be the Chairman of the Board of Directors. If the Board of Directors considers appropriate, they may select one or many company directors to be Vice Chairman and may appoint a Secretary of the Board of Directors to help the Board about meeting arrangement, meeting agenda preparation and sending meeting documents, and taking minutes of meeting.
4. The Company has policy not to allow the Chairman of the Board of Directors to be the same person as Managing Director in order to balance power of operation and to have clearly separated roles and duties.

#### Qualification of Company Director

1. A Director must be an individual who has knowledge and experiences that can contribute to business operation and has integrity, honesty, ethics and sufficiently time to fully dedicate his knowledge and competency to perform duty for the Company.
2. A Director must have qualification and does not have any prohibited characteristics according to the Public Limited Companies Law, the Securities and Exchange Law, or criteria defined by the Securities and Exchange Commission, and shall not have any characteristics that reflects the inappropriateness to gain reliability to manage business of which shareholders are the public as defined by the Securities and Exchange Commission.
3. The Board of Directors shall perform their duties and use their judgment independently to consider and make decision on any issues. Each director has duty and independence to raise questions, express opinion, vision, or objection in the case of conflicts, in order to manage the Company to be sustainable and become the business leader for the best interest of the Company and stakeholders.
4. A Director cannot conduct business, hold shares or take partnership or hold a Director position in other juristic persons that have the same condition and are competitors of the Company's business, whether it is for that Director's or others' interests, unless the shareholders' meeting was informed before the resolution to appoint the position.
5. A Director must inform the Company without delay if he/she has any gain and loss in the

contracts issued by the Company either directly or indirectly, such as the share holding in a counterparty of the contract, the investment in debentures, etc.

6. Holding an Independent Director position, a director must have qualification as required in the relevant notification of the Capital Market Supervisory Board and any amendment in the future.
7. Each Director can hold a position in not more than 5 other listed companies in consideration of the appropriate position and business nature.

#### Qualification of Independent Director

An Independent Director must have qualification of independence as defined by law and must be a person who can manage benefits of all shareholders equally to prevent conflict of interest. Moreover, he/she must attend the Board of Directors' meetings and express opinion independently.

In addition to general qualifications of director, an independent director must have following qualifications:

1. Hold not more than 1% of total number of shares with voting rights of the Company, parent company, subsidiary companies, associate companies, major shareholders, or controller of the Company. The shares holding of the related persons to that independent director are included.
2. Is not or was not a director taking part in business management, employee, staff, consultant receiving regular salary or controller of the company, parent company, subsidiary companies, associate companies, subsidiary companies of same level, major shareholder, or controller of the company unless having been discharged from such positions for at least 2 years.
3. Is not a person having blood relations or legal relations by registration of other directors, executives, major shareholders, controllers of the Company, or any person who shall be proposed to be director, executive or controllers of the Company or subsidiary companies.
4. Does not have or never had business relationship with the Company, parent company, subsidiary companies, associate companies, major shareholder, or controller of the Company in a manner that may impede his/her independent exercise of judgment and is not or was not a shareholder who is significant or has controlling power over a person who is in business relationship

with the Company, parent company, subsidiary companies, associate companies, major shareholders or controllers of the company unless having been discharged from such positions for at least 2 years.

5. Is not or was not an auditor of the Company, parent company, subsidiary companies, associate companies, major shareholder, or controller of the Company, and is not a significant shareholder, controller, or partner of the audit office to which the auditor of the Company, parent company, subsidiary companies, associate companies, major shareholder, or controller of the Company belong unless having been discharged from such positions for at least 2 years.

6. Is not or was not any professional service provider or legal consultant or financial consultant receiving service fees of more than 2 million Baht per year from the company, parent company, subsidiaries, associates, major shareholders or controllers of the company, and is not the significant shareholder or controller or partner of such professional service provider unless having been discharged from such position for at least 2 years.

7. Is not a director appointed as a representative of Managing Director, major shareholder or a shareholder related to major shareholders.

8. Does not conduct business of the same nature and in significant competition with the Company or subsidiaries or is a significant partner in partnership or a director taking role in business management, employee, staff, consultant receiving regular salary or holding shares of more than 1% of total number of shares with voting rights of other companies that conduct the same business and are significant competitors of the Company or its subsidiaries.

9. Does not have any other characteristics that prevent the independent opinion expression about the Company's management.

In this regard, after being appointed as Independent Director with the mentioned qualification, an Independent Director may be assigned by the Board of Directors to make decision on business management of the Company, parent company, subsidiary companies, associate companies, and subsidiary companies of the same level. The decision making can be made in the form of collective decision.

#### Appointment and Term of Office

1. The appointment of directors shall be in accordance with relevant laws. The director recruitment shall be transparent by considering knowledge, competency and experiences of such person with sufficient details for decision making of the Board of Directors and shareholders.
2. In every Annual General Meeting of Shareholders, 1/3 of directors shall retire from the position. If 1/3 does not result in a full number, the number closest to 1/3 shall be applied. After the Company became a public company, retiring directors leaving in the first year and second year shall be selected by drawing. After that, directors who hold in position for the longest shall leave.
3. Directors retiring by rotation may be re-elected to the position.
4. In the case that a director position is vacant due to other reasons than retiring by rotation, the Nominatin and Remuneration Committee shall select an individual whose qualification meets requirements of the Public Limited Companies Law to take the director place in the following Board meeting. If the term of such director left is less than 2 months, the replacing director shall be in that position until the end of that term.
5. The term of office of Independent Director should be no longer than continual 9 years from the date of the first appointment. For an Independent Director to stay longer in the position, the Board should reasonably consider the need for such case.

#### Vacation of Office

1. The office of director can become vacant when:
  - (1) The term of office is ended.
  - (2) A director dies.
  - (3) A director resigns.
  - (4) A director is disqualified or has a prohibited characteristics defined by law.
  - (5) The shareholders' meeting has a resolution for a director to leave.
  - (6) The court issues an order for a director to leave.
2. Any director who wants to resign can submit resignation to the Company. The resignation is effective from the date it arrives the Company.

### 8.2 Audit Committee

#### Composition of Audit Committee

1. The Audit Committee consists of not less than 3 independent directors, of which at least 1 is an Audit Director who has knowledge, understanding and experiences in accounting or finance and

continuously acknowledges the causes that have effect on the changes in financial reporting.

2. The Board of Directors or Audit Committee review and select one Audit Director to be the Chairman of Audit Committee and may appoint an Audit Committee Secretary to help their work in meeting appointment, preparing meeting agenda, sending meeting documents and taking minutes of meeting.

#### Qualification of Audit Director

1. Audit Director is independent director who has qualifications required by the Public Limited Companies Law, the Securities and Exchange Law, and announcements, requirements, and/or regulations of the Securites and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET.)
2. Audit Director has knowledge and experiences much enough to perform duties of an audit director for the assignment and to be able to exercise his discetion independently.

#### Appointment and Term of Office

1. Audit Committee is appointed by the Board of Directors or the shareholders' meeting. In the case that the Audit Director's name is nominated for the shareholders' meeting approval, the Company should reveal the name and profile, including a message stating that the appointed person has the qualification and independence as required in the meeting invitation letter.
2. Audit Committee's term of office is 3 years. When any Audit Director's term of office is complete, such person can be re-elect to hold the position as deemed appropriate by the Board of Directors or the shareholders' meeting.
3. When an Audit Director completes his term of office or has any reasons that make him leave before the end of the term, resulting in the less number of members than the requirement of Audit Committee's composition, the Board of Directors or shareholders will appoint a new Audit Director to fill in the body at once or at least within 3 months from the date when the number of members is incomplete in order to keep continuity of Audit Committee's performance. In this regard, the new Audit Director who takes the position by other reasons than retiring by rotation shall stay in position for the remaining term of the Audit Director he replaces.

#### Vacation of Office

1. The office of Audit Director can become vacant when:
  - (1) A director retires from the Company Director position.
  - (2) The term of office is ended.
  - (3) A director dies.
  - (4) A director resigns.
  - (5) A director is disqualified or has a prohibited characteristics defined by law.
  - (6) The shareholders' meeting or Board of Directors has a resolution for a director to leave.
  - (7) The court issues an order for a director to leave.
2. Any director who wants to resign can submit resignation to the Company. The resignation is effective from the date it arrives the Company.

### 8.3 Nomination and Remuneration Committee

#### Composition of Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee consists of not less than 3 executive directors. At least half of total Nomination and Remuneration Directors must be independent directors. The Nomination and Remuneration Committee must not be the Chairman of the Board or Managing Director.
2. The Nomination and Remuneration Committee selects one Nomination and Remuneration Director, who is independent director, to be the Chairman of the Nomination and Remuneration Committee and appoints a Secretary of Nomination and Remuneration Committee to help their work in meeting appointment, preparing meeting agenda, sending meeting documents and taking minutes of meeting.

#### Qualification of Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee must have qualification as required by Limited Company Law, Public Limited Companies Law, Securities and Exchange Law, and announcement, regulations and/or regulations of the Securites and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET.)
2. The Nomination and Remuneration Committee must have knowledge and experiences that contribute to the performance of Nomination and Remuneration Director, understanding in duties and responsibilities of the Nomination and Remuneration Committee and can dedicate sufficient time to perform their duties.
3. The Nomination and Remuneration Committee

has neutrality and independence, according to the Company's good corporate governance, in recruiting and selecting individuals qualified to be nominated for the position of company Directors and Managing Director.

#### Appointment and Term of Office

1. The Nomination and Remuneration Committee is appointed by the Board of Directors.
2. Nomination and Remuneration Director's term of office is 3 yeas, in line with the term of office of company Director.

#### Vacation of Office

1. The office of Nomination and Remuneration Director can become vacant when:
  - (1) The term of office is ended.
  - (2) A director dies.
  - (3) A director resigns
  - (4) A director is disqualified or has a prohibited characteristics defined by law.
  - (5) The Board of Directors meeting has a resolution for a director to leave.
2. Any Nomination and Remuneration Director who wants to resign can submit resignation to the Chairman of the Board of Directors.

### 8.4 Risk Management Committee

#### Composition of the Risk Management Committee

1. The Risk Management Committee consists of not less than 5 directors and/or executives.
2. The Risk Management Committee selects one independent director to be the Chairman of the Risk Management Committee.
3. The Risk Management Committee appoints a Secretary of Risk Management Committee to help their work in meeting appointment, preparing meeting agenda, sending meeting documents and taking minutes of meeting.

#### Qualification of Risk Management Committee

1. The Risk Management Committee must have qualification and no prohibited characteristics according to the Limited Companies and Public Limited Companies Laws, the Securities and Exchange Law, and regulations set by the Securites and Exchange Commission and the Stock Exchange of Thailand, and other relevant laws.
2. The Risk management Committee must be individuals who have knowledge and experiences



that can contribute to business operation and have integrity, honesty, ethics and sufficient time to fully dedicate their knowledge and competency to perform duties for the Company.

#### Appointment and Term of Office

1. The Nomination and Remuneration Committee recruit and nominate qualified individuals as identified in the Risk Management Directors' qualifications to hold a Risk Management Director position and nominate such individual to the Board of Directors meeting considering his educational profile and professional experiences.
2. The Risk Management Committee's term of office is 3 years. The Risk Management Committee who retires by rotation may be re-elected to the position for another term by the Board of Directors.
3. In the case that the Risk Management Director position is vacant, the Nomination and Remuneration Committee shall select and nominate an individual with complete qualification to the Board of Directors for consideration in taking the vacant position in order for the committee to have the full members of directors as defined in the charter by the Board of Directors. The individual taking the position shall be in the position for the remaining term of office only.

#### Vacation of Office

1. The office of Risk Management Director can become vacant when:
  - (1) The term of office is ended.
  - (2) A director dies
  - (3) A director resigns
  - (4) A director is disqualified or has a prohibited characteristics defined by relevant laws.
  - (5) The Board of Directors meeting has a resolution for a director to leave.
2. Any director who wants to resign can submit resignation to the Company. The resignation is effective from the date it arrives the Company.

### 8.5 Executive Committee

#### Composition of Executive Committee

1. The Executive Committee consists of not less than 3 persons of directors, executives and/or employees. Members of the Executive Committee do not have to hold the Company Director position.
2. The Board of Directors or the Executive Committee selects one Executive Director to be the Chairman of Executive Committee. When the Board of Directors or Executive Committee deems appropriate, they may select one or many Executive Directors to be the Vice Chairman of Executive Committee and may appoint an

Executive Committee Secretary to help their work in meeting appointment, preparing meeting agenda, sending meeting documents and taking minutes of meeting.

#### Qualification of Executive Committee

1. The Executive Committee must have qualification and does not have any prohibited characteristics according to the Public Limited Companies Law, the Securities and Exchange Law, and regulations set by the Securities and Exchange Commission and the Stock Exchange, and other relevant laws.
2. The Executive Committee must be individuals who have knowledge and experiences that can contribute to business operation and has integrity, honesty, ethics and sufficient time to fully dedicate his knowledge and competency to perform duty for the Company.

#### Appointment and Term of Office

1. The Executive Committee is appointed by the Board of Directors and must have full qualifications as stated in the executive director's qualification.
2. If an Executive Director position is vacant, the Board of Directors shall select a qualified individual to take the position.

#### Vacation of Office

1. The office of Executive Director can become vacant when:
  - (1) The term of office is ended.
  - (2) A director dies.
  - (3) A director resigns.
  - (4) A director is disqualified or has a prohibited characteristics defined by law.
  - (5) The Board of Directors meeting has a resolution for a director to leave.
  - (6) A director becomes bankrupt, quasi-incompetent or incompetent person.
  - (7) A director gets imprisoned or gets a final sentence of imprisonment, except for petty offence or offence committed by negligence.
2. Any Executive Director who wants to resign can submit resignation to the Chairman of the Executive Committee.

### 8.6 Managing Director

In selecting personnel to be appointed as the Managing Director, the Nomination and Remuneration Committee shall consider the qualification and competency of such person based on the criteria and recruiting methods of the Company. The person who can be nominated for the Managing Director position can be an external or internal person of the company and must hold the position in the level of assistant managing director up. Such person can apply for the selection



8. APPROVAL AUTHORITY FOR SIGNIFICANT TRANSACTION

The Board of Directors Meeting no. 6/2023 on 14th July 2023 had a resolution to approve the Authority Table to provide flexibility to authorized persons in regular general operations of the Company as follows:

Approval authority	Board of Directors	Audit Committee	Nomintion and Remune-ration Committee	Risk Management Committee	Executive Committee	Managing Director	Deputy Managing Director	Assistant Managing Director and CFO	Note
1. Business plan and annual budget	Approve	-	-	-	-	-	-	-	-
2. Changes in annual business plan for more than 20% of approved budget	Approve	-	-	-	-	-	-	-	-
3. Changes in annual business plan for not more than 20% of approved budget	-	-	-	-	Approve	-	-	-	-
4. Investment within annual budget approved by the Board	-	-	-	-	-	Approve	-	-	-
5. Funding Management Approval									
• Applying for credit lines and conditions for using credit lines from financial institutions including the issuance of bills of exchange	Approve	-	-	-	-	-	-	-	-
6. Credit consideration									
• Over 50 million Baht budget	Approve	-	-	-	-	-	-	-	-
• Not over 50 million Baht budget	-	-	-	-	Approve	-	-	-	-
• Not over 10 million Baht budget	-	-	-	-	-	-	Approve	-	-
7. Financial Banking									
• Account opening – closing with financial institution	Approve	-	-	-	-	-	-	-	-
• Deposit with bank/ investment financial institution	Approve	-	-	-	-	-	-	-	-
• Loan agreement approval	Approve	-	-	-	-	-	-	-	-
• Approval of disbursements	-	-	-	-	-	-	-	Approve	-



Approval authority	Board of Directors	Audit Committee	Nomintion and Remune-ration Committee	Risk Management Committee	Executive Committee	Managing Director	Deputy Managing Director	Assistant Managing Director and CFO	Note
8. Purchasing, leasing licenses. Renewal of Fixed Asset Use Rights									
• More than 10,000,000 Baht	Approve	-	-	-	-	-	-	-	-
• Not more than 10,000,000 Baht/Time	-	-	-	-	Approve	-	-	-	-
9. Real estate purchasing									
10. Lease of land or building (extend agreement value)									
• More than 1,000,000 Baht	Approve	-	-	-	-	-	-	-	-
• Not more than 1,000,000 Baht									
• Not more than 500,000 Baht	-	-	-	-	Approve	-	-	-	-
• Not more than 100,000 Baht	-	-	-	-	-	Approve	-	-	-
	-	-	-	-	-	-	Approve	-	-



# NOMINATION AND REMUNERATION COMMITTEE REPORT

The company board has appointed a Nomination and Remuneration Committee consisting of three board members. The members are as follows:

The Nomination and Remuneration Committee members		Number of Meetings Attended
Mr. Chalong Luengprasit	Chairman	3/3
Mr. Thammasak Auchyawat	Committee	3/3
Dr. Pijak Chantaviroj	Committee	3/3

The Nomination and Remuneration Committee has diligently carried out its responsibilities in accordance with the provisions outlined in the committee's charter, which has been duly considered and approved by the Board of Directors.

Throughout the fiscal year 2023, the Nomination and Remuneration Committee convened a total of three meetings. All committee members actively participated in these meetings to monitor and deliberate on various significant matters delegated by the Board of Directors. These matters are stipulated in the committee's charter, ensuring compliance with established guidelines and procedures.

In summary, the committee has effectively fulfilled its duties during the specified period, contributing to the overall governance and compensation-related decisions within the company.

1. Board Member Nomination Process:

The committee undertook the evaluation of individuals possessing suitable qualifications to fill positions as board members, ensuring a seamless transition for those concluding their terms. Additionally, the committee carefully considered candidates for directorships within various subcommittees, including the Executive Committee, Audit Committee, Risk Management Committee, Investment and Governance and Sustainable Development Committee. The individuals put forward demonstrated qualifications aligned with the sustainable growth and oversight needs of the company and its affiliated entities.

The committee thoroughly reviewed the qualifications and competencies of potential candidates, presenting a comprehensive list to the Board of Directors for their consideration and approval. This meticulous process aims to ensure a well-rounded and aligned composition of the board, conducive to the continued development and sustainable success of the company.

2. Compensation Review for Board and Subcommittees:

The committee conducted a thorough examination of the compensation structures for both the Board of Directors and its subcommittees. This evaluation involved a comparative analysis with peer companies within the same industry, aiming to establish remuneration levels that are commensurate with the roles and responsibilities of the directors. The comparison considered industry best practices to ensure that the compensation aligns with the overall performance of the company.

The proposed compensation packages were presented to the Board of Directors for review and approval before being submitted to the shareholders for consideration and approval at the Annual General Meeting. This meticulous process ensures that the compensation for board members and subcommittee participants is competitive, reflective of industry standards, and in harmony with the company's overall operational performance.

3. Executive Leadership Nomination and Compensation Assessment:

The committee engaged in a comprehensive evaluation of individuals possessing the requisite qualifications for assuming the role of Managing Director within the company and its subsidiaries. Additionally, the committee scrutinized the compensation structure for both the Managing Director of the company and senior executives within its subsidiaries.

The evaluation process included a careful consideration of each candidate's qualifications, experience, and alignment with the strategic goals of the organization. The proposed compensation packages were designed to reflect market standards and ensure the attraction and retention of high-caliber leadership.



The committee presents the shortlisted candidates along with the proposed compensation details to the Board of Directors for further consideration and approval, fostering a transparent and robust process for appointing key executive leadership positions.

4. Organizational Structure Evaluation:

The committee undertook a comprehensive review of the company's organizational structure and that of its subsidiaries to ensure alignment with the company's vision and mission. This assessment considered market conditions and overall economic factors, with a focus on maintaining adaptability to market dynamics.

The evaluation encompassed a thorough examination of the succession plans for key managerial and executive positions, ensuring a seamless transition and continuity in leadership roles. This process aimed to create an organizational framework that is responsive to market trends, economic shifts, and supportive of the company's long-term goals.

5. Performance Evaluation Criteria and Guidelines for Managing Director:

The committee engaged in a thorough consideration of the criteria and guidelines for assessing the performance of the Managing Director, with the dual purpose of reviewing contracts and evaluating annual compensation outcomes.

The established criteria encompassed key performance indicators (KPIs), strategic goal achievements, leadership effectiveness, and contributions to the company's overall success. The guidelines were designed to ensure a comprehensive and fair evaluation process, aligning with the company's objectives and values.

6. Criteria and Review Process for Self-Assessment of the Committee and Subcommittees:

The committee has considered the core criteria and reviewed the details of the self-assessment process for both the main committee and subcommittees, in accordance with the revised Market Principles as of January 2024.

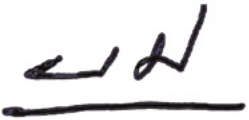
The established criteria include adherence to market principles, effective governance practices, and contributions to the overall corporate governance framework.

7. Annual Performance Evaluation of the Nomination and Remuneration Committee for the Year 2023:

An annual performance assessment for the Nomination and Remuneration Committee was conducted for the fiscal year 2023. The objective of this evaluation was to derive insights that could be utilized to refine and enhance committee operations, ensuring efficiency and alignment with the company's objectives.

The assessment process involved a comprehensive review of the committee's activities, decision-making processes, and contributions to the fulfillment of its duties. The outcomes of the evaluation will serve as a basis for continuous improvement, enabling the committee to adapt to changing circumstances and uphold its commitment to corporate governance best practices.

The Nomination and Remuneration Committee has diligently fulfilled its responsibilities with utmost diligence, full competence, and independence, providing thorough and direct insights. The committee operates with the principles of fairness, impartiality, and transparency, adhering to the best practices of effective corporate governance.



**(Mr.Chalong Luengprasit)**  
Chairman of the Nomination and Remuneration Committee



# NOMINATION AND REMUNERATION COMMITTEE REPORT

Micro Leasing PCL is well aware of and places great emphasis on risk management under the principle of good governance, with consideration of vision, mission, objectives and organizational strategies, which all form the basis of risk management protocols according to the international standard that are applicable organization-wide. It is encouraged that risk management activities are part of everyday operations, leading to the creation of value-added features for the Company. There are protocols to monitor the systems and risk management procedures that prevent potential impact on the financial position and the Company's operating performance, as well as competitive ability on the long run in order to build trust in stakeholders in achieving the objectives aspired by the

Board of Directors, and in preventing and minimizing potential impact caused by the environment and uncertainty in operating the business.

In order for the operations to align with the mentioned objectives, the Board of Directors have appointed the Risk Management Committee, comprising of 7 top executives and department heads who have knowledge and experiences in risk management. In 2023, the Risk Management Committee had arranged seven meetings to supervise and monitoring the performance of risk management, with key operational highlights as follows:

Name of Risk Management Committee Members		The Number of Meetings Attended / The Number of Meetings Held
1. Mr. Weidt Nuchjalearn	Chairman	4/4
2. Mr. Wisarn Booranasuntikoon	Member	4/4
3. Mr. Preeda Iramaneerat	Member	4/4
4. Mr. Jedsada Auchyawat	Member	4/4
5. Mr. Kandanai Chonsuwat	Member	4/4
6. Mr. Tanyakon Autchayawat	Member	4/4
7. Mr. Wisan Wethayanukool*	Member	4/4

## Key Takeaways of the Risk Management Committee's Performance

1. Consider and comment on the draft policies and organizational risk management framework prior to proposing to the Board of Directors for approval, while also assigning the management team to execute the policies as prescribed such as AMLO Act. Policy, Anti-Corruption Policy, Code of conduct Policy, Whistle Blowing Policy, and Operation Risk Management Policy.
2. Consider and comment on Best Guidelines for Consent Process via digital channel for collection and usage including PDPA Consent and NCB Credit Scoring Model Consent and Data Processor Agreement Process.
3. Consider and comment on the analysis and identify organizational risks and stakeholders' needs, prescribe the acceptable risk level and risk management plan that is in accordance with the strategies and objectives of the organization.
4. Continuously review and improve the effectiveness and efficiency of the risk management system, with constant follow-up of risk management activities on a quarterly basis.
5. Systematically review recently incurred risks to ensure they are aligned with the current situation on a continuous basis, as well as verify the risk management report to monitor risks that can have significant impact on the organization.
6. Continuously review and consider emerging risks

and comment on mitigation plans for Significant Risk or Significant Loss including cyber risk or cyber-crimes.

7. Continually reporting to the Board of Directors on significant risks and risk management solutions.

The Risk Management Committee is fully committed to ensure that the Company has good corporate governance and risk management at an acceptable level, and are aligned with the current business scenarios, by way of constant and continuous reviews to ensure that the risk management is incorporated as part of the strategic and business plans, which will have direct impact on the organizational competency to operate effectively and to be able to achieve the targets put forth by the Board of Directors.



(Mr. Weidt Nuchjalearn)  
Chairman of the  
Risk Management Committee





## RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR FINANCIAL REPORT

The Board of Directors of Micro Leasing Public Company Limited is responsible for financial statements of the Company including financial information disclosure in Annual Report of 2023. Such financial statements were prepared according to general accepted accounting principles and such financial statements were regularly prepared according to the financial reporting standard and appropriate accounting policy. The discretion and estimates were used carefully and reasonably as needed. The information disclosure in the financial statement appendix was sufficient.

The Board of Directors realized the importance of the duties and responsibilities that must continuously be in accordance with the good corporate governance policy in order to conduct the business with efficiency, transparency and credibility and established proper and effective control system, risk management system in order to rationally assure that the accounting information was correctly and completely recorded and adequate to sustain the Company's assets as well as to prevent any frauds or significantly irregular operations. The Board of Directors has appointed the Audit Committee comprising qualified independent directors to review the quality of financial report and internal control system. The opinion of the Audit Committee is reported in the Audit Committee's Report in this annual report.

The Board of Directors has viewed that the overall internal control system that is adequate and appropriate could ensure that the financial statements of the year ending 31 December 2023 was reliable along with the financial reporting standards and was conducted precisely according to the related laws and regulations.



**(Mr. Wisarn Booranasuntikoon)**  
Chairman of Executive  
Committee / Managing  
Directors



**(Asst. Prof. Krit Umpote)**  
Chairman of the Board of  
Directors / Independent



# INTERNAL CONTROL

A close-up photograph of a person's hand, wearing a dark blue long-sleeved shirt, placing a light-colored wooden block onto a row of other similar blocks. The blocks are arranged in a slightly staggered line on a light surface. The background is a soft-focus grey.

## 1. COMMENTS FROM THE COMPANY'S BOARD OF DIRECTORS ABOUT THE COMPANY'S INTERNAL CONTROL

The Company's Board of Directors gives importance to and is aware of the implementation of good internal control system to ensure that the Company will achieve the internal control appropriate to and sufficient for supervising and overseeing the operations of the Company to meet its goal with effectiveness at work, resources utilization, overseeing and maintain assets, prevention or reduction of errors, controlling damage that may arise including preparation of accounting reports and financial statements in a correct and reliable manner in conjunction with following laws, rules, and regulations associated with the company's operations.

The Board of Directors has appointed an Audit Committee to supervise and inspect the performance of the management and assigned the Audit Committee to review and assess the adequacy of the internal control system based on international standards. The Committee of Sponsoring Organizations of the Treadway Commission (COSO) assigned the Internal Audit Department to assess the adequacy and suitability of the internal control system to ensure that it is in line with the overall corporate risk and the business of the Company.

The Internal Audit Department has assessed the sufficiency and adequacy of the internal control system by using 5 elements according to the COSO guidelines, which can be summarized as follows:

### 1. Control Environment

The Board of Directors and the management have devised the guidelines for all staff members to perform their duties based on honesty and good conduct in the operations.

The Company has developed an organizational structure, taking into account business suitability to allow for an effective management, with clear classification of roles in key functions to enable cross functional audit. The Internal Audit division directly reports to the Audit Committee to perform duties independently. The work supervision is in accordance with the line of supervision, with clear identification of responsibilities. Every staff member is aware of their roles, duties, and responsibilities, with clear identification of qualifications, duties and responsibilities of each position.

### 2. Risk Assessment

The Board of Directors and the management focus their importance on risk management and preparation for changing situations and risk factors by considering both internal and external factors

that may affect business operations, e.g., economic conditions, fluctuations in oil price, political situation, government policy, or regulatory agency, changes in laws or regulations related to business operations, the introduction of digital technology, and climate and environmental changes, etc.

The Company has established an information technology policy as a guideline for development to ensure that it is in line with the Company's strategic plans and goals, relevant laws, regulations, and international standards, and conforms to the ongoing changes in information technology. In addition, it has placed importance on cybersecurity by setting out measures to prevent and cope with risk factors and incessant changes while also constantly monitoring and assessing potential impacts on the business to lower risk from such threats. In this regard, the company has communicated and cascaded knowledge to its employees about cyber threats, how to prevent potential threats in operations, and the application of knowledge to work in order to raise Cybersecurity awareness for employees.

### 3. Control Activities

The Company has policies, work regulations, operating procedures, as well as control measures that vary based on risks and nature of work of each department. There are written internal control measures that adequately cover processes.

The Company has several whistleblowing channels to submit cases on dishonesty, such as the Company's website, corporate email, or sealed letter, in order for any individuals within the Company or external stakeholders to file complaints or cases related to dishonesty safely. In this regard, the Company will keep the information submitted strictly confidential to prevent any impact on the whistleblower or submitter of cases.

### 4. Information & Communication

The Company places emphasis on the information system used in the operations, financial report management and the communication of information both from the inside and outside of the organization.

### 5. Monitoring Activities

The Company regulates that all levels of executives are obligated and responsible for supervising and monitoring work execution in their departments to follow the policies, regulations and operational guidelines or the internal control systems being established.



# DETAILS OF CONNECTED TRANSACTIONS

## 1. DETAILS OF CONNECTED TRANSACTIONS IN 2022 AND 2023

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2022	2023	
1. Mr. Kitsada Auchyawat (“Mr. Kitsada”)  <b>Relationship with Company</b> <ul style="list-style-type: none"><li>Major shareholder of Company holding 13.77% of total paid-up shares.</li><li>Hold the positions of Director and Assistant Managing Director of Credit Operations</li><li>Child of Mr. Thammasak who is the major shareholder and director of the Company.</li><li>Brother of Mr. Tanyakon and Mr. Jedsada who are shareholders, directors, and executives of the Company.</li></ul>	<b><u>Long-term loans</u></b>  The Company borrowed money from Mr. Kitsada to enhance financial liquidity.			The Company borrowed long-term loans from Mr. Kitsada to grant loans to customers and to use as cash flow for the continuous business operation. The interest rate paid was closed to the loan interest rate from commercial banks.
	Long-term loans			
	Long-term loans at beginning period	30.80	0.00	Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties.
	<u>Add</u> additional loans in between period.	-	-	
	<u>Deduct</u> repayment in between period.	(30.80)	(00.0)	<b><u>Audit Committee’s comment</u></b>
	Long-term loans at ending period.	<u>30.8</u>	<u>0.0</u>	Long-term loan transaction was to support the Company’s normal business operation. The interest paid rate was closed to the loans from commercial banks. Such transaction, thus, was necessary, justifiable, and beneficial to the Company.
	Interest paid	0.24	0.00	
	<b><u>Credit guarantee</u></b>			
	Mr. Kitsada is the credit guarantor of the company.			The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mr. Kidsada under the conditions of the banks. The Company did not pay any expenses for such guarantee.
	Short-term loans	10.0	10.0	
	Long-term loans	240.0	240.0	<b><u>Audit Committee’s comment</u></b> Such transaction was for the interest of the Company and the Company did not have any expenses on the guarantee.
2. Mrs. Rotsanan Yingthaweesak (“Mrs. Rotsanan”)  <b>Relationship with Company</b> <ul style="list-style-type: none"><li>Hold the positions of Director and Senior Deputy Managing Director</li><li>The Company’s shareholders holding 1.66% of total paid-up shares.</li></ul>	<b><u>Credit guarantee</u></b>			The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mrs. Rotsanan under the conditions of the banks. The Company did not pay any expenses for such guarantee.
	Mrs. Rotsanan is the credit guarantor of the Company.			
	Short-term loans	10.00	10.00	
	Long-term loans	240.00	240.00	<b><u>Audit Committee’ s comment</u></b> Such transaction was for the interest of the Company and the Company did not have any expenses on the guarantee.

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2022	2023	
3. Mr. Kitsada Auchyawat (“Mr. Kitsada”)  <b>Relationship with Company</b> <ul style="list-style-type: none"><li>Hold the positions of Director.</li><li>The Company’s shareholder holding 3.0% of total paid-up shares.</li></ul>	<b><u>Short-term loans</u></b>  The Company borrowed money from Mr. Keittipong to enhance financial liquidity.			The Company borrowed long-term loans from Mr. Kitsada to grant loans to customers and to use as cash flow for the continuous business operation. The interest rate paid was closed to the loan interest rate from commercial banks.
	Short-term loans			Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties.
	Short-term loans at beginning period	20.0	0.00	
	<u>Add</u> additional loans in between period.	-	-	<b><u>Audit Committee’s comment</u></b>
	<u>Deduct</u> repayment in between period.	(20.00)	(0.00)	Long-term loan transaction was to support the Company’s normal business operation. The interest paid rate was closed to the loans from commercial banks. Such transaction, thus, was necessary, justifiable, and beneficial to the Company.
	Short-term loans at ending period.	<u>0.00</u>	<u>0.00</u>	
	Interest paid	0.32	0.300	
	<b><u>Lease of land and buildings</u></b>			parking spot for confiscated trucks for sale at the rental rate appraised by Prospect Appraisal Co., Ltd. (“Independent Appraiser”) for public purpose. The appraised rental fee according to current market price is 30,000 Baht per month.
	The Company has leased the land and buildings on Pholdamri Street, Don Koi sub-district, Kampangsang district, Nakorn Pathom, for 3 years from June 2022 – May 2025. The total area of the land was 5 Rais and the area of buildings was 42 square metres.			<b><u>Audit Committee’s comment</u></b> The transaction supported the Company’s business operation with the lease where the rental lease was appropriate, and the terms of payment matched the business. Such transaction, thus, was necessary and justifiable.
	Lease rental	0.36	0.36	
4 Miss Korawan Anusanee (“Miss Korawan”)  <b>Relationship with Company</b> <ul style="list-style-type: none"><li>Spouse of Mr. Keittipong who holds the positions of Director.</li></ul>	<b><u>Short-term loans</u></b>  The Company borrowed money from Miss Korawan to enhance financial liquidity.			The Company borrowed short-term loans from Miss Korawan to grant loans for customers and to use as cash flow for continuous business operation. The interest rate was paid at the same rate as the interest rate of the loans from commercial banks.
	Short-term loans			Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties.
	Short-term loans at beginning period	15.0	15.0	
	<u>Add</u> additional loans in between period.	-	-	The short-term loan transaction was to support the Company’s normal business operation. The interest paid rate was closed to the interest rate of the loans from commercial banks. Such transaction, thus, was necessary, justifiable, and beneficial to the Company.
	<u>Deduct</u> repayment in between period.	-	(15.00)	
	Short-term loans at ending period.	<u>15.0</u>	<u>0.00</u>	
	Interest paid	0.65	0.05	

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2022	2023	
5. Mrs. Raksina Raksakulchon (“Mrs. Raksina”)  <b>Relationship with Company</b> <ul style="list-style-type: none"> <li>Sister of Mr. Thammasak.</li> <li>The Company’s shareholder holding 0.3% of total paid-up shares.</li> </ul>	<b><u>Short-term loans</u></b>			The Company borrowed short-term loans from Mrs. Raksina to grant loans for customers and to use as cash flow for continuous business operation. The interest rate was paid at the same rate as the interest rate of the loans from commercial banks.
	The Company borrowed money from Mrs. Raksina to enhance financial liquidity.			
	Short-term loans			
	Short-term loans at beginning period	15.00	15.00	Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties.
	Add additional loans in between period.	-	-	
	Deduct repayment in between period.	-	(15.00)	
	Short-term loans at ending period.	<u>15.0</u>	<u>0.00</u>	<b><u>Audit Committee’s comment</u></b> The short-term loan transaction was to support the Company’s normal business operation. The interest paid rate was closed to the interest rate of the loans from commercial banks. Such transaction, thus, was necessary, justifiable, and beneficial to the Company.
	Interest paid	0.64	0.5	
6. Mr. Thammasak Auchyawat (“Mr. Thammasak”)  <b>Relationship with Company</b> <ul style="list-style-type: none"> <li>Major shareholder holding 23.41% of total paid-up shares.</li> <li>Hold the Director position.</li> <li>Father of Mr. Tanyakorn, Mr. Jedsada, and Mr. Kidsada who are shareholders, directors, and executives of the Company.</li> </ul>	<b><u>Credit guarantee</u></b>			The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mr. Thammasak under the conditions of the banks. The Company did not pay any expenses for such guarantee.
	Mr. Thammasak is the credit guarantor of the Company.			
	Short-term loans	10.00	10.00	
	Long-term loans	540	540	<b><u>Audit Committee’s comment</u></b> Such transaction was for the interest of the Company and the Company did not have any expenses on the guarantee.

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2022	2023	
7. Mr. Tanyakorn Autchayawat (“Mr. Tanyakorn”)  <b>Relationship with Company</b> <ul style="list-style-type: none"> <li>The Company’s shareholder holding 5.567% of total paid-up shares.</li> <li>Hold the positions of Director and Assistant Managing Director of Credit Operations</li> <li>Child of Mr. Thammasak who is major shareholder and director.</li> <li>Brother of Mr. Jedsada and Mr. Kitsada who are shareholders, directors, and executives of the Company.</li> </ul>	<b><u>Credit guarantee</u></b>			The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mr. Tanyakorn under the conditions of the banks. The Company did not pay any expenses for such guarantee.
	Mr. Tanyakorn was the co-guarantor of the Company’s credit.			
	Short-term loans	10.00	10.00	
	Long-term loans	540.00	540.00	<b><u>Audit Committee’s comment</u></b> Such transaction was for the interest of the Company and the Company did not pay any expenses for such guarantee.
8. Mr. Jedsada Auchyawat (“Mr. Jedsada”)  <b>Relationship with Company</b> <ul style="list-style-type: none"> <li>The Company’s major shareholder holding 13.17% of total paid-up shares.</li> <li>Hold the positions of Director and Deputy Managing Director of Credit Operations</li> <li>Child of Mr. Thammasak who is major shareholder and director.</li> <li>Brother of Mr. Tanyakorn and Mr. Kitsada who are shareholders, directors, and executives of the Company.</li> </ul>	<b><u>Credit guarantee</u></b>			The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mr. Jedsada under the conditions of the banks. The Company did not pay any expenses for such guarantee.
	Mr. Jedsada was the co-guarantor of the Company’s credit.			
	Short-term loans	10.00	10.00	
	Long-term loans	240.00	240.00	<b><u>Audit Committee’s comment</u></b> Such transaction was for the interest of the Company and the Company did not pay any expenses for such guarantee.



Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2022	2023	
9. Mr. Weidt Nuchjalearn (“Mr. Weidt”)  <b>Relationship with Company</b> • Hold the positions of Independent Director and Audit Committee.	<b><u>Advisor to the Executive Committee</u></b>  Mr. Weidt Nuchjalearn of Advisor to the Executive Committee the Board of Directors meeting no.8 held on 8th August 2022.	0.61	0.66	The company appointment Mr. Weidt Nuchjalearn of Independent Director and Audit Committee together with Advisor to the Executive Committee by monthly remuneration of THB 55,000 to provide advice and advice to the company. Because he is a knowledgeable person Financial expertise and leasing business.  <b><u>Audit Committee’s comment</u></b> Such transaction was necessary and justifiable, to support the Company’s normal business operation and did not make the Company lose any interest.
10. Mr. Chackarin Umpote (“Mr. Chackarin”)  <b>Relationship with Company</b> • Son of Mr. Krit Umpote Hold the positions of Chairman and Independent Director.	<b><u>Legal Counsellor</u></b>  Mr. Chackarin Umpote being a director with the authority to sign KCB Consultant Co.,Ltd. of Legel Counsellor company the Board of Directors meeting no.12 held on 28th December 2022. The period is 1 year 11 months from January 2023 to November 2024.	0.98	1.20	The company appointed KCB Consultant Co., Ltd., which has Mr. Chackarin Umpote, an authorized director. Being a legal advisor to the company as a Legal Counsellor with monthly remuneration of THB 100,000 to support legal matters including various contracts works which the company may have in the future.  <b><u>Audit Committee’ s comment</u></b> Such transaction was necessary and justifiable, to support the Company’s normal business operation and did not make the Company lose any interest.
11. Micro Insure Broker Co.,Ltd.  <b>Relationship with Company</b> • Subsidiary	<b><u>Investment in Subsidiary and Rental Agreement</u></b>  Space rental company for setting up an office. The lease term is 3 years from December 2021 - November 2024, area 39.15 square meters and annual common area service fee for a period of 3 years, starting from December 2021 - November 2024.  Investment in Subsidiary Other Payables Other accounts receivable Fee and Service Income Other Income Dividend Other Expenses	2.99 15.03 0.56 32.66 0.50 14.01 0.02	2.99 6.97 0.00 0.00 0.85 34.98 0.00	In 2021, the Company has established a subsidiary to expand its insurance broker and life insurance broker business. By holding 99.99% of the shares in the subsidiary, amount to 2,998,000 baht and to rent the area to be used as the office location. The rental fee is 13,500 baht per month and the common area service fee is 14,094 baht per year.

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2022	2023	
12. Micro Plus Leasing Co.,Ltd.  <b>Relationship with Company</b> • Subsidiary	<b><u>Investment in Subsidiary and Rental Agreement</u></b>  Space rental company for setting up an office. The lease term is 3 years from June 2022 - May 2025  Investment in Subsidiary Other Income Other Payables	204.0 1.06 0.29	306.0 0.95 0.00	In 2022, the Company has established a subsidiary to expand the motorcycle hire purchase business. By holding 51.00% of the shares in the subsidiary, amount to 204,000,000 baht and to rent the area for 2 offices with a total rental fee of 41,865 baht per month. And in 2023, the company has passed a resolution. Increased registered capital from 400.00 million baht to 800.00 million baht and paid for additional shares 2 times, totaling 102.00 million baht.
13. Micro Fin Co.,Ltd.  <b>Relationship with Company</b> • Subsidiary	<b><u>Investment in Subsidiary</u></b>  Space rental company for setting up an office. The lease term is 3 years from August 2023 - July 2026, area 13.50 square meters and annual common area service fee for a period of 3 years, starting from August 2023 - July 2026.  Investment in Subsidiary Other Income Other Payables	49.99 0.00 0.00	49.99 0.02 0.03	In 2022, the Company has established a subsidiary to expand the personal loan business. By holding 99.99% of the shares in the subsidiary, amount to 49,999,700 baht and to rent the area to be used as the office location. The rental fee is 4,725 baht per month and the common area service fee is 8,427.48 baht per year.

## 2. NECESSITY AND JUSTIFICATION OF CONNECTED TRANSACTIONS

The Audit Committee has considered the above connected transactions and has opinion that such transactions were necessary, justifiable, and beneficial to the Company.

## 3. MEASURE OR PROCESS OF APPROVAL FOR CONNECTED TRANSACTIONS

The Company gives importance to the consideration of transactions with transparency and for the interests of the Company based on the principles that any decision making for business activities must be for the best interests of the Company only. Any action that leads to conflict of interest should be avoided. Thus, the Company has set the measure of connected transaction with the following key principles:

(1) The Board of Directors and executives must inform the Company for the relationship or connected transaction in business that could lead to conflict of interest and must not participate in consideration, decision making and authority to approve such transaction.

(2) Avoid any transaction relating to connected persons or juristic persons or the persons or juristic persons that may have conflict of interest or have a stake. If the case is necessary, such connected transaction must be presented to the Audit Committee for consideration and comments before proposing to the Board of Directors or shareholders' meeting for approval (as the case may be) according to the regulations of making connected transaction required by the Stock Exchange of Thailand and the Securities and Exchange Commission and the good corporate governance principles. In this regard, directors or executives who are stakeholders cannot participate in the transaction approval.

(3) Executives and employees must comply with the Company's regulations and business ethics which shall be held important and strictly abided by to contribute to the Company's creditability and reliability for all stakeholders. The information and understanding of compliance have been publicized for employees throughout the Company.

#### 4. PROCESS OF MAKING CONNECTED TRANSACTION

In making any connected transaction, the Company shall comply with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission in all respects. The Company set the process of making connected transactions as follows:

- (1) The Company shall use the same pricing criteria and trade terms and conditions as the ones used with general customers. Any giving or receiving of financial support must be necessary and justifiable and must have fair agreement and condition for the best interests of the Company.
- (2) In the case there is no pricing criteria for reference, the Company shall consider comparing the price of product or service to the price from external source under the same or similar conditions. The Company may utilize the report of independent appraiser to compare the prices for significant connected transactions.
- (3) The Audit Committee shall be the commentator for the entering to transaction, its necessity, justification, and suitability of the price of such transaction and shall present to the Board of Directors and/or shareholders' meeting, depending on the case. Such comments shall be used as information for consideration on such transaction approval. In the case that the Audit Committee does not have expertise in considering any potential connected transactions, the Company shall assign any persons who have knowledge and specialization and are independent from the Company and persons with conflict of interest, such as auditor, independent appraiser, or legal offices, etc., to be the commentator on such transactions. Comments of experts shall be used in the consideration of the Audit Committee and/or Board of Directors or shareholders, depending on the case, to ensure that such transaction entering shall not be the manipulation or transfer of interests between companies or subsidiary or persons with conflict of interest of the Company or subsidiary but shall be the transaction that the Company has considered for the best interest of shareholders.

(4) Directors, executives or connected persons can do any transaction with the Company or subsidiary only when such transaction is approved by the Board of Directors or the shareholders' meeting in accordance with the requirement of the Stock Exchange of Thailand or the Securities and Exchange Commission depending on the case.

(5) The Company must disclose the information of any transactions with potential conflict of interest or connected transactions according to the requirement of the Stock Exchange of Thailand and the Securities and Exchange Commission and disclose related transactions with the Company in accordance with the accounting standards.

(6) Connected transactions shall be reviewed by the internal audit and reported to the Audit Committee. The measure was implemented to control, check, and review the random transactions every quarter to assure that they occur really, correctly, and truly according to the contract or policy or condition.

In addition, the Board of Directors' resolution (after becoming a public company) no. 1/2019 on 19th September 2019 approved the principles of trade terms and conditions in general for the transaction between the Company or subsidiary and its director, executive, or related person. The management can approve the connected transactions between the Company and/or subsidiary and director, executive, or related person (whether it be the ongoing transactions at present or the potential transactions in the future) without any approval from the Board of Directors' meeting and shareholders' meeting should such transaction be a trade agreement in the same manner as a person would do with a general counterpart in the same situation with trade bargaining power without influence in their presence as a director, executive or related person. The management shall prepare the report summarizing the connected transaction between director, executive, or related person to present in the Audit Committee meeting and the Board of Directors meeting every quarter or as demanded by the Audit Committee.

#### 5. POLICY AND TREND OF CONNECTED TRANSACTION IN THE FUTURE

The Board of Directors' resolution (after becoming a public company) no. 1/2019 on 19<sup>th</sup> September 2019 defined the policy of connected transaction in the future that connected transaction must be in accordance with the nature of the Company's general business operations, have prices and payment terms comparable to the terms made with third parties. The Company's interests shall not



be transferred unfairly to persons who may have a conflict of interest, have a stake, or have potential conflict of interest in the future with the Company. The Audit Committee and the Board of Directors shall supervise any potential connected transactions to be as deemed necessary and justifiable, to provide fair return, and to be approved according to the correct process and relevant regulations in compliance with the Securities and Exchange

Law, the regulations, announcements, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including Compliance with the Regulations on Disclosure of Connected Transactions according to the accounting standards set by the Federation of Accounting Professions under the royal patronage.



PART 3

# FINANCIAL STATEMENT

MICRO LEASING PUBLIC COMPANY LIMITED  
/ ANNUAL REPORT 2023



## Independent Auditor's Report

To the Shareholders of Micro Leasing Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Micro Leasing Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, 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 Micro Leasing 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 Micro Leasing Public Company Limited and its subsidiaries and of Micro Leasing Public Company Limited as at 31 December 2023, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 to each matter are described below.

### Allowance for expected credit loss of hire purchase receivables

As discussed in Note 7 to the consolidated financial statements, as at 31 December 2023, the Group had hire purchase receivables of Baht 4,527 million (accounting for 84 percent of total assets) and allowances for expected credit loss amounting to Baht 227 million, which are amounts substantially material to the financial statements. The calculation of allowance for expected credit loss requires complex calculation modeling, which involves the use of significant management judgements and estimates in the model development, the calculation of probability of default, the loss given default, the exposure at default, the selection of the future economic variables to be incorporated in the models, and the management overlay adjustment to the allowance for expected credit loss due to the limitations of the model. Because of the materiality and the use of management's significant judgement and estimates, I addressed the adequacy of allowances for expected credit loss of hire purchase receivables as a key audit matter.



I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relating to loan origination, loan repayment, the assessment of probability of default and loss given default, exposure at default as well as the calculation of allowance for expected credit loss of hire purchase receivables, and tested, on a sampling basis, the relevant controls over the information technology systems. Moreover, I assessed and tested the reasonableness of the expected credit loss model, the rules and criterias applied by the Group in the assessment of significant increase in credit risk, including data used in the model design, the effectiveness of model for significant group of receivables, the governance process over the model development by reviewing model documentation, testing, on a sampling basis, the accuracy and completeness of the data used in model development, and assessing the methods and assumptions applied in the calculation. I assessed the reasonableness of macroeconomic factors and probability-weighted in each scenario. Moreover, I examined the allowances for expected credit loss by testing, on a sampling basis, the classification of hire purchase receivables based on the change in credit risk since initial recognition and recalculating the allowance for expected credit loss as at the end of the accounting period, including testing the completeness of the data used in the calculation of the allowance for expected credit loss.

#### ***Recognition of interest income from hire purchase***

For the year 2023, the Group recognised interest income from hire purchase amounting to Baht 783 million (accounting for 85 percent of total income), which is considered main income of the Group. The Group recognised interest income using the effective interest rate method, and the income is generated from loans provided to a large number of customers and high volume of transactions. I therefore focused my audit on whether interest income from hire purchase receivables is recognised correctly, appropriately in a timely manner.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relevant to the process of loan origination, interest income recognition, loan repayment, including related internal controls over information technology systems, by inquiring of management to gain an understanding, assessing the methods applied by the management including testing, on a sampling basis, the accuracy of the data and the calculation. In addition, I applied a sampling method in selecting hire purchase agreements to consider whether the recording loans transactions and the recognition of income complied with the conditions stipulated in the relevant agreements and is adjusted in line with the effective interest rate according to the income recognition policy. I also performed analytical procedures on interest income and tested, on a sampling basis, significant adjustments 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. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with 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.

Bongkot Kriangphanamorn  
Certified Public Accountant (Thailand) No. 6777

EY Office Limited  
Bangkok: 23 February 2024



Micro Leasing Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2023 and 2022

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	426,166,204	290,144,840	271,361,754	184,777,594
Current portion of hire purchase receivables - net	7	1,364,315,270	1,516,513,702	1,108,015,492	1,389,746,954
Current portion of loan receivables - net	8	4,381,807	-	-	-
Assets foreclosed - net	9	150,916,175	85,832,595	141,716,874	84,426,466
Other receivables		24,391,707	45,469,307	6,949,237	8,184,060
Other current assets		8,751,766	11,483,437	6,980,422	7,154,258
<b>Total current assets</b>		<b>1,978,922,929</b>	<b>1,949,443,881</b>	<b>1,535,023,779</b>	<b>1,674,289,332</b>
<b>Non-current assets</b>					
Hire purchase receivables - net of current portion	7	2,935,828,404	3,209,106,700	2,482,075,704	2,841,839,266
Loan receivables - net of current portion	8	16,181,824	-	-	-
Restricted bank deposits	10	118,017,325	118,000,000	118,017,325	118,000,000
Investment in subsidiaries	11	-	-	358,999,500	256,999,500
Land, buildings and equipment - net	12	113,820,916	121,110,206	108,551,588	116,288,611
Right-of-use assets - net	13.1	19,066,968	28,908,704	16,045,300	26,272,547
Intangible assets - net	14	12,503,942	8,839,148	11,827,691	8,116,049
Deferred tax assets	15.1	141,749,760	73,727,597	120,359,003	66,612,037
Other non-current receivables		36,068,416	-	-	-
Other non-current assets		1,886,524	2,270,525	1,655,724	1,927,724
<b>Total non-current assets</b>		<b>3,395,124,079</b>	<b>3,561,962,880</b>	<b>3,217,531,835</b>	<b>3,436,055,734</b>
<b>Total assets</b>		<b>5,374,047,008</b>	<b>5,511,406,761</b>	<b>4,752,555,614</b>	<b>5,110,345,066</b>

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

Micro Leasing Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2023 and 2022

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from related persons	17	-	30,000,000	-	30,000,000
Trade and other payables	18	96,812,238	145,489,524	87,018,004	124,786,564
Current portion of long-term loans					
from financial institutions	19	157,189,336	98,856,000	157,189,336	98,856,000
Current portion of long-term debentures	22	1,080,101,087	846,688,520	1,080,101,087	846,688,520
Current portion of lease liabilities	13.2	10,201,510	13,549,712	9,021,726	12,502,840
Income tax payable		18,266,197	25,024,415	14,880,863	23,478,368
Other current liabilities		13,538,893	9,084,956	13,189,531	8,513,428
<b>Total current liabilities</b>		<b>1,376,109,261</b>	<b>1,168,693,127</b>	<b>1,361,400,547</b>	<b>1,144,825,720</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions					
- net of current portion	19	151,542,773	147,621,000	151,542,773	147,621,000
Long-term loans from related person					
- net of current portion	20	80,000,000	-	-	-
Long-term loans from others					
- net of current portion	21	310,000,000	200,000,000	-	-
Long-term debentures - net of current portion	22	1,292,983,064	1,817,463,974	1,292,983,064	1,817,463,974
Lease liabilities - net of current portion	13.2	9,707,180	16,068,489	7,761,879	14,487,841
Provision for long-term employee benefits	23	22,165,926	14,045,474	18,199,955	13,077,834
<b>Total non-current liabilities</b>		<b>1,866,398,943</b>	<b>2,195,198,937</b>	<b>1,470,487,671</b>	<b>1,992,650,649</b>
<b>Total liabilities</b>		<b>3,242,508,204</b>	<b>3,363,892,064</b>	<b>2,831,888,218</b>	<b>3,137,476,369</b>

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

Micro Leasing Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2023 and 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
<b>Shareholders' equity</b>					
Share capital					
Registered					
935,000,000 ordinary shares of Baht 1 each		935,000,000	935,000,000	935,000,000	935,000,000
Issued and fully paid up					
935,000,000 ordinary shares of Baht 1 each		935,000,000	935,000,000	935,000,000	935,000,000
Share premium		372,804,000	372,804,000	372,804,000	372,804,000
Retained earnings					
Appropriated - statutory reserve	24	26,200,000	26,200,000	26,200,000	26,200,000
Unappropriated		545,172,400	631,498,172	586,663,396	638,864,697
<b>Equity attributable to the Company</b>		1,879,176,400	1,965,502,172	1,920,667,396	1,972,868,697
<b>Non-controlling interests of the subsidiaries</b>		252,362,404	182,012,525	-	-
<b>Total shareholders' equity</b>		2,131,538,804	2,147,514,697	1,920,667,396	1,972,868,697
<b>Total liabilities and shareholders' equity</b>		5,374,047,008	5,511,406,761	4,752,555,614	5,110,345,066

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

Directors

Micro Leasing Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December 2023 and 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
<b>Profit or loss:</b>					
<b>Revenues</b>					
Interest income from hire purchase		782,858,809	706,190,051	648,887,801	671,029,607
Interest income from loan		971,558	-	-	-
Fee and service income		124,698,095	140,218,582	76,711,354	105,209,218
Other income		10,745,935	7,330,659	45,572,869	22,450,503
<b>Total revenues</b>		919,274,397	853,739,292	771,172,024	798,689,328
<b>Expenses</b>					
Selling and administrative expenses		322,148,596	291,535,036	249,256,753	251,857,485
Expected credit loss	26	201,358,511	159,980,069	117,458,482	126,116,337
Loss from assets foreclosed	27	292,095,590	173,698,342	254,836,907	171,338,490
<b>Total expenses</b>		815,602,697	625,213,447	621,552,142	549,312,312
<b>Profit before finance cost and income tax expenses</b>		103,671,700	228,525,845	149,619,882	249,377,016
Finance cost	28	(202,015,384)	(146,999,294)	(180,170,935)	(145,096,918)
<b>Profit (loss) before income tax expenses</b>		(98,343,684)	81,526,551	(30,551,053)	104,280,098
Income tax revenues (expenses)	15.2	18,284,038	(16,375,869)	12,004,797	(17,960,603)
<b>Profit (loss) for the year</b>		(80,059,646)	65,150,682	(18,546,256)	86,319,495
<b>Other comprehensive income:</b>					
<i>Items not to be recognised in profit or loss in subsequent periods</i>					
Actuarial loss		(323,587)	-	-	-
Less: Income tax	15.2	64,717	-	-	-
<b>Other comprehensive income for the year (loss)</b>		(258,870)	-	-	-
<b>Total comprehensive income for the year (loss)</b>		(80,318,516)	65,150,682	(18,546,256)	86,319,495
<b>Profit (loss) attributable to</b>					
Equity attributable to the Company		(52,538,703)	79,137,223	(18,546,256)	86,319,495
Non-controlling interests of the subsidiaries		(27,520,943)	(13,986,541)		
		(80,059,646)	65,150,682		
<b>Total comprehensive income attributable to (loss)</b>					
Equity attributable to the Company		(52,670,727)	79,137,223	(18,546,256)	86,319,495
Non-controlling interests of the subsidiaries		(27,647,789)	(13,986,541)		
		(80,318,516)	65,150,682		
<b>Earning per share</b>					
Basic earning (loss) per share	30	(0.056)	0.070	(0.020)	0.092

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



(Unit: Baht)

	Consolidated financial statements				
	Retained earnings		Equity attributable to the Company		Non-controlling interests of the subsidiaries
	Issued and paid-up capital	Share premium	Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2022</b>	935,000,000	372,804,000	21,800,000	628,755,947	1,958,359,947
Increase in non-controlling interests from investments in subsidiaries (Note 2.2)	-	-	-	-	-
Appropriated profit to statutory reserve (Note 24)	-	-	4,400,000	(4,400,000)	-
Profit (loss) for the year				79,137,223	
Other comprehensive income for the year					
Total comprehensive income for the year (loss)				79,137,223	
Dividend paid (Note 31)				(71,994,998)	
Dividend paid - subsidiary				-	(934)
<b>Balance as at 31 December 2022</b>	935,000,000	372,804,000	26,200,000	631,498,172	2,147,514,697
<b>Balance as at 1 January 2023</b>	935,000,000	372,804,000	26,200,000	631,498,172	2,147,514,697
Increase in non-controlling interests from investments in subsidiaries (Note 2.2)	-	-	-	-	-
Loss for the year				(52,538,703)	
Other comprehensive income for the year (loss)				(132,024)	
Total comprehensive income for the year (loss)				(52,670,727)	
Dividend paid (Note 31)				(33,655,045)	
Dividend paid - subsidiary				-	(2,332)
<b>Balance as at 31 December 2023</b>	935,000,000	372,804,000	26,200,000	545,172,400	2,131,538,804

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

#### Micro Leasing Public Company Limited and its subsidiaries

#### Statements of changes in shareholders' equity

For the years ended 31 December 2023 and 2022

(Unit: Baht)

	Separate financial statements			
	Retained earnings			Total
	Issued and paid-up capital	Share premium	Appropriated - statutory reserve	
<b>Balance as at 1 January 2022</b>	935,000,000	372,804,000	21,800,000	1,958,544,200
Appropriated profit to statutory reserve (Note 24)	-	-	4,400,000	(4,400,000)
Profit for the year				86,319,495
Other comprehensive income for the year				-
Total comprehensive income for the year				86,319,495
Dividend paid (Note 31)				(71,994,998)
<b>Balance as at 31 December 2022</b>	935,000,000	372,804,000	26,200,000	1,972,868,697
<b>Balance as at 1 January 2023</b>	935,000,000	372,804,000	26,200,000	1,972,868,697
Loss for the year				(18,546,256)
Other comprehensive income for the year				-
Total comprehensive income for the year (loss)				(18,546,256)
Dividend paid (Note 31)				(33,655,045)
<b>Balance as at 31 December 2023</b>	935,000,000	372,804,000	26,200,000	1,920,667,396

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

Micro Leasing Public Company Limited and its subsidiaries

Cash flow statements

For the years ended 31 December 2023 and 2022

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	(98,343,684)	81,526,551	(30,551,053)	104,280,098
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	28,823,264	26,199,592	25,824,649	25,384,075
Expected credit loss	264,284,824	191,811,765	178,351,421	157,948,032
Loss on confiscation assets	43,766,637	47,119,081	36,887,398	44,786,427
Gain on disposals of equipment	(746,949)	(1,750,617)	(745,695)	(1,750,617)
Loss on write-off assets	366,120	320,332	358,245	320,332
Gain (loss) on disposal of right-of-use assets	(50,804)	-	(50,804)	-
Gain (loss) from sale of right-of-use assets	68,624	238,075	(236,257)	(529,729)
Loss on impairment of assets foreclosed	1,747,721	-	1,747,721	-
Provision for long-term employee benefits	7,796,865	4,616,123	5,122,121	3,648,483
Interest income from hire purchase	(782,858,809)	(706,190,051)	(648,887,801)	(671,029,607)
Interest income from loans	(971,558)	-	-	-
Dividend income	-	-	(34,977,668)	(14,009,066)
Finance cost	202,015,384	146,999,294	180,170,935	145,096,918
Loss from operating activities before changes in operating assets and liabilities	(334,102,365)	(209,109,855)	(286,986,788)	(205,854,654)
(Increase) decrease in operating assets				
Hire purchase receivables	(644,769,731)	(1,761,035,278)	(260,764,202)	(1,280,978,240)
Loan receivables	(20,432,223)	-	-	-
Assets foreclosed	633,694,224	430,910,394	566,709,030	429,744,039
Other receivables	(15,096,513)	(30,775,676)	1,129,127	6,488,640
Other current assets	2,834,667	(4,207,163)	173,836	21,795
Other non-current assets	384,000	(546,039)	272,000	(203,238)
Increase (decrease) in operating liabilities				
Trade and other payables	(45,467,062)	28,059,904	(34,558,336)	7,409,012
Provision for long-term employee benefits	-	(359,250)	-	(359,250)
Other current liabilities	4,453,936	871,075	4,676,103	306,983
Cash flows used in operating activities	(418,501,067)	(1,546,191,888)	(9,349,230)	(1,043,424,913)
Cash received from interest income from hire purchase	844,808,955	631,095,832	710,266,746	648,681,403
Cash received from interest income from loans	665,174	-	-	-
Cash paid for income tax	(56,534,621)	(64,412,692)	(50,339,673)	(60,333,933)
<b>Net cash flows from (used in) operating activities</b>	<b>370,438,441</b>	<b>(979,508,748)</b>	<b>650,577,843</b>	<b>(455,077,443)</b>

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

Micro Leasing Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2023 and 2022

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposits	(17,325)	(54,999,000)	(17,325)	(54,999,000)
Cash paid for acquisitions of land, buildings and equipment	(3,939,948)	(36,356,862)	(2,342,605)	(31,176,373)
Cash paid for acquisitions of intangible assets	(7,465,688)	(5,230,834)	(7,317,785)	(4,667,487)
Cash received from disposals of equipment	756,871	1,750,626	745,701	1,750,626
Cash received from disposals of right-of-use assets	-	-	484,953	933,645
Cash paid for investments in subsidiaries	-	-	(102,000,000)	(253,999,700)
Cash received from dividend	-	-	34,977,668	14,009,066
<b>Net cash flows used in investing activities</b>	<b>(10,666,090)</b>	<b>(94,836,070)</b>	<b>(75,469,393)</b>	<b>(328,149,223)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions	-	(70,000,000)	-	(70,000,000)
Decrease in short-term loans from related persons	(30,000,000)	(90,000,000)	(30,000,000)	(90,000,000)
Decrease in short-term loans from others	-	(16,000,000)	-	(16,000,000)
Cash received from long-term loans from financial institutions	200,000,000	200,000,000	200,000,000	200,000,000
Repayment of long-term loans from financial institutions	(137,744,891)	(573,984,258)	(137,744,891)	(573,984,258)
Repayment of long-terms loans from related persons	-	(30,800,000)	-	(30,800,000)
Cash received from long-term loans from related persons	80,000,000	-	-	-
Cash received from long-term loans from others	110,000,000	200,000,000	-	-
Repayment of liabilities under lease and hire purchase agreements	(14,081,108)	(12,439,529)	(12,701,192)	(12,249,037)
Cash received from non-controlling interests of subsidiaries	98,000,000	196,000,000	-	-
Cash received from issuance of debentures	552,800,000	1,627,600,000	552,800,000	1,627,600,000
Cash paid for repayment of debentures	(849,300,000)	-	(849,300,000)	-
Cash paid for expenses of issuance from debentures	(5,332,100)	(15,133,200)	(5,332,100)	(15,133,200)
Cash paid for dividend	(33,655,045)	(71,994,998)	(33,655,045)	(71,994,998)
Cash paid for dividend - subsidiary	(2,332)	(934)	-	-
Cash paid for interest	(194,435,511)	(120,286,203)	(172,591,062)	(118,383,827)
<b>Net cash flows from (used in) financing activities</b>	<b>(223,750,987)</b>	<b>1,222,960,878</b>	<b>(488,524,290)</b>	<b>829,054,680</b>
<b>Net increase in cash and cash equivalents</b>	<b>136,021,364</b>	<b>148,616,060</b>	<b>86,584,160</b>	<b>45,828,014</b>
Cash and cash equivalents at beginning of year	290,144,840	141,528,780	184,777,594	138,949,580
<b>Cash and cash equivalents at the end of year</b>	<b>426,166,204</b>	<b>290,144,840</b>	<b>271,361,754</b>	<b>184,777,594</b>
	-	-	-	-

Supplemental cash flows information

Non-cash transactions				
Asset foreclosed received for debts settlement	744,292,162	552,553,503	662,634,558	547,648,366
Increase in right-of-use assets and lease liabilities	4,907,987	14,020,075	2,598,579	11,202,062

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



Micro Leasing Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the years ended 31 December 2023 and 2022

1. General information

Micro Leasing Public Company Limited (“the Company”) was incorporated as a public company limited and domiciled in Thailand. The Group is principally engaged in the providing financial services specifically hire-purchase for six-wheel and ten-wheel trucks and motorcycles. The Company’s registered address is 863/3 Phetkasem Road, Sanamchan Sub-District, Muang Nakhon Pathom District, Nakhon Pathom. The Company has 24 branches (31 December 2022: 24 branches).

2. Basis for the preparation of financial statements

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, 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) These consolidated financial statements have been prepared by including the financial statements of Micro Leasing Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”), which operated their business in Thailand (collectively as “the Group”) as follows:

Company's name	Nature of business	Percentage of shareholding (Percent)	
		31 December 2023	31 December 2022
Micro Insure Broker Company Limited	Life and non-life insurance broker	99.99	99.99
Micro Fin Company Limited	Finance business	99.99	99.99
Micro Plus Leasing Company Limited	Hire purchase for motorcycles	51.00	51.00

In October 2021, Micro Insure Broker Company Limited was incorporated as a limited company. It has a registered capital of Baht 3 million.

In January 2022, Micro Fin Company Limited was incorporated as a limited company. It has a registered capital of Baht 50 million.

In March 2022, Micro Plus Leasing Company Limited was incorporated as a limited company. It has a registered capital of Baht 400 million. And then, on 27 April 2023, Micro Plus Leasing Company Limited registered additional registered capital of Baht 400 million (4 million ordinary shares at par value of Baht 100 each). As a result, the registered capital increased to a total of Baht 800 million. Subsequently, the company called for payment of the registered shares and received 50 percent of the payment. As at 31 December 2023, Micro Plus Leasing Company Limited has registered and paid up capital of Baht 600 million.

- b) The Company is deemed to have control over an investee or subsidiaries 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) Subsidiaries are 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 subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and the subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statements of financial position.

2.3 Separate financial statements

The Company has prepared its separate financial statements, which present investments in subsidiaries under the cost method.

### 3. New financial reporting standards and Accounting Guidance

#### 3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal year beginning on or after 1 January 2023. 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 Group's financial statements.

#### 3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. 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 management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

#### 3.3 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19

The Federation of Accounting Professions has announced Accounting Guidance on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the Bank of Thailand ("BOT"). The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Group may elect to adopt accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C.802/2564 dated 3 September 2021 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)". The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:

1. For debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension (Assistance type 1), the Group may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions as follows:
  - Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
  - Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
  - Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or Stage 1 if the debtor is considered able to comply with the debt restructuring agreement.
  - Loans are classified as loans with significant increase in credit risk (Under-performing or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due counting from the due date.
  - A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
2. For debt restructuring involving only a payment timeline extension, e.g. an extension of payment period, a provision of grace period on principal and/or interest payments, a conversion of short-term debts into long-term debts (Assistance type 2), the Group is required to perform staging assessment and set aside provisions in accordance with the related financial reporting standards. However, the Group may elect to adopt treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT No. BOT.RPD2.C.802/2564 to assess whether a debtor is to move to under-performing stage or Stage 2.



During the year 2023, the Company provided assistance to debtors by both above groups as mentioned in Note 7.2 to the financial statements. Then the Company has adopted the staging assessment and the setting aside of provisions in accordance with the related financial reporting standards.

The Company's management assessed that after the above Accounting Guidance has expired, the Company then has to comply with the Financial Reporting Standards No.9, which the management of the Company believes there will be no significant impact on the Company's financial statements.

#### 4. Significant accounting policies

##### 4.1 Revenue recognition

###### a) Interest income from hire purchase and loan

The Group recognises interest income from hire purchase and loan on an accrual basis, using the effective interest rate method over the lease term and calculation based on the gross carrying amount of hire purchase and loan receivables. Effective interest rate is the discount rate of estimated future cash flows over the expected life of the financial instruments, consider fees and costs that are an integral part of the effective interest rate.

When the hire purchase and loan receivables subsequently become credit-impaired, interest income from hire purchase and loan is calculated by using the effective interest rate method on the net carrying amount (gross book value net of an allowance for expected credit loss) of the receivables. Subsequently, if the hire purchase and loan receivables is no longer credit-impaired, the Group reverts to calculate interest income on gross carrying amount.

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

###### b) Fee and service income

Fee and service income are recognised on accrual basis, except fees that are integral part of interest rate. Fee income from late payment is recognised when received.

##### 4.2 Expense recognition - Finance cost

Interest expenses from financial liabilities measured at amortised cost, calculated using the effective interest rate method and recognised on an accrual basis.

#### 4.3 Financial Instruments

The Group classifies and measures financial assets and financial liabilities as following.

##### Financial assets

The Group classifies its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with business model of the Group for managing the financial assets and the contractual cash flows characteristics of the financial assets.

All financial assets of the Group are classified and measured at amortised cost because of following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially measured at its fair value plus transaction costs and subsequently measured at amortised cost net of allowance for expected credit loss (if any).

##### Financial liabilities

The Group classifies and measures its financial liabilities at amortised cost. Financial liabilities are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using effective interest rate method.

##### **Offsetting**

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Group has a legal right to offset the amounts and intend to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

#### 4.4 Cash and cash equivalents

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

#### 4.5 Hire purchase and loan receivables

Hire purchase receivables are stated at the contract value net of unearned income, which is presented after net of fee income, commission expenses and initial direct cost on the inception of the contract.

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

#### 4.6 Allowance for expected credit loss of financial assets

The Group uses a general approach to calculate the expected credit loss on its financial assets, such as deposits at financial institutions and hire purchase receivables.

The Group classifies the financial assets into three groups (three-stage approach) to measure the allowance for expected credit loss, with the classification of the financial assets determined on the basis of the change in credit risk since the initial recognition as follows:

Group 1: Financial assets where there has not been a significant increase in credit risk (Performing)

For the financial assets where the credit risk has not increased significantly since initial recognition, the Group recognises allowance for expected credit loss at an amount equal to the expected credit loss of the next 12 months. For the financial assets where the remaining lease term are less than 12 months, the Group will use the probability of compliance agreement in accordance with the remaining lease term.

Group 2: Financial assets where there has been a significant increase in credit risk (Under-Performing)

For the financial assets where the credit risk has increased significantly since initial recognition but that are not credit-impaired, the Group recognises allowance for expected credit loss at an amount equal to the lifetime expected credit loss of the financial assets.

Group 3: Financial assets that are credit - impaired (Non-performing)

Financial assets that are considered to be credit-impaired, the Group recognises allowance for expected credit loss at an amount equal to the lifetime expected credit loss of the financial assets.

At the end of each reporting period, the Group assesses whether the credit risk of a financial asset has increased significantly since the initial recognition date, by comparing the risk of default on the financial asset at the reporting date with the risk of default at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Group applies both its own internal quantitative and qualitative indicators in assessing deterioration in the credit quality of receivables, such as receivables that are more than 30 days past due. The Group assesses whether there has been a significant increase in credit risk since initial recognition on a collective basis.

Hire purchase receivables are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the hire purchase receivables have occurred. Evidence of a credit-impaired hire purchase receivable includes arrears for over 90 days or indications that the borrower is experiencing significant financial difficulty, the legal status, renegotiation of terms or distressed restructuring.

In subsequent periods, if the credit quality of financial assets improves and the assessment is that the significant increase in credit risk since the initial recognition date that was assessed in the previous period no longer applies, the Group changes from recognising expected credit loss over the expected lifetime to recognising the 12 months expected credit loss.

When the terms of repayment of the hire purchase receivables are renegotiated or the term of the contractual cash flow are modified because the borrower is in financial difficulty, the borrower is considered to be a financial asset with a significant increase in credit risk or credit-impaired, unless there is evidence that the risk of that contractual cash flows will not be recoverable has decreased significantly and there are no indicators of impairment.

Expected credit loss is the probability-weighted estimate of credit loss over the expected lifetime of the financial asset, consider the present value of all cash flow expected not to be recoverable. The Company considers historical loss experience on the basis of shared credit risk characteristics, taking into account type of collateral, month on book, and other relevant factors, adjusts this for current observable data, as well as forward looking information that is supportable and reasonable, provided it can be shown to be statistically related, as well as exercising appropriate of judgement, to estimate the amount of an expected credit loss. Macroeconomic data are used, and both the current situation and economic forecasts are evaluated. The Company also determines probability-weighted in each scenario (base scenario, best scenario and worst scenario) for calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit loss. However, the Group has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. Furthermore, expected credit loss was included management overlay for the factors which are not captured by the model.

For a subsidiary that operates business of providing loan secured against vehicle registration and unsecured personal loan that started operation in 2023, and a subsidiary operating motorcycle hire-purchase business which started operation in 2022, there is no historical loss experience information available. As a result, allowance for expected credit losses is estimated using the average historical loss experience of companies in the same industry and adjusted the additional reserve for business management.



Increase (decrease) in an allowance for expected credit loss is recognised as expenses during the year in profit or loss in the statements of comprehensive income. The Group has a policy to write-off receivables when it has made appropriate efforts at recovery, for which there is clear evidence, and debts remain unsettled.

### 4.7 Financial assets with modifications of terms/Debt restructuring

When a financial asset's terms of repayment are renegotiated or modified, or debt is restructured, or an existing financial asset is replaced with a new financial asset because a borrower is having financial difficulties, the Group assesses whether to derecognise the financial asset and measures the expected credit loss, as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Group recalculates the gross book value of the financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises a gain or loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and the fair value of the financial asset is recognised in profit or loss.

If the debt restructuring agreements do not meet the criteria for derecognition as of the restructuring date, they continue to be classified as financial assets with significant increases in credit risk (stage 2) until the debtor be able to make payment in accordance with the debt restructuring agreement for not less than 3 months or 3 months installments consecutively, which ever is longer, or as financial assets that are credit-impaired (stage 3) until the debtor be able to make payment in accordance with the debt restructuring agreement for not less than 12 months or 12 installments consecutively, which ever is longer. At that point, they can reclassify as financial assets with no significant increase in credit risk (stage 1). If those debtors meet the criteria for derecognition as of the restructuring date, they are also classified as financial assets with no significant increase in credit risk (stage 1).

### 4.8 Assets foreclosed

Assets foreclosed are assets seized from hire purchase receivables and stated at the lower of cost or net realisable value.

Gain (loss) on disposals of assets foreclosed are recognised in profit or loss in the statements of comprehensive income upon disposal. Loss on impairment (if any) is recognised in profit or loss in the statements of comprehensive income.

### 4.9 Investment in subsidiaries

Investment in subsidiaries, presented in the separate financial statements, is stated using cost method.

### 4.10 Land, buildings and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

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

Buildings and building improvement	-	20 years
Furniture and office equipment	-	5 years
Computers and equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land.

Items of land, buildings and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on disposal of an asset is recognised in profit or loss in the statement of comprehensive income when the assets are derecognised.

### 4.11 Leases

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

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

#### Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	3	years
Buildings	1 - 3	years
Equipment	3 - 5	years
Motor vehicles	5	years

#### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term.

The Group discounted the present value of the lease payments by the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### **4.12 Intangible assets and amortisation**

The Group initially recognises intangible assets at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss (if any).

The Group amortises intangible assets with finite lives on a systematic basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is recognised as expense in part of profit or loss in the statement of comprehensive income.

The intangible assets of the Group are computer software that have useful lives of approximately 5 years.

### **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 Group.

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

### **4.14 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the land, buildings and equipment, right-of-use assets and other 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 in the statements of comprehensive income (if any).

### **4.15 Employee benefits**

#### **a) Short-term employee benefits**

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

#### **b) Post-employment benefits**

##### **Defined contribution plans**

The Group and its employees have jointly established provident funds. Funds are monthly contributed by employees and by the Group. Funds' 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 defined benefit plans are recognised immediately in other comprehensive income.



#### 4.16 Income tax

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

##### a) 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.

##### b) 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.

#### 4.17 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.

#### 4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its 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 measure fair value using valuation techniques 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 are 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 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 judgments 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:

##### 5.1 Allowance for expected credit loss of hire purchase and loan receivables

The management is required to use judgement in estimating allowance for expected credit loss of hire purchase receivables. The calculation of expected credit loss is based on complex models, use of a series of assumptions, the development of model, the assessments of an increase in credit risk, and probability of loan repayment, as well as the selection of forward-looking information.

For subsidiaries operating motorcycle hire-purchase business and loan secured against vehicle registration and unsecured personal loan business, the calculation of expected credit losses is estimated using the assessment of the selected reference information based on the average historical loss experience of the companies in the same industry. The estimates involve numerous variables, therefore, the actual results may differ from the estimates.

##### 5.2 Allowance for impairment of assets foreclosed and loss on confiscation assets

In determining allowance for impairment of assets foreclosed and loss on confiscation assets, the management exercises judgement in estimating the anticipated loss on such assets, based on analysis of various factors, including net realisable value, historical data, the age of the assets and the prevailing economic conditions.

### 5.3 Land, buildings and equipment and depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual value of the buildings and equipment and to review estimate useful lives and residual value when there are any changes.

In addition, the management is required to review land, buildings and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### 5.4 Leases

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

The management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrowers over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### 5.5 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 the Group's 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 profits.

### 5.6 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.

### 5.7 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 long-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

## 6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Bank deposits - saving accounts	311,164	278,663	159,174	174,263
Bank deposits - current accounts	15,002	11,482	12,188	10,515
Bank deposits - fixed accounts	100,000	-	100,000	-
Total	426,166	290,145	271,362	184,778

As at 31 December 2023 and 2022, the Group has bank deposits carried interest at rates between 0.15 - 1.60 percent per annum and 0.15 - 0.35 percent per annum, respectively, as determined by commercial banks (The Company only: 0.15 - 1.60 percent per annum and 0.15 - 0.35 percent per annum, respectively).

As at 31 December 2023 and 2022, the Group has outstanding balance amounting to Baht 9.4 million and Baht 15.5 million, respectively (The Company only: Baht 7.1 million and Baht 15.1 million, respectively) represented bank deposits for premiums that the Group received from policy holders. The Group must submit these premiums to insurers, and not use or exploit or deduct any expense from these premiums.

## 7. Hire purchase receivables

7.1 As at 31 December 2023 and 2022, hire purchase receivables have general term of agreements between 12 to 84 installments and are payable in equal installment, with interest charged at fixed rates throughout the contracts. The balances of hire purchase receivables are classified by due date per the contract, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	31 December 2023				
	Amounts due				
	Within 1 year <sup>(1)</sup>	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Hire purchase receivables	2,273,468	1,686,985	1,261,182	1,128,724	6,350,359
Less: Unearned income <sup>(2)</sup>	(648,438)	(405,619)	(221,918)	(139,908)	(1,415,883)
Undue output tax	(140,710)	(110,364)	(82,507)	(73,838)	(407,419)
Present value of the minimum lease payment receivables	1,484,320	1,171,002	956,757	914,978	4,527,057
Less: Allowance for expected credit loss	(120,005)	(36,698)	(32,036)	(38,174)	(226,913)
Hire purchase receivables - net	1,364,315	1,134,304	924,721	876,804	4,300,144

<sup>(1)</sup> The balance of hire purchase receivables due within 1 year included credit - impaired receivables.

<sup>(2)</sup> Net of deferred fee income, commission expenses and initial direct cost of hire purchase.



(Unit: Thousand Baht)

Separate financial statements					
31 December 2023					
Amounts due					
	Within 1 year <sup>(1)</sup>	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Hire purchase receivables	1,828,128	1,334,834	1,044,572	1,078,652	5,286,186
Less: Unearned income <sup>(2)</sup>	(521,153)	(333,256)	(196,303)	(136,880)	(1,187,592)
Undue output tax	(112,674)	(87,326)	(68,336)	(70,567)	(338,903)
Present value of the minimum lease payment					
receivables	1,194,301	914,252	779,933	871,205	3,759,691
Less: Allowance for expected credit loss	(86,286)	(23,879)	(22,920)	(36,515)	(169,600)
Hire purchase receivables - net	1,108,015	890,373	757,013	834,690	3,590,091

<sup>(1)</sup> The balance of hire purchase receivables due within 1 year included credit - impaired receivables.<sup>(2)</sup> Net of deferred fee income, commission expenses and initial direct cost of hire purchase.

(Unit: Thousand Baht)

Consolidated financial statements					
31 December 2022					
Amounts due					
	Within 1 year <sup>(1)</sup>	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Hire purchase receivables	2,577,625	1,731,536	1,446,114	1,250,608	7,005,883
Less: Unearned income <sup>(2)</sup>	(764,335)	(457,072)	(262,336)	(115,526)	(1,599,269)
Undue output tax	(159,633)	(113,327)	(94,630)	(81,821)	(449,411)
Present value of the minimum lease payment					
receivables	1,653,657	1,161,137	1,089,148	1,053,261	4,957,203
Less: Allowance for expected credit loss	(137,144)	(31,587)	(32,352)	(30,500)	(231,583)
Hire purchase receivables - net	1,516,513	1,129,550	1,056,796	1,022,761	4,725,620

<sup>(1)</sup> The balance of hire purchase receivables due within 1 year included credit - impaired receivables.<sup>(2)</sup> Net of deferred fee income, commission expenses and initial direct cost of hire purchase.

(Unit: Thousand Baht)

Separate financial statements					
31 December 2022					
Amounts due					
	Within 1 year <sup>(1)</sup>	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Hire purchase receivables	2,314,106	1,490,720	1,243,653	1,147,572	6,196,051
Less: Unearned income <sup>(2)</sup>	(659,488)	(381,035)	(223,597)	(106,072)	(1,370,192)
Undue output tax	(142,863)	(97,524)	(81,360)	(75,075)	(396,822)
Present value of the minimum lease payment					
receivables	1,511,755	1,012,161	938,696	966,425	4,429,037
Less: Allowance for expected credit loss	(122,008)	(24,205)	(24,826)	(26,412)	(197,451)
Hire purchase receivables - net	1,389,747	987,956	913,870	940,013	4,231,586

<sup>(1)</sup> The balance of hire purchase receivables due within 1 year included credit - impaired receivables.<sup>(2)</sup> Net of deferred fee income, commission expenses and initial direct cost of hire purchase.

**7.2** As at 31 December 2023 and 2022, the balances of hire purchase receivables classified by credit risk and allowance for expected credit loss are as follows:

(Unit: Thousand Baht)

Consolidated financial statements		
31 December 2023		
Hire purchase receivables - net of unearned income	Allowance for expected credit loss	
Hire purchase receivables where there has not been a significant increase in credit risk	3,450,887	44,729
Hire purchase receivables where there has been a significant increase in credit risk	862,768	103,340
Hire purchase receivables that are credit - impaired	213,402	78,844
Total	4,527,057	226,913

	(Unit: Thousand Baht)	
	Separate financial statements	
	31 December 2023	
	Hire purchase receivables - net of unearned income	Allowance for expected credit loss
Hire purchase receivables where there has not been a significant increase in credit risk	2,797,282	28,893
Hire purchase receivables where there has been a significant increase in credit risk	777,760	81,274
Hire purchase receivables that are credit - impaired	184,649	59,433
Total	3,759,691	169,600

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	31 December 2022	
	Hire purchase receivables - net of unearned income	Allowance for expected credit loss
Hire purchase receivables where there has not been a significant increase in credit risk	3,851,554	51,048
Hire purchase receivables where there has been a significant increase in credit risk	879,818	104,717
Hire purchase receivables that are credit - impaired	225,831	75,818
Total	4,957,203	231,583

	(Unit: Thousand Baht)	
	Separate financial statements	
	31 December 2022	
	Hire purchase receivables - net of unearned income	Allowance for expected credit loss
Hire purchase receivables where there has not been a significant increase in credit risk	3,368,201	35,839
Hire purchase receivables where there has been a significant increase in credit risk	844,942	93,652
Hire purchase receivables that are credit - impaired	215,894	67,960
Total	4,429,037	197,451

The Company entered into schemes to provide assistance to debtors affected by COVID-19. As at 31 December 2023, the Company has outstanding hire purchase receivables under the assistance scheme accounting, which consisted of the receivables below:

- Outstanding receivables reducing the debt burden of debtors that involves more than just a payment timeline extension (Assistance type 1) of Baht 222 million for which the Company adopted the accounting treatment on “Guidelines regarding the provision of financial assistance to debtors affected by COVID-19” by staging assessment and setting aside of provisions as required by relative Financial Reporting Standards. Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1). Loans that are non-performing (NPL) are classified as loans with no significant increase in credit risk (Performing) if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
- Outstanding receivables extending of repayment period (Assistance type 2) of Baht 299 million for which the Company adopted the accounting treatment on “Guidelines regarding the provision of financial assistance to debtors affected by COVID-19” by staging assessment and setting aside of provisions as required by relative Financial Reporting Standards. Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing) if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period. Loans that are non-performing (NPL) are classified as loans with no significant increase in credit risk (Performing) if the debtor is able to make payment in accordance with the debt restructuring agreement for 12 consecutive months or installments, whichever is the longer period.

**7.3** As at 31 December 2023 and 2022, the Company had transferred certain rights of claim under hire purchase agreements in order to secure credit facilities granted by a commercial bank, as mentioned in Note 19.



## 7.4 Allowance for expected credit loss

(Unit: Thousand Baht)

Movement of allowance for expected credit loss (ECL) of hire purchase receivables for the years ended 31 December 2023 and 2022, are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	For the year ended 31 December 2023			
	Allowance for expected credit loss			
	Financial assets where there has not been a significant increase in credit risk	Financial assets where there has been a significant increase in credit risk	Financial assets that are credit - impaired	Total
<b>Hire purchase receivables</b>				
Beginning balance	51,048	104,717	75,818	231,583
Stage changes	(1,902)	(6,119)	8,021	-
Changes due to revaluation of allowance for credit loss	29,497	78,721	159,450	267,668
New financial assets purchased or acquired	32,082	53,700	18,489	104,271
Derecognition of financial assets	(14,214)	(62,861)	(21,648)	(98,723)
Write-off	(51,782)	(64,818)	(161,286)	(277,886)
Ending balance	44,729	103,340	78,844	226,913

	(Unit: Thousand Baht)			
	Separate financial statements			
	For the year ended 31 December 2023			
	Allowance for expected credit loss			
	Financial assets where there has not been a significant increase in credit risk	Financial assets where there has been a significant increase in credit risk	Financial assets that are credit - impaired	Total
<b>Hire purchase receivables</b>				
Beginning balance	35,839	93,652	67,960	197,451
Stage changes	157	(6,821)	6,664	-
Changes due to revaluation of allowance for credit loss	547	57,671	141,949	200,167
New financial assets purchased or acquired	21,806	45,094	12,513	79,413
Derecognition of financial assets	(12,084)	(59,414)	(20,517)	(92,015)
Write-off	(17,372)	(48,908)	(149,136)	(215,416)
Ending balance	28,893	81,274	59,433	169,600

### Hire purchase receivables

	Financial assets where there has not been a significant increase in credit risk	Financial assets where there has been a significant increase in credit risk	Financial assets that are credit - impaired	Total
Beginning balance	36,334	73,757	51,911	162,002
Stage changes	2,244	(9,647)	7,403	-
Changes due to revaluation of allowance for credit loss	(3,364)	49,576	78,568	124,780
New financial assets purchased or acquired	41,012	48,701	24,903	114,616
Derecognition of financial assets	(5,193)	(26,512)	(15,389)	(47,094)
Write-off	(19,985)	(31,158)	(71,578)	(122,721)
Ending balance	51,048	104,717	75,818	231,583

### Hire purchase receivables

	Financial assets where there has not been a significant increase in credit risk	Financial assets where there has been a significant increase in credit risk	Financial assets that are credit - impaired	Total
Beginning balance	36,334	73,757	51,911	162,002
Stage changes	2,244	(9,647)	7,403	-
Changes due to revaluation of allowance for credit loss	(3,364)	49,576	78,568	124,780
New financial assets purchased or acquired	25,703	36,732	16,976	79,411
Derecognition of financial assets	(5,093)	(25,608)	(15,320)	(46,021)
Write-off	(19,985)	(31,158)	(71,578)	(122,721)
Ending balance	35,839	93,652	67,960	197,451

## 8. Loan receivables

8.1 As at 31 December 2023, a subsidiary has loan receivables with general term of agreements of 12 to 48 installments and are payable in equal installment, with interest charged at fixed rates throughout the contracts. The balances of loan receivables are classified by due date per the contract, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2023		
	Amounts due within 1 year <sup>(1)</sup>	Amounts due over 1 year	Total
Loan receivables	4,171	16,367	20,538
Add: Accrued interest receivables	237	-	237
Less: Deferred financial expenses	30	40	70
Total	4,438	16,407	20,845
Less: Allowance for expected credit loss	(56)	(225)	(281)
Loan receivables-net	4,382	16,182	20,564

<sup>(1)</sup> The balance of loan receivables due within 1 year includes credit-impaired receivables.

8.2 As at 31 December 2023, the balances of loan receivables classified by credit risk and allowance for expected credit loss are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 December 2023	
	Loan receivables and accrued interest income <sup>(1)</sup>	Allowance for expected credit loss
Loan receivables where there has not been a significant increase in credit risk	20,845	281
Loan receivables where there has been a significant increase in credit risk	-	-
Loan receivables that are credit - impaired	-	-
Total	20,845	281

<sup>(1)</sup> Net of deferred initial direct cost of loan.

8.3 Movements of allowance for expected credit loss (ECL) of loan receivables for the year ended than 31 December 2023 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the year ended 31 December 2023			
	Allowance for expected credit loss			
	Financial assets where there has not been a significant increase in credit risk	Financial assets where there has been a significant increase in credit risk	Financial assets that are credit - impaired	Total
Loan receivables				
Beginning balance	-	-	-	-
New financial assets purchased or acquired	281	-	-	281
Ending balance	281	-	-	281

## 9. Assets foreclosed

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Assets foreclosed - cost	152,664	85,833	143,465	84,426
Less: Allowance for impairment	(1,748)	-	(1,748)	-
Assets foreclosed - net	150,916	85,833	141,717	84,426

## 10. Restricted bank deposits

As at 31 December 2023, the Company had restricted bank deposits amounting to Baht 118 million in order to secure against loans from financial institutions as mentioned in Note 19 (2022: Baht 118 million).



## 11. Investments in subsidiaries

Detail of investments in subsidiaries as presented in separate financial statements is as follows:

Company's name	Paid-up capital		Percentage of shareholding		Investment value - cost		Dividend income for the year ended	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Thousand Baht)	(Thousand Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Micro Insure Broker Company Limited	3,000	3,000	99.99	99.99	2,999	2,999	34,978	14,009
Micro Fin Company Limited	50,000	50,000	99.99	99.99	50,000	50,000	-	-
Micro Plus Leasing Company Limited	600,000	400,000	51.00	51.00	306,000	204,000	-	-
<b>Total</b>					<b>358,999</b>	<b>256,999</b>	<b>34,978</b>	<b>14,009</b>

On 9 March 2023, the Annual General Meeting No.1/2023 of Micro Plus Leasing Company Limited (a subsidiary of the Company) approved an increase in the subsidiary's registered share capital from Baht 400 million (4 million ordinary shares at par value of Baht 100 each) to Baht 800 million (8 million ordinary shares at par value of Baht 100 each) by issuing 4 million ordinary shares at par value of Baht 100 each to the existing shareholders. The Company's Board of Directors Meeting No.3/2023 approved the Company's investment in the increase ordinary shares of the subsidiary in accordance with the Company's original investment proportion of 51 percent.

On 27 April 2023, Micro Plus Leasing Company Limited registered the increase of its registered capital and has called for the first share payment of 25 percent of the registered share capital of Baht 100 million with the Company's proportion of Baht 51 million. The Company paid for the shares on 24 April 2023.

On 9 May 2023, Micro Plus Leasing Company Limited's board of directors meeting approved to call for the second payment of 25 percent of the registered share capital of Baht 100 million with the Company's proportion of Baht 51 million. The Company paid for the shares on 1 June 2023.

## 12. Land, buildings and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
		Buildings and building improvement	Furniture and office equipment	Computer and equipment	Motor vehicles	Assets under installation and construction	Total
Cost							
1 January 2022	54,069	25,350	12,026	33,452	17,429	25	142,351
Additions	18,953	289	2,240	6,233	1,075	7,030	35,820
Disposal/write off	-	-	(1,251)	(1,403)	(5,287)	-	(7,941)
Transfer in (transfer out)	-	1,459	1,836	3,735	-	(7,030)	-
31 December 2022	73,022	27,098	14,851	42,017	13,217	25	170,230
Additions	-	39	600	1,104	1,075	1,295	4,113
Disposal/write off	-	-	(86)	(1,032)	(4,294)	-	(5,412)
Transfer in (transfer out)	-	82	1,213	-	-	(1,295)	-
31 December 2023	73,022	27,219	16,578	42,089	9,998	25	168,931
Accumulated depreciation							
1 January 2022	-	8,218	7,161	14,018	16,807	-	46,204
Depreciation for the year	-	1,100	1,845	6,962	629	-	10,536
Disposals/write off	-	-	(1,081)	(1,252)	(5,287)	-	(7,620)
31 December 2022	-	9,318	7,925	19,728	12,149	-	49,120
Depreciation for the year	-	1,135	2,082	7,649	424	-	11,290
Disposals/write off	-	-	(79)	(927)	(4,294)	-	(5,300)
31 December 2023	-	10,453	9,928	26,450	8,279	-	55,110
Net book value							
31 December 2022	73,022	17,780	6,926	22,289	1,068	25	121,110
31 December 2023	73,022	16,766	6,650	15,639	1,719	25	113,821
Depreciation for the year							
2022							10,536
2023							11,290

(Unit: Thousand Baht)

	Separate financial statements						
		Buildings and building improvement	Furniture and office equipment	Computer and equipment	Motor vehicles	Assets under installation and construction	Total
<b>Cost</b>							
1 January 2022	54,069	25,350	11,951	33,452	17,429	25	142,276
Additions	18,953	-	1,617	3,039	-	7,030	30,639
Disposals/write off	-	-	(1,251)	(1,403)	(5,287)	-	(7,941)
Transfer in (transfer out)	-	1,459	1,836	3,735	-	(7,030)	-
31 December 2022	73,022	26,809	14,153	38,823	12,142	25	164,974
Additions	-	33	431	583	-	1,295	2,342
Disposals/write off	-	-	(78)	(1,020)	(4,294)	-	(5,392)
Transfer in (transfer out)	-	82	1,213	-	-	(1,295)	-
31 December 2023	73,022	26,924	15,719	38,386	7,848	25	161,924
<b>Accumulated depreciation</b>							
1 January 2022	-	8,218	7,159	14,018	16,807	-	46,202
Depreciation for the year	-	1,093	1,774	6,614	622	-	10,103
Disposals/write off	-	-	(1,081)	(1,252)	(5,287)	-	(7,620)
31 December 2022	-	9,311	7,852	19,380	12,142	-	48,685
Depreciation for the year	-	1,120	1,925	6,940	-	-	9,985
Disposals/write off	-	-	(78)	(925)	(4,294)	-	(5,297)
31 December 2023	-	10,431	9,699	25,395	7,848	-	53,373
<b>Net book value</b>							
31 December 2022	73,022	17,498	6,301	19,443	-	25	116,289
31 December 2023	73,022	16,493	6,020	12,991	-	25	108,551
<b>Depreciation for the year</b>							
2022							10,103
2023							9,985

As at 31 December 2023 and 2022, the Group has certain items of furniture and fixtures, computer, equipment and vehicles which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 22 million and Baht 24 million, respectively.

As at 31 December 2023 and 2022, the Company has mortgaged land and buildings with their net book value of Baht 33 million and Baht 33 million, respectively, as collateral against credit facilities from financial institutions as mentioned in Note 19.

### 13. Right-of-use assets/lease liabilities

The Group has lease contracts for assets used in its operation. Leases generally have lease terms between 1 - 5 years.

#### 13.1 Right-of-use assets

Movements of the right-of-use assets during the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
				Motor	
	Land	Buildings	Equipment	vehicles	Total
Balance as at 1 January 2022	284	8,769	774	18,471	28,298
Additions	998	7,728	1,539	3,755	14,020
Disposals	-	-	(238)	-	(238)
Depreciation for the year	(478)	(5,121)	(408)	(7,164)	(13,171)
Balance as at 31 December 2022	804	11,376	1,667	15,062	28,909
Additions	-	993	867	3,047	4,907
Disposals	-	(599)	(75)	-	(674)
Depreciation for the year	(333)	(6,003)	(569)	(7,170)	(14,075)
Balance as at 31 December 2023	471	5,767	1,890	10,939	19,067

(Unit: Thousand Baht)

	Separate financial statements				
				Motor	
	Land	Buildings	Equipment	vehicles	Total
Balance as at 1 January 2022	284	8,769	774	18,471	28,298
Additions	998	4,910	1,539	3,755	11,202
Disposals	-	-	(238)	(165)	(403)
Depreciation for the year	(478)	(4,913)	(408)	(7,025)	(12,824)
Balance as at 31 December 2022	804	8,766	1,667	15,036	26,273
Additions	-	993	867	738	2,598
Disposals	-	(174)	(75)	-	(249)
Depreciation for the year	(333)	(5,101)	(569)	(6,574)	(12,577)
Balance as at 31 December 2023	471	4,484	1,890	9,200	16,045



### 13.2 Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Lease payments	21,168	31,426	17,781	28,610
Less: Deferred interest expenses	(1,259)	(1,808)	(997)	(1,619)
Total	19,909	29,618	16,784	26,991
Less: Portion due within one year	(10,202)	(13,550)	(9,022)	(12,503)
Lease liabilities - net of current portion	9,707	16,068	7,762	14,488

Movements of lease liabilities for the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Balance at the beginning of year	29,618	28,136	26,991	28,136
Additions	4,907	14,020	2,598	11,202
Interest recognised	1,199	1,261	966	1,234
Lease payment	(15,762)	(13,700)	(13,718)	(13,482)
Lease payable	(53)	(99)	(53)	(99)
Balance at the end of year	19,909	29,618	16,784	26,991

### 13.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Depreciation expenses of right-of-use assets	14,075	13,171	12,577	12,824
Interest expenses on lease liabilities	1,199	1,261	966	1,234
Total	15,274	14,432	13,543	14,058

The Group had total cash outflows for leases for the years ended 31 December 2023 and 2022 of Baht 16 million and Baht 14 million, respectively. (The Company only: Baht 14 million and Baht 13 million, respectively).

### 14. Intangible assets

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Computer software	Computer software in process	Total
<b>Cost</b>			
1 January 2022	12,759	433	13,192
Additions	2,030	2,961	4,991
Transfer in (transfer out)	1,150	(1,150)	-
31 December 2022	15,939	2,244	18,183
Additions	411	6,975	7,386
Disposals/write off	(1,032)	-	(1,032)
Transfer in (transfer out)	5,598	(5,598)	-
31 December 2023	20,916	3,621	24,537
<b>Accumulated amortisation</b>			
1 January 2022	6,852	-	6,852
Amortisation during the year	2,492	-	2,492
31 December 2022	9,344	-	9,344
Amortisation during the year	3,457	-	3,457
Disposals/write off	(768)	-	(768)
31 December 2023	12,033	-	12,033
<b>Net book value</b>			
31 December 2022	6,595	2,244	8,839
31 December 2023	8,883	3,621	12,504
<b>Amortisation recognised for the year</b>			
2022			2,492
2023			3,457

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software	Computer software in process	Total
<b>Cost</b>			
1 January 2022	12,759	238	12,997
Additions	1,737	2,691	4,428
Transfer in (transfer out)	685	(685)	-
31 December 2022	15,181	2,244	17,425
Additions	327	6,911	7,238
Disposals/write off	(1,032)	-	(1,032)
Transfer in (transfer out)	5,598	(5,598)	-
31 December 2023	20,074	3,557	23,631
<b>Accumulated amortisation</b>			
1 January 2022	6,852	-	6,852
Amortisation during the year	2,457	-	2,457
31 December 2022	9,309	-	9,309
Amortisation during the year	3,262	-	3,262
Disposals/write off	(768)	-	(768)
31 December 2023	11,803	-	11,803
<b>Net book value</b>			
31 December 2022	5,872	2,244	8,116
31 December 2023	8,271	3,557	11,828
<b>Amortisation recognised for the year</b>			
2022			2,457
2023			3,262

As at 31 December 2023 and 2022, the Group's computer software has remaining amortisation period between 1 - 5 years (The Company only: 1 - 5 years).

As at 31 December 2023 and 2022, the Group has certain items of computer software which were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounting to Baht 3 million and Baht 3 million, respectively.

## 15. Deferred tax assets and income tax expenses

### 15.1 Deferred tax assets/deferred tax liabilities

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
			Changes in deferred tax assets or liabilities in profit or loss for the years ended 31 December	
	2023	2022	2023	2022
<b>Deferred tax assets</b>				
Allowance for expected credit loss	45,439	46,316	(877)	13,916
Loss on confiscation/disposal of assets				
foreclosed	72,127	36,230	35,897	22,883
Impairment on assets foreclosed	349	-	349	-
Bad debt written-off	28,807	9,515	19,292	9,515
Accumulated taxable loss	14,449	8,290	6,159	8,290
Provision for long-term employee				
benefits	4,433	2,810	1,558	852
Leases contracts	165	183	(18)	55
Others	2	35	(33)	(54)
Total	165,771	103,379		
<b>Deferred tax liabilities</b>				
Net of deferred fee income, commission				
expenses and initial direct cost of				
hire purchase	21,838	26,381	4,543	(10,644)
Expenses for issuance of debentures	2,183	3,270	1,087	(1,485)
Total	24,021	29,651		
<b>Deferred tax assets - net</b>	141,750	73,728	67,957	43,328



(Unit: Thousand Baht)

	Separate financial statements			
			Changes in deferred tax assets or liabilities in profit or loss for the years ended 31 December	
	2023	2022	2023	2022
<b>Deferred tax assets</b>				
Allowance for expected credit loss	33,920	39,490	(5,570)	7,090
Loss on confiscation/disposal of assets foreclosed	70,459	35,954	34,505	22,607
Impairment on assets foreclosed	349	-	349	-
Bad debts written-off	28,807	9,515	19,292	9,515
Provision for long-term employee benefits	3,640	2,616	1,024	658
Lease contracts	148	176	(28)	48
Others	2	35	(33)	(54)
Total	137,325	87,786		
<b>Deferred tax liabilities</b>				
Net of deferred fee income, commission expenses and initial direct cost of hire purchase	14,783	17,904	3,121	(2,167)
Expenses for issuance of debentures	2,183	3,270	1,087	(1,485)
Total	16,966	21,174		
<b>Deferred tax assets - net</b>	<b>120,359</b>	<b>66,612</b>	<b>53,747</b>	<b>36,212</b>

## 15.2 Income tax expenses

Income tax expenses for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Current income tax:</b>				
Current income tax charge for the year	49,644	60,036	41,713	54,505
Adjustments of prior year's tax	29	(332)	29	(332)
<b>Deferred tax:</b>				
Deferred tax relating to origination and reversal of temporary differences	(67,957)	(43,328)	(53,747)	(36,212)
<b>Income tax (income) expenses reported in the statements of comprehensive income</b>	<b>(18,284)</b>	<b>16,376</b>	<b>(12,005)</b>	<b>17,961</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax relating to actuarial loss	65	-	-	-

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Accounting profit (loss) before tax	(98,344)	81,527	(30,551)	104,280
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	(19,669)	16,306	(6,110)	20,856
Effects of net tax - exempt income, additional expenses deduction allowed and non-deductible expenses	1,356	437	(5,924)	(2,563)
Adjustments of prior year's income tax	29	(332)	29	(332)
Utilised unused tax loss not recognised as deferred tax assets	-	(35)	-	-
Income tax (income) expenses reported in the statements of comprehensive income	<b>(18,284)</b>	<b>16,376</b>	<b>(12,005)</b>	<b>17,961</b>

## 16. Short-term loans from financial institutions

As at 31 December 2023 and 31 December 2022, the Company has no loans in the form of promissory notes from domestic commercial banks. However, as at 31 December 2023, the Company has credit facilities of Baht 660 million for short-term loans and overdraft from financial institutions which have not yet been drawn down (2022: Baht 660 million).

## 17. Short-term loans from related persons

As at 31 December 2023, the Company has no short-term loans from related persons (31 December 2022: Baht 30 million carrying interest at fixed rate per annum with monthly interest payment. The principal repayments of loans are due within 1 year from the drawdown date).

## 18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade payables	33,719	51,705	30,847	44,986
Other payables	12,551	13,668	12,353	13,294
Accrued expenses	13,629	33,224	10,331	22,810
Accrued interest	24,630	27,814	24,630	27,814
Insurance premium suspenses	10,491	18,328	7,081	15,135
Others	1,792	750	1,776	747
Total	96,812	145,489	87,018	124,786

## 19. Long-term loans from financial institutions

Repayment term	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2023	2022
a) Long - term loans with credit line of Baht 100 million (2022: Baht 200 million), repayable monthly within 4 years from the drawdown date, carrying interest rate at MLR less fixed rate per annum, interest payable monthly.	36,855	61,863
b) Long - term loans with credit line of Baht 240 million, repayable monthly within 3 years 6 months from the drawdown date, carrying interest rate at MLR less fixed rate per annum, interest payable monthly.	110,766	184,614
c) Long - term loans with credit line of Baht 200 million, repayable monthly within 4 years from the drawdown date, carrying interest rate at MLR less fixed rate per annum, interest payable monthly.	83,333	-
d) Long - term loans with credit line of Baht 300 million, repayable monthly within 3 years from the drawdown date, carrying interest rate at MLR less fixed rate per annum, interest payable monthly.	77,778	-
Long - term loans from financial institutions	308,732	246,477
Less: Current portion	(157,189)	(98,856)
Long - term loans from financial institutions - net of current portion	151,543	147,621

The loans b) and d) are guaranteed by the Company's directors and major shareholders and loans c) and d) are secured by bank deposits of the Company and loans d) is mortgaged by the land owned by the Company. In addition, loans a) b) c) and d) are also guaranteed by registration of business securities such as the right to claim from receivables under hire purchase contracts. The Company also has to comply with loan covenants regarding, among other things, ratio of total debt to equity, ratio of non-performing loans to total hire purchase receivables, maintaining of major shareholders ratio.

As at 31 December 2023, the Company has Baht 339 million for long-term loans from financial institutions which have not yet been drawn down (2022: Baht 500 million).

## 20. Long-term loans from related persons

As at 31 December 2023 and 2022, a subsidiary has loan from related person, carrying interest at fixed rate per annum, principal repayable within 4 years from the drawdown date (repayable within 2027) with interest payment is due on monthly basis.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Long-term loans from related persons	80,000	-	-	-
Less: Current portion	-	-	-	-
Long-term loans from related persons - net of current portion	80,000	-	-	-

## 21. Long-term loans from others

As at 31 December 2023 and 2022, a subsidiary has long-term loans from others, carrying interest at fixed rate per annum with monthly interest payment. The principal repayment of loans are due within 2 - 4 years from the drawdown date (repayable within 2026).

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Long-term loans from others	310,000	200,000	-	-
Less: Current portion	-	-	-	-
Long-term loans from others - net of current portion	310,000	200,000	-	-



## 22. Long-term debentures

As at 31 December 2023 and 2022, the Company had issued name registered, unsubordinated, unsecured and bond holder representative debentures with interest payable every 3 months.

Date of issuance	Debenture period	Maturity date	Interest rate (% p.a.)	(Unit: Thousand Baht) Consolidated and separate financial statements	
				2023	2022
28 May 2021	2 years	28 May 2023	5.55	-	500,000
29 October 2021	2 years	29 October 2023	5.25	-	349,300
29 October 2021	3 years	29 October 2024	5.50	203,600	203,600
26 April 2022	2 years	26 April 2024	5.40	321,100	321,100
26 April 2022	3 years	26 April 2025	5.65	478,900	478,900
6 October 2022	2 years	6 October 2024	5.50	558,500	558,500
6 October 2022	3 years	6 October 2025	5.70	269,100	269,100
1 June 2023	2 years 3 months	1 September 2025	6.20	302,900	-
1 June 2023	3 years 3 months	1 September 2026	6.50	249,900	-
Total				2,384,000	2,680,500
Less: Deferred issuing costs				(10,916)	(16,348)
Long-term debentures - net				2,373,084	2,664,152
Less: Current portion				(1,080,101)	(846,688)
Long-term debenture - net of current portion				1,292,983	1,817,464

## 23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after retirement, were as follows:

	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Provision for long-term employee benefits at beginning of year	14,045	9,789	13,078	9,789
Recognised in profit or loss:				
Current service cost	7,533	4,449	4,894	3,482
Interest cost	264	166	228	166
Recognised in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumption changes	552	-	-	-
Financial assumption changes	30	-	-	-
Experience adjustments	(258)	-	-	-
Benefit paid during the year	-	(359)	-	(359)
Provision for long-term employee benefits at end of year	22,166	14,045	18,200	13,078

The Group does not expect to pay long-term employee benefits during the next year.

As at 31 December 2023 and 2022, the weighted average duration of the liabilities for long-term employee benefit is 8 years and 8 years, respectively (the Company only: 9 years and 9 years, respectively).

The principal actuarial assumptions were as follows:

	(Units: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	1.70 - 2.79	1.70 - 2.88	1.70	1.70
Future salary increase rate	5.00	5.00	5.00	5.00
Turnover rate	0 - 20	0 - 20	0 - 20	0 - 20

The result of sensitivity analysis for significant assumptions that affect the increasing (decreasing) of present value of long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Increase rate 0.5%	Decrease rate 0.5%	Increase rate 0.5%	Decrease rate 0.5%
	Provision increase (decrease)	Provision increase (decrease)	Provision increase (decrease)	Provision increase (decrease)
Discount rate	(812)	873	(523)	561
Salary increase rate	1,027	(964)	607	(571)
Turnover rate	(871)	258	(563)	170

## 24. 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.

During the year 2022, the Company appropriated profit of Baht 4.4 million to statutory reserve.

## 25. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure and maximise shareholder value. As at 31 December 2023, the Group's debt to equity ratio is 1.52:1 (2022: 1.57:1) and the Company's debt to equity ratio is 1.47:1 (2022: 1.59:1).

## 26. Expected credit loss

Expected credit loss and loss from contract modification of hire purchase receivables for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Expected credit loss	273,498	192,034	187,564	158,170
Loss from contract modification	(9,213)	(222)	(9,213)	(222)
Bad debt recovery	(62,926)	(31,832)	(60,893)	(31,832)
Total	201,359	159,980	117,458	126,116

## 27. Loss from assets foreclosed

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Loss on confiscation assets	43,767	46,155	36,887	44,786
Loss on disposal of assets foreclosed	246,581	127,543	216,202	126,552
Impairment on assets foreclosed	1,748	-	1,748	-
Total	292,096	173,698	254,837	171,338

## 28. Finance cost

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Interest expenses on borrowings	200,817	145,738	179,205	143,863
Interest expenses on lease liabilities	1,198	1,261	966	1,234
Total	202,015	146,999	180,171	145,097

## 29. Expenses by nature

For the years ended 31 December 2023 and 2022, significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Salary, wages and other employee benefits	191,337	171,756	132,358	139,355
Expected credit loss	201,359	159,980	117,458	126,116
Loss from assets foreclosed	292,096	173,698	254,837	171,338
Professional fees	5,989	5,438	4,963	4,652
Depreciation and amortisation	28,823	26,199	25,825	25,384
Debt collection fees	43,255	34,922	42,994	34,922
Travelling and accommodation expenses	8,392	12,047	6,579	10,740
Telecommunication expenses	6,089	6,233	4,856	5,628
Utilities expenses	2,132	1,805	2,020	1,787

## 30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## 31. Dividend paid

On 22 April 2022, the Company's Annual General Meeting of shareholders approved dividend payment of Baht 0.077 per share, totaling Baht 72 million from operating result for the year 2021. The Company paid the dividend to shareholders on 20 May 2022.

On 24 April 2023, the Company's Annual General Meeting of shareholders approved dividend payment of Baht 0.036 per share, totaling Baht 34 million from operating result for the year 2022. The Company paid the dividend to shareholders on 18 May 2023.

## 32. Segment information

The Group's principal operations involves 4 operating segments in (1) hire purchase of trucks business, (2) hire purchase of motorcycles business (3) insurance brokerage business and (4) finance business.

The Group's operating geographical area is carried on only in Thailand. The chief operating decision maker has been identified as managing director, is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements.



## Segment revenue and profit information

Revenue and profit information regarding the Group's operating segments for the year ended 31 December 2023 is as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2023					
	Hire purchase of trucks business	Hire purchase of motorcycles business	Insurance broker business	Finance business	Elimination	Consolidated financial statement
Net interest income	648,888	133,978	-	964	-	783,830
Fee and service income	76,711	3,497	47,405	-	(2,915)	124,698
Other operating income	45,573	2,052	53	186	(37,118)	10,746
Selling and administrative expenses	(249,257)	(66,750)	(7,949)	(3,161)	4,969	(322,148)
Expected credit loss	(117,458)	(83,619)	-	(282)	-	(201,359)
Loss from assets foreclosed	(254,837)	(37,259)	-	-	-	(292,096)
Finance cost	(180,171)	(21,787)	-	-	(57)	(202,015)
Profit (loss) before income tax	(30,551)	(69,888)	39,509	(2,293)	(35,121)	(98,344)
Income tax	12,005	13,723	(7,902)	458	-	18,284
Profit (loss) before non-controlling interests	(18,546)	(56,165)	31,607	(1,835)	(35,121)	(80,060)

(Unit: Thousand Baht)

	For the year ended 31 December 2022					
	Hire purchase of trucks business	Hire purchase of motorcycles business	Insurance broker business	Finance business	Elimination	Consolidated financial statement
Net interest income	671,030	35,160	-	-	-	706,190
Fee and service income	105,209	3,593	67,628	-	(36,211)	140,219
Other operating income	22,450	310	99	62	(15,591)	7,330
Selling and administrative expenses	(251,858)	(36,532)	(40,072)	(16)	36,943	(291,535)
Expected credit loss	(126,116)	(33,864)	-	-	-	(159,980)
Loss from assets foreclosed	(171,338)	(2,360)	-	-	-	(173,698)
Finance cost	(145,097)	(1,941)	-	-	39	(146,999)
Profit (loss) before income tax	104,280	(35,634)	27,655	46	(14,820)	81,527
Income tax	(17,961)	7,090	(5,496)	(9)	-	(16,376)
Profit (loss) before non-controlling interests	86,319	(28,544)	22,159	37	(14,820)	65,151

## Segment assets

The segment assets of the Group as at 31 December 2023 and 2022 are as follows:

(Unit: Thousand Baht)

	2023					
	Hire purchase of trucks business	Hire purchase of motorcycles business	Insurance broker business	Finance business	Elimination	Consolidated financial statement
Segment assets	4,752,556	918,011	21,380	48,695	(366,595)	5,374,047
Segment liabilities	2,831,888	402,979	13,789	493	(6,641)	3,242,508

(Unit: Thousand Baht)

	2022					
	Hire purchase of trucks business	Hire purchase of motorcycles business	Insurance broker business	Finance business	Elimination	Consolidated financial statement
Segment assets	5,110,345	596,437	32,221	50,051	(277,647)	5,511,407
Segment liabilities	3,137,476	224,980	21,258	15	(19,837)	3,363,892

## Information about major customers

The Group has no major customer with reserve of 10 percent or more of an entity's revenues during the years ended 31 December 2023 and 2022.

### 33. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group monthly contribute to the fund at the rate of 2 percent of basic salary. The fund, which is managed by Eastspring Asset Management (Thailand) Co., Ltd., will be paid to employees upon termination in accordance with the fund rules of the Group. For the year 2023, the Group contributed Baht 2.0 million in the consolidated financial statements and Baht 1.2 million in the separate financial statements (2022: Baht 1.4 million in the consolidated financial statements and Baht 1.1 million in the separate financial statements).

### 34. Related party transactions

The relationships between the company and its related parties

Name of related parties	Relationship
Micro Insure Broker Company Limited	Subsidiary company
Micro Fin Company Limited	Subsidiary company
Micro Plus Leasing Company Limited	Subsidiary company

During the years, the Group had significant business transactions with directors, related persons and related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group, directors, related persons and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	2023	2022	2023	2022	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
Fee and service income	-	-	-	32,660	As agreed
Other income - dividend	-	-	34,978	14,009	As declared
Other income	-	-	2,201	1,562	As agreed
Selling and administrative expenses	-	-	26	120	As agreed
<u>Transactions with related parties</u>					
Interest expenses - directors	-	559	-	559	As agreed
Interest expenses - related persons	4,396	2,195	166	2,195	As agreed
Rental expenses - director	360	360	360	360	As agreed
Service expenses - director	660	610	660	610	As agreed
Service expenses - related person	300	980	300	980	As agreed
Interest expenses - lease liabilities	35	29	35	29	As agreed

As at 31 December 2023 and 2022, the balances of the accounts between the Company, related persons and related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<u>Subsidiaries</u>				
Other receivables - related parties	-	-	24	307
Investment in subsidiaries	-	-	358,999	256,999
Trade and other payables	-	-	6,971	15,034
<u>Related persons</u>				
Short-term loans - related persons	-	30,000	-	30,000
Long-term loans - related persons	80,000	-	-	-
Lease liabilities - director	510	870	510	870

As at 31 December 2023 and 2022, the balances and movements of the loans between the Company, directors and related persons are as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
2023				
Loans	Balance at the beginning of the year	Increase	Decrease	Balance at the end of the year
Related persons	30,000	80,000	(30,000)	80,000
Total	30,000	80,000	(30,000)	80,000

(Unit: Thousand Baht)

Separate financial statements				
2023				
Loans	Balance at the beginning of the year	Increase	Decrease	Balance at the end of the year
Related persons	30,000	-	(30,000)	-
Total	30,000	-	(30,000)	-

(Unit: Thousand Baht)

Consolidated and separate financial statements				
2022				
Loans	Balance at the beginning of the year	Increase	Decrease	Balance at the end of the year
Directors	50,800	-	(50,800)	-
Related persons	100,000	40,000	(110,000)	30,000
Total	150,800	40,000	(160,800)	30,000

### Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	23,462	22,339	18,483	19,534
Post-employment benefits	2,288	1,067	1,586	790
Total	25,750	23,406	20,069	20,324



### 35. Commitments of service agreements

The Group has committed to service agreements, terms of payment generally are between 1 - 4 years. As at 31 December 2023 and 2022, the Group has future minimum payments required under the non-cancellable agreements as follows:

Payment	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Within 1 year	2,845	3,846	991	867
Over 1 year	799	2,338	81	147

### 36. Risk management

The Group's financial instruments principally comprises cash and cash equivalents, hire purchase and loan receivables, restricted bank deposits, loans, debentures, trade and other payables and lease liabilities.

The financial risks associated with these financial instruments and how they are managed is described below.

#### 36.1 Credit risk

Credit risk is the risk that the Group may incur a financial loss due to the counter party of the Group fail to fulfill an obligation of financial instruments. The Group is exposed to credit risk primarily with respect to hire purchase and loan receivables and deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying value as stated in the statements of financial position.

#### Risk management approach

##### a) Hire purchase receivables and loan receivables

The Group is exposed to credit risk primarily with respect to hire purchase receivables and loan receivable. The Group manages the risk by adopting appropriate credit control policies and procedures. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. Therefore, the Group does not expect to incur material financial loss.

In addition, the Group prepared expected credit loss model and reconsiders expected credit loss model by periodically reviews of the parameters and the data used in order to ascertain appropriateness of the model.

### b) Deposits with banks and financial institutions

The Group is exposed to credit risk on deposits with banks and financial institutions is limited because the Group deposits with only banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

#### Maximum exposure to credit risk of financial assets

Maximum exposure to credit risk is the amount of financial assets without taking account of any collateral held or other credit enhancements to increase creditability. For financial assets recognised in statements of financial position, maximum exposure to credit risk is the amount before allowance for expected credit loss.

#### Credit quality analysis

The table below shows the credit quality of financial assets exposed to credit risk, the amounts presented for financial assets are gross carrying amount before allowances of expected credit loss.

	(Unit: Million Baht)			
	Consolidated financial statements			
	31 December 2023			
	Financial assets where credit risk			
	No significant increase	Significant increase	Credit - impaired	Total
<b>Deposits with banks and financial institutions</b>				
Investment grade	544	-	-	544
Total	544	-	-	544
Allowance for expected credit loss	-	-	-	-
<b>Hire purchase receivables</b>				
0 day overdue	2,721	42	1	2,764
1 - 30 days overdue	730	37	2	769
31 - 60 days overdue	-	522	2	524
61 - 90 days overdue	-	262	8	270
Over 90 days overdue	-	-	200	200
Total	3,451	863	213	4,527
Allowance for expected credit loss	45	103	79	227
<b>Loan receivables</b>				
0 day overdue	21	-	-	21
Total	21	-	-	21
Allowance for expected credit loss	-	-	-	-

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2022			
	Financial assets where credit risk			
	No significant increase	Significant increase	Credit - impaired	Total
<b>Deposits with banks and financial institutions</b>				
Investment grade	408	-	-	408
Total	408	-	-	408
Allowance for expected credit loss	-	-	-	-
<b>Hire purchase receivables</b>				
0 day overdue	2,962	14	-	2,976
1 - 30 days overdue	889	59	2	950
31 - 60 days overdue	-	587	2	589
61 - 90 days overdue	-	220	3	223
Over 90 days overdue	-	-	219	219
Total	3,851	880	226	4,957
Allowance for expected credit loss	51	105	76	232

(Unit: Million Baht)

	Separate financial statements			
	31 December 2023			
	Financial assets where credit risk			
	No significant increase	Significant increase	Credit - impaired	Total
<b>Deposits with banks and financial institutions</b>				
Investment grade	389	-	-	389
Total	389	-	-	389
Allowance for expected credit loss	-	-	-	-
<b>Hire purchase receivables</b>				
0 day overdue	2,146	42	1	2,189
1 - 30 days overdue	651	37	2	690
31 - 60 days overdue	-	463	2	465
61 - 90 days overdue	-	236	8	244
Over 90 days overdue	-	-	172	172
Total	2,797	778	185	3,760
Allowance for expected credit loss	29	81	60	170

(Unit: Million Baht)

	Separate financial statements			
	31 December 2022			
	Financial assets where credit risk			
	No significant increase	Significant increase	Credit - impaired	Total
<b>Deposits with banks and financial institutions</b>				
Investment grade	303	-	-	303
Total	303	-	-	303
Allowance for expected credit loss	-	-	-	-
<b>Hire purchase receivables</b>				
0 day overdue	2,525	14	-	2,539
1 - 30 days overdue	843	59	2	904
31 - 60 days overdue	-	561	2	563
61 - 90 days overdue	-	211	3	214
Over 90 days overdue	-	-	209	209
Total	3,368	845	216	4,429
Allowance for expected credit loss	36	93	68	197

### Collateral and any operations to increase creditability

The Group has held collateral and any operations to increase creditability of exposure to credit risk. For hire purchase receivables, the Group has held collateral, e.g. trucks and motorcycles as specified under hire purchase agreements.

### 36.2 Market risk

The Group's market risk is from interest rate risk. As the Group has no foreign currency assets and liabilities, and no investments in securities, market risk therefore consists of only interest rate risk.

#### Interest rate risk

The Group has risk that valuation of financial instruments may impact due to change of market interest rate.

The Group manages the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels.

Significant financial assets and liabilities as at 31 December 2023 and 2022, classified by type of interest rate, 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					
	2023					
	Fixed interest rate					
	Maturity or repricing date					
Transactions	Within 1 year	Over 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate  (% per annum)
<b>Financial assets</b>						
Cash and cash equivalents	100	-	311	15	426	0.15 - 1.60
Hire purchase receivables <sup>(1)</sup>	1,484	3,043	-	-	4,527	10.85 - 40.58
Loan receivables	4	17	-	-	21	20.00
Restricted bank deposits	118	-	-	-	118	0.35 - 1.75
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	97	97	-
Long-term loans from financial institutions	-	-	309	-	309	5.70 - 6.40
Long-term loans from related persons	-	80	-	-	80	5.90
Long-term loans from others	-	310	-	-	310	5.50 - 5.90
Long-term debentures	1,080	1,293	-	-	2,373	5.40 - 6.50
Lease liabilities	10	10	-	-	20	3.60 - 6.35

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

(Unit: Million Baht)

Consolidated financial statements						
2022						
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Maturity or repricing date					
	Within 1 year	Over 1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	279	11	290	0.15 - 0.35
Hire purchase receivables <sup>(1)</sup>	1,654	3,303	-	-	4,957	7.71 - 33.90
Restricted bank deposits	118	-	-	-	118	0.35 - 1.00
<b>Financial liabilities</b>						
Short-term loans from related persons	30	-	-	-	30	4.25
Trade and other payables	-	-	-	145	145	-
Long-term loans from financial institutions	-	-	246	-	246	4.65 - 5.65
Long-term loans from others	-	200	-	-	200	5.90
Long-term debentures	847	1,817	-	-	2,664	5.25 - 5.70
Lease liabilities	14	16	-	-	30	3.06 - 5.93

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

(Unit: Million Baht)

Separate financial statements						
2023						
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Maturity or repricing date					
	Within 1 year	Over 1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	100	-	159	12	271	0.15 - 1.60
Hire purchase receivables <sup>(1)</sup>	1,194	2,566	-	-	3,760	12.68 - 23.82
Restricted bank deposits	118	-	-	-	118	0.35 - 1.75
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	87	87	-
Long-term loans from financial institutions	-	-	309	-	309	5.70 - 6.40
Long-term debentures	1,080	1,293	-	-	2,373	5.40 - 6.50
Lease liabilities	9	8	-	-	17	3.60 - 6.35

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

(Unit: Million Baht)

Separate financial statements						
2022						
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Maturity or repricing date					
	Within 1 year	Over 1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	174	11	185	0.10 - 0.35
Hire purchase receivables <sup>(1)</sup>	1,512	2,917	-	-	4,429	12.16 - 25.10
Restricted bank deposits	118	-	-	-	118	0.35 - 1.00
<b>Financial liabilities</b>						
Short-term loans from related persons	30	-	-	-	30	4.25
Trade and other payables	-	-	-	125	125	-
Long-term loans from financial institutions	-	-	246	-	246	4.65 - 5.65
Long-term debentures	847	1,817	-	-	2,664	5.25 - 5.70
Lease liabilities	13	14	-	-	27	3.06 - 5.93

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

### Interest rate sensitivity analysis

The sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on the portion of floating rate of deposits with banks and financial institutions, and long-term loans affected as at 31 December 2023 are as follow:

	Consolidated financial statements		Separate financial statements	
	Effect on profit - increase		Effect on profit - increase	
	Increase/ (decrease)	(decrease) before tax	Increase/ (decrease)	(decrease) before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Deposits with banks and	1%	3,739	1%	2,220
financial institutions	(1%)	(3,739)	(1%)	(2,220)
Long-term loans from	1%	(3,220)	1%	(3,220)
financial institutions	(1%)	3,220	(1%)	3,220

The above analysis has been prepared assuming that the amounts of the floating rate deposits with banks and financial institutions, and loans and all other variables remain constant over one year. Moreover, the floating rates of these deposits and loans are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest for the full 12 - month period of the sensitivity calculation.

### 36.3 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.

The Group manages liquidity risk by means of appropriate structuring of short-term and long-term sources of capital. In addition, the Group has a policy to maintain liquidity to ensure that it has sufficient liquidity to meet both present and future requirements.

The maturity profile of the Group's financial instruments as at 31 December 2023 and 2022 is as follows:

(Unit: Million Baht)				
Consolidated financial statements				
2023				
Transactions	At call	Within 1 year	Over 1 year	Total
<b>Financial assets</b>				
Cash and cash equivalents	326	100	-	426
Hire purchase receivables <sup>(1)</sup>	-	1,484	3,043	4,527
Loan receivables <sup>(1)</sup>	-	4	17	21
Restricted bank deposits	-	-	118	118
<b>Financial liabilities</b>				
Trade and other payables	-	97	-	97
Long-term loans from financial institutions	-	157	152	309
Long-term loans from related persons	-	-	80	80
Long-term loans from others	-	-	310	310
Long-term debentures	-	1,080	1,293	2,373
Lease liabilities	-	10	10	20

(1) The balance of hire purchase and loan receivables due within 1 year included credit-impaired receivables.

(Unit: Million Baht)				
Consolidated financial statements				
2022				
Transactions	At call	Within 1 year	Over 1 year	Total
<b>Financial assets</b>				
Cash and cash equivalents	290	-	-	290
Hire purchase receivables <sup>(1)</sup>	-	1,654	3,303	4,957
Restricted bank deposits	-	-	118	118
<b>Financial liabilities</b>				
Short-term loans from related persons	-	30	-	30
Trade and other payables	-	145	-	145
Long-term loans from financial institutions	-	99	147	246
Long-term loans from other	-	-	200	200
Long-term debentures	-	847	1,817	2,664
Lease liabilities	-	14	16	30

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.



(Unit: Million Baht)

Transactions	Separate financial statements			
	2023			
	At call	Within 1 year	Over 1 year	Total
<b>Financial assets</b>				
Cash and cash equivalents	171	100	-	271
Hire purchase receivables <sup>(1)</sup>	-	1,194	2,566	3,760
Restricted bank deposits	-	-	118	118
<b>Financial liabilities</b>				
Trade and other payables	-	87	-	87
Long-term loans from financial institutions	-	157	152	309
Long-term debentures	-	1,080	1,293	2,373
Lease liabilities	-	9	8	17

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

(Unit: Million Baht)

Transactions	Separate financial statements			
	2022			
	At call	Within 1 year	Over 1 year	Total
<b>Financial assets</b>				
Cash and cash equivalents	185	-	-	185
Hire purchase receivables <sup>(1)</sup>	-	1,512	2,917	4,429
Restricted bank deposits	-	-	118	118
<b>Financial liabilities</b>				
Short-term loans from related persons	-	30	-	30
Trade and other payables	-	125	-	125
Long-term loans from financial institutions	-	99	147	246
Long-term debentures	-	847	1,817	2,664
Lease liabilities	-	13	14	27

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

**37. Fair values measurement**

As at 31 December 2023 and 2022, the Group had no financial assets or financial liabilities that were measured at fair value. However, the Group had financial assets and liabilities that were measured at cost which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	2023				
	Fair value				
Book value	Total	Level 1	Level 2	Level 3	
<b>Financial assets for which fair value are disclosed</b>					
Cash and cash equivalents	426	426	426	-	-
Hire purchase receivables	4,300	4,231	-	-	4,231
Loan receivables	21	21	-	-	21
Restricted bank deposits	118	118	-	118	-
<b>Financial liabilities for which fair value are disclosed</b>					
Trade and other payables	97	97	-	97	-
Long-term loans from financial institutions	309	309	-	309	-
Long-term loans from related persons	80	80	-	80	-
Long-term loans from others	310	310	-	310	-
Long-term debentures	2,373	2,359	-	2,359	-

(Unit: Million Baht)

	Consolidated financial statements				
	2022				
	Fair value				
Book value	Total	Level 1	Level 2	Level 3	
<b>Financial assets for which fair value are disclosed</b>					
Cash and cash equivalents	290	290	290	-	-
Hire purchase receivables	4,726	4,475	-	-	4,475
Restricted bank deposits	118	118	-	118	-
<b>Financial liabilities for which fair value are disclosed</b>					
Short-term loans from related persons	30	30	-	-	30
Trade and other payables	145	145	-	145	-
Long-term loans from financial institutions	246	246	-	246	-
Long-term loans from other	200	200	-	200	-
Long-term debentures	2,664	2,672	-	2,672	-

(Unit: Million Baht)

	Separate financial statements				
	2023				
	Fair value				
	Book value	Total	Level 1	Level 2	Level 3
<b>Financial assets for which fair value are disclosed</b>					
Cash and cash equivalents	271	271	271	-	-
Hire purchase receivables	3,590	3,519	-	-	3,519
Restricted bank deposits	118	118	-	118	-
<b>Financial liabilities for which fair value are disclosed</b>					
Trade and other payables	87	87	-	87	-
Long-term loans from financial institutions	309	309	-	309	-
Long-term debentures	2,373	2,359	-	2,359	-

(Unit: Million Baht)

	Separate financial statements				
	2022				
	Fair value				
	Book value	Total	Level 1	Level 2	Level 3
<b>Financial assets for which fair value are disclosed</b>					
Cash and cash equivalents	185	185	185	-	-
Hire purchase receivables	4,232	3,985	-	-	3,985
Restricted bank deposits	118	118	-	118	-
<b>Financial liabilities for which fair value are disclosed</b>					
Short-term loans from related persons	30	30	-	-	30
Trade and other payables	125	125	-	125	-
Long-term loans from financial institutions	246	246	-	246	-
Long-term debentures	2,664	2,672	-	2,672	-

Fair value hierarchy for financial assets and liabilities as at 31 December 2023 and 2022 is stipulated in Note 4.18.

The Group's methods and assumptions used in estimated the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, restricted bank deposits, short-term loans, and trade and other payables, their carrying amounts in the statement of financial position approximate their fair value.

- b) For hire purchase receivables and loan receivables, fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- c) For loans and debentures with maturity over 1 year and fixed interest payables, their fair value is estimated by discounting expected future cash flows by the current market interest rate of the loans with similar terms and conditions.

During the current year, there were no transfers within the fair value hierarchy.

### 38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2024.



# BOARD PROFILE



**ASSISTANT PROFESSOR KRIT UMPOTE**  
Independent Director and Chairman

**Educational Qualifications:**

- M.S.B.A Indiana University, USA
- Master of Public Administration (M.P.A.), NIDA
- Bachelor of Accounting Program, Thammasat University
- Bachelor of Commerce Program, Thammasat University

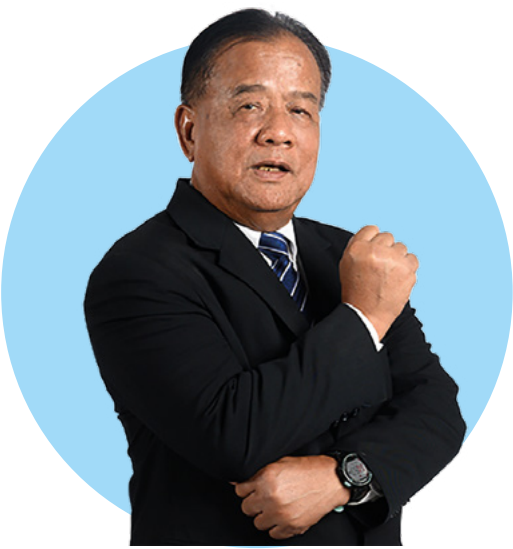
**Training Course:**

- 2010 - Advanced Audit Committee Program (AAP) Class 3/2010 : The Thai Institute of Directors Association
- Director Certification Program (DCP) Class 0/2000 : The Thai Institute of Directors Association
- 1997 - Advanced Management Program, Harvard Business School, USA
- 1995 - Strategic Human Resource Management, Harvard Business School, USA

**Experience**

**Position in other listed Company:**

- 2020 - Present
- Independent Director and Chairman, Micro Leasing Public Company Limited
- 2000 - Present
- Facilitator in Resident Thai Institute of Directors Association
- 2015 – 2021
- Independent Director, Chairman of the Corporate Governance Committee and Member of Audit Committee Thiensurat Public Company Limited
- 2000 – 2021
- Independent Director and Chairman of the Audit Committee, TBSP Public Company Limited



**MR. WEIDT NUCHJALEARN**  
Independent Director, Vice Chairman,  
Chairman of the Risk Management Committee  
and Member of Audit Committee

**Educational Qualifications:**

- Master of Commerce and Accounting, Thammasat University
- Bachelor of Science (Agricultural Economics), Kasetsart University

**Training Course:**

- 2017
- Security Management and Leadership for Executives Program (SML), Class 9/2017, : National Defence College
- 2015
- Director Accreditation Program (DAP), Class SEC/2015 : The Thai Institute of Directors Association
- 2014
- Top Executives Program, Class 18/2014, : Capital Market Academy
- 2013
- The Role of the Chairman Program (RCP), Class 31/2013 : The Thai Institute of Directors Association
- 2010
- Top Executive Program in Commerce and Trade (TEPCOT), Class 3/2010 : Institute of Trade Science, Thai Chamber of Commerce

Age: 70 years

Date of appointment director:  
1 November 2020

Shareholding proportion (28/12/2023):  
- None -

Relationship with the Executive:  
- None -

- 2006
- Financial Executive Development Program, Class 14/2006, The Thai Institute of Bangkok and Finance Association (FINEX)
- Commercial Credit Skills Assessment, Faculty of Commerce and Accountancy, : Chulalongkorn University

**Experience**

**Position in other listed Company:**

- 2020 - Present
- Independent Director, Vice Chairman, Chairman of the Risk Management Committee and Member of Audit Committee, Micro Leasing Public Company Limited
- 2020 - Present
- Director and Executive Director, Union Auction Public Company Limited
- 2018 - Present
- Independent Director, Chairman of the Audit Committee and Chairman of the Nomination Committee, WHAUP & Power Public Company Limited
- 2017 - Present
- Chairman, Siamrajathane Public Company Limited
- Independent Director, Chairman and Member of Audit Committee, Siam Technical Concrete Public Company Limited

- 2017 - Present
- Consultant, Dhipaya Insurance Public Company Limited
- 2014 - Present
- Chairman of the Audit Committee, Thaifood Group Public Company Limited

**Position in Non-Listed Company:**

- 2022 - Present
- Director, Insurverse Public Company Limited
- Director, TIP ISB Company Limited
- Director, Bewealth Consultant Company Limited
- Chairman, Wellness Product Development Center Company Limited
- 2020 - Present
- Expert, Financial Advisory Center (TCG . F.A. Center)
- 2018 - Present
- Chairman, Hinsitsu (Thailand) Company Limited
- 2017 - Present
- Chairman, Thaitechnoglass Group Company Limited



**MR. CHALONG LUENGPRASIT**

Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee

**Educational Qualifications :**

- Master of Accounting, Chulalongkorn University
- Bachelor of Accounting, Siam University

**Training Course:**

- 2023
- Detection of Accounting Irregularities in Fast Growing Business: The Role of Audit Committee : The Thai Institute of Directors Association
- 2022
- Advanced Audit Committee Program (AACP) Class 44/2022 : The Thai Institute of Directors Association
- 2019
- Director Certification Program (DCP) Class 269/2019 : The Thai Institute of Directors Association
- 2009
- Director Accreditation Program (DAP) Class 78/2009 : The Thai Institute of Directors Association

**Experience**

**Position in other listed Company:**

- 2019 - Present
- Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee, Micro Leasing Public Company Limited

**Position in Non-Listed Company:**

- 2013 - Present
- Managing Director Baan Jarungklin Company Limited





**DR. PIJAK CHANTAVIROJ**

Independent Director, Member of Audit Committee and Member of Nomination and Remuneration Committee

**Educational Qualifications:**

- Doctor of Philosophy Administration, Rangsit University
- Master of Business Administration, Accounting, Siam University
- Bachelor of Accounting, Siam University

**Training Course:**

- 2023
  - Detection of Accounting Irregularities in Fast Growing Business: The Role of Audit Committee : The Thai Institute of Directors Association
- 2019
  - Director Certification Program (DCP), Class 270/2019 : The Thai Institute of Directors Association
- 2009
  - Director Accreditation Program (DAP), Class 78/2019 : The Thai Institute of Directors Association

**Experience**

**Position in other listed Company:**

- 2021 - Present
  - Independent Director, Member of Audit Committee and Member of Nomination and Remuneration Committee, Micro Leasing Public Company Limited
- 2019 - 2021
  - Independent Director, Chairman of the Risk Management Committee, Member of Audit Committee and Member of Nomination and Remuneration Committee, Micro Leasing Public Company Limited

**Position in Non-Listed Company:**

- 2011 - Present
  - Managing Director, K.P.J. Accounting Company Limited
- 1991 - 2023
  - Lecturer, Department of Accounting Faculty of Business Administration Siam University



**MR. THAMMASAK AUCHYAWAT**

Director and Member of Nomination and Remuneration Committee

**Educational Qualifications :**

- Vocational Certificate (Voc. Cert.), Siam Technological College

**Training Course:**

- 2018
  - Director Certification Program (DCP), Class 254/2018 : The Thai Institute of Directors Association
- Role of the Chairman Program (RCP), Class 42/2018 : The Thai Institute of Directors Association
- Training Business Administration (Micro MBA), NIDA

**Experience**

**Position in other listed Company:**

- 2019 - Present
  - Director and Member of Nomination and Remuneration Committee, Micro Leasing Public Company Limited

**Position in Non-Listed Company:**

- 2022 - Present
  - Director, Micro Plus Leasing Company Limited

Age: 54 years

Date of appointment director: 17 September 2019

Shareholding proportion (28/12/2023): 0.05%

Relationship with the Executive: - None -

Age: 69 years

Date of appointment director: 17 September 2019

Shareholding proportion (28/12/2023): 23.41 %

Relationship with the Executive: Father of Mr. Tanyakon Autchayawat Mr. Jedsada Auchyawat Mr. Kitsada Auchyawat



## MR. WISARN BOORNASUNTIKOOON

Director, Chairman of Executive Committee, Member of Risk Management Committee and Managing Director

Age: 64 years

Date of appointment director:  
24 December 2020

Shareholding proportion  
(28/12/2023):  
0.01%

Relationship with the  
Executive:  
- None -

### Educational Qualifications:

- Master of Economics, National Institute of Development Administration
- Master of Business Administration (Financial Management), Chulalongkorn University
- Diploma of Public Administration (Organizational Management), GSPA NIDA
- Bachelor of Engineering (Civil Engineering), Chulalongkorn University
- Bachelor of Laws Bachelor's Degree (Graduate Program), Thammasat University
- Bachelor of Business Administration (General Administration), Ramkhamhaeng University

### Training Course:

- 2023 - Detection of Accounting Irregularities in Fast Growing Business : The Role of Audit Committee : The Thai Institute of Directors Association
- Risk Management According to COSO 2022 : NEW GUIDELINE REQUIREMENT UNDER COSO ERM 2017, Class 2/2023 : The Thai Institute of Banking and Finance Association
- Hot Issue for Directors : Climate Governance 1/2023 : The Thai Institute of Directors Association
- 2022 - Hot Issue for Directors: What Directors Need to Know about Digital Assets (DA) Class 3/2022 : The Thai Institute of Directors Association
- Subsidiary Governance Program (SGP) Class 1/2022 : The Thai Institute of Directors Association
- 2021 - Director Certification Program (DCP) Class 303/2021 : The Thai Institute of Directors Association
- Risk Management Program for Corporate Leaders (RCL) Class 25/2021 : The Thai Institute of Directors Association

- Course Successful Formulation & Execution of Strategy (SFE) Class 37/2021 : The Thai Institute of Directors Association
- Director Refreshment training Program : The Thai Institute of Directors Association

### Experience

#### Position in other listed Company:

- 2020 - Present
- Director, Chairman of Executive Committee, Member of Risk Management Committee and Managing Director, Micro Leasing Public Company Limited
- 2012 - 2013
- Executive Vice President, CIMB Thai Bank Public Company Limited

#### Position in Non-Listed Company:

- 2022 - Present
- Director, Micro Plus Leasing Company Limited
- 2020 - 2021
- Advisor of Aseptic Pak (Thailand) Company Limited
- 2013 - 2019
- Deputy Managing Director, Krungthai Leasing Company Limited
- 2005 - 2012
- Managing Director, Center Auto Lease Company Limited (Companies in the financial business group CIMB Thai Bank Public Company Limited)



## MRS. ROTSANAN YINGTHAWEEESAK

Director, Executive Vice President and Senior Deputy Managing Director

Age: 65 years

Date of appointment director:  
17 September 2019

Shareholding proportion  
(28/12/2023):  
1.66 %

Relationship with the  
Executive:  
Spouse's Mother,  
Mr.Preeda Iramaneerat

### Educational Qualifications:

- Bachelor of Business Administration (Finance), Bangkok University

### Training Course:

- 2018
- Director Certification Program (DCP), Class 262/2018 : The Thai Institute of Directors Association

### Experience

#### Position in other listed Company:

- 2021 - Present
- Director, Executive Vice President and Senior Deputy Managing Director, Micro Leasing Public Company Limited
- 2019 - 2021
- Director, Executive Vice President, Member of Risk Management Committee and Deputy Managing Director, Micro Leasing Public Company Limited

#### Position in Non-Listed Company:

- None-





**MR. KEITTIPONG TOEMKUNANON**

Director

**Educational Qualifications:**

- Bachelor of Business Administration, Nakhon Pathom Rajabhat University

**Training Course:**

- 2018  
- Director Certification Program (DCP), Class 259/2018 : The Thai Institute of Directors Association
- 2018  
- Director Accreditation Program (DAP), Class 144/2018 : The Thai Institute of Directors Association

**Experience**

**Position in other listed Company:**

- 2021 - Present  
- Director, Micro Leasing Public Company Limited
- 2019 - 2021  
- Director, Member of Risk Management Committee, Executive Director and Assistant Managing Director, Micro Leasing Public Company Limited

**Position in Non-Listed Company:**

- 2004 - Present  
- Field Manager, L.C. Transport and Commerce Company Limited
- 1997 - Present  
- Founder, Bo Din Lapchawa Company Limited



**MR.TANYAKON AUTCHAYAWAT**

Director, Member of Risk Management Committee, Executive Director and Assistant Managing Director of Credit Operations

**Educational Qualifications:**

- Bachelor of Business Administration (Marketing), Siam University

**Training Course:**

- 2018  
- Director Certification Program (DCP), Class 254/2018 : The Thai Institute of Directors Association

Age: 45 years

Date of appointment director:  
17 September 2019

Shareholding proportion (28/12/2023):  
5.57 %

Relationship with the Executive:  
Son of  
Mr. Thammasak Auchayawat  
older brother of  
Mr. Jedsada Auchayawat  
and Mr. Kitsada Auchayawat

**Experience**

**Position in other listed Company:**

- 2021 - Present  
- Director, Member of Risk Management Committee, Executive Director and Assistant Managing Director of Credit Operations, Micro Leasing Public Company Limited
- 2019 - 2021  
- Director, Member of Risk Management Committee, Executive Director and Assistant Managing Director, Micro Leasing Public Company Limited

**Position in Non-Listed Company:**

- 2022 - Present  
- Director, Micro Fin Company Limited



## MR.JEDSADA AUCHYAWAT

Director, Member of Risk Management Committee, Executive Director and Deputy Managing Director of Credit Operations

### Educational Qualifications:

- Bachelor of Business Administration (Finance), Siam University

### Training Course:

- 2023
- The Big Blue Ocean#2 : Digital Transformation Course : Bangkok Bank Public Company Limited
- 2018
- Director Certification Program (DCP) Class 259/2018 : The Thai Institute of Directors Association
- Director Accreditation Program (DAP) Class 144/2018 : The Thai Institute of Directors Association

Age: 43 years

Date of appointment director:  
17 September 2019

Shareholding proportion  
(28/12/2023):  
13.17 %

Relationship with the Executive:  
Son of  
Mr. Thammasak Auchyawat  
Younger brother of  
Mr. Tanyakon Autchayawat  
and Older brother of  
Mr. Kitsada Auchyawat

### Experience

#### Position in other listed Company:

- 2021 - Present
- Director, Member of Risk Management Committee, Executive Director and Deputy Managing Director of Credit Operations, Micro leasing Public Company Limited
- 2019 - 2021
- Director, Member of Risk Management Committee, Executive Director and Assistant Managing Director, Micro leasing Public Company Limited

#### Position in Non-Listed Company:

- 2022 - Present
- Director, Micro Fin Company Limited
- Director, Micro Plus Leasing Company Limited
- 2021 - Present
- Director, Micro Insure Broker Company Limited



## MR. KITSADA AUCHYAWAT

Director, Executive Director and Assistant Managing Director of Credit Operations

### Educational Qualifications:

- Bachelor of Business Administration (General Management), Nakhon Pathom Rajabhat University

### Training Course:

- 2018
- Director Certification Program (DCP), Class 262/2018 : The Thai Institute of Directors Association
- Director Accreditation Program (DAP), Class 144/2018 : The Thai Institute of Directors Association

Age: 38 years

Date of appointment director:  
17 September 2019

Shareholding proportion  
(28/12/2023):  
13.77 %

Relationship with the Executive:  
Son of  
Mr. Thammasak Auchyawat  
younger brother of  
Mr. Tanyakon Autchayawat  
and Mr. Jesada Auchyawat

### Experience

#### Position in other listed Company:

- July 2023 - Present
- Executive Director and Assistant Managing Director of Credit Operations, Micro Leasing Public Company Limited
- 2021 - Present
- Director, Micro Leasing Public Company Limited
- 2019 - 2021
- Director, Member of Risk Management Committee, Executive Director and Assistant Managing Director, Micro Leasing Public Company Limited

#### Position in Non-Listed Company:

- None-





### MR. PREEDA IRAMANEERAT

Member of Risk Management Committee, Executive Director and Deputy Managing Director of Resources and Investment

#### Educational Qualifications:

- Bachelor of Engineering, Chulalongkorn University

#### Training Course:

- 2023
  - Thailand HR Day 2022 (Re-Invent HR) : Personnel Management Association of Thailand (PMAT)
  - Leadership for Digital Transformation : Rise Accel Company Limited
  - Ethical Leadership Program (ELP) Class 32/2023 : The Thai Institute of Directors Association
  - Corporate Sustainability Strategy Class 4, 2023 : The Stock Exchange of Thailand
- 2022
  - Company Secretary Professional Development Program (2022) : Thai Listed Companies Association
  - Fundamental HR Course 2022 : NIDA Graduate School
  - 3D Financial Analysis Course 2022 : Thammasart Business School
- 2021
  - Data Analyst Course 2021, ATDI : ATDI - Association of Thai Digital Industries

- 2019
  - Director Certification Program (DCP) Class 270/2019 : The Thai Institute of Directors Association
- 2003
  - Mini MBA Program : Kasetsart University

#### Experience

##### Position in other listed Company:

- 2021 - Present
  - Member of Risk Management Committee, Executive Director and Deputy Managing Director of Resources and Investment, Micro Leasing Public Company Limited
- 2019 - 2021
  - Member of Risk Management Committee, Executive Director and Assistant Managing Director, Micro Leasing Public Company Limited

##### Position in Non-Listed Company:

- 2022 - Present
  - Director, Micro Fin Company Limited
- 2021 - Present
  - Director, Micro Insure Broker Company Limited
- 2015 - 2019
  - Technical Consultant, Duco Technology (Hong Kong) Company Limited



### MR. KANDANAI CHONSUWAT

Member of Risk Management Committee, Executive Director, Deputy Managing Director of Accounting and Finance and Company Secretary

#### Educational Qualifications:

- Master of Business Administration, Silpakorn University
- Bachelor of Arts, Silpakorn University

#### Training Course:

- 2023
  - TLCA CFO Professional Development Program (TLCA CFO CPD)#1/2023 "Economic Update for CFO" : Thai Listed Companies Association
  - Board Meeting Techniques : Thai Listed Companies Association
  - TLCA CFO Professional Development Program (TLCA CFO CPD)#2/2023 "Risk Management for CFOs" : Thai Listed Companies Association
  - TLCA CFO Professional Development Program (TLCA CFO CPD)#3/2023 "Fintech, Financial Technology" : Thai Listed Companies Association
  - TLCA CFO Professional Development Program (TLCA CFO CPD)#5/2023 "RPA (Robotic Process Automation) in Finance and Accounting" : Thai Listed Companies Association

- TLCA CFO Professional Development Program (TLCA CFO CPD)#7/2023 "Economic Update for CFO"(2nd) : Thai Listed Companies Association
- TLCA CFO Professional Development Program (TLCA CFO CPD)#8/2023 "Guidelines for issuing and offering debt instruments for environmental conservation" : Thai Listed Companies Association
- 2022
  - Effective Minutes Taking (EMT), Class 50/2022 : The Thai Institute of Directors Association
  - The Big Blue Ocean : Digital Transformation Course : Bangkok Bank Public Company Limited
  - Process Analytics with Process Mining For Data-Driven Organizations, Class 3 : The Thai Institute of Banking and Finance Association
  - TLCA CFO Professional Development Program (TLCA CFO CPD)#4/2022 "Understanding digital assets with the role of a CFO" : Thai Listed Companies Association
  - TLCA CFO Professional Development Program (TLCA CFO CPD)#5/2022 "Restructuring Business for Growth" : Thai Listed Companies Association

Age: 50 years

Date of appointment director:  
- None -

Shareholding proportion  
(28/12/2023):  
0.24 %

Relationship with the  
Executive:  
Son-in-Law of  
Mrs. Rotsanan Yingthaweesak

Age: 37 years

Date of appointment director:  
- None -

Shareholding proportion  
(28/12/2023):  
0.32 %

Relationship with the  
Executive:  
Grandchildren of  
Mr. Thammasak Auchyawat



## MR. WISAN WETHAYANUKOOL

Member of Risk Management Committee,  
Executive Director and Chief Financial Officer

Age: 39 years

Date of appointment director:  
- None -

Shareholding proportion  
(28/12/2023):  
0.03%

Relationship with the  
Executive:  
- None -

### Educational Qualifications:

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Accounting, Udon Thani Rajabhat University

### Training Course:

- 2023 : Corporate Finance Class 1/2023 : Federation of Accounting Professions Under The Royal Patronage of His Majesty the King
- 2022 : Successful Formulation & Execution of Strategy (SFE), Class 38/2022 : The Thai Institute of Directors Association
- 2020 : Director Accreditation Program (DAP) Class 169/2020 : The Thai Institute of Directors Association
- 2019 : Company Secretary Program (CSP) Class 99/2019 : The Thai Institute of Directors Association
- Chief Financial Officer Certification Program (CFO), Class 22/2019 : Federation of Accounting Professions Under The Royal Patronage of His Majesty the King
- Orientation Program (CFO), Class 8 : Federation of Accounting Professions Under The Royal Patronage of His Majesty the King

### Experience

#### Position in other listed Company:

- 2021 - Present : Member of Risk Management Committee, Executive Director, and Chief Financial Officer, Micro Leasing Public Company Limited
- 2019 - 2021 : Member of Risk Management Committee, Executive Director, Assistant Managing Director and Company Secretary, Micro Leasing Public Company Limited

#### Position in Non-Listed Company:

- 2017 - 2018 : Chief Financial Officer, My Simple Light Company Limited
- 2017 - 2017 : Account Manager, VSCHEM 1970 Company Limited
- 2015 - 2017 : General Manager, Udon Friend Development Company Limited

### Experience

#### Position in other listed Company:

- 2021 - Present : Member of Risk Management Committee, Executive Director, Deputy Managing Director of Accounting and Finance and Company Secretary, Micro Leasing Public Company Limited
- 2019 - 2021 : Member of Risk Management Committee, Executive Director and Chief Financial Officer, Micro Leasing Public Company Limited

#### Position in Non-Listed Company:

- 2022 - Present : Director, Micro Fin Company Limited
- Director, Micro Plus Leasing Company Limited

- TLCA CFO Professional Development Program (TLCA CFO CPD)#6/2022 "The role of the CFO in corporate sustainability" : Thai Listed Companies Association
- 2021 : Company Secretary Program (CSP) Class 117/2021 : The Thai Institute of Directors Association
- Anti-Corruption: The Practical Guide (ACPG) Class 56/2021 : The Thai Institute of Directors Association
- Company Secretary Professional Development Program (2021) : Thai Listed Companies Association
- 2020 : Director Accreditation Program (DAP) Class 168/2020 : The Thai Institute of Directors Association
- 2019 : Chief Financial Officer Certification Program (CFO), Class 22/2019 : Federation of Accounting Professions Under The Royal Patronage of His Majesty the King
- 2018 : Orientation Course - CFO Focus on Financial Reporting, Class 5/2018 : Federation of Accounting Professions Under The Royal Patronage of His Majesty the King



# DETAILS OF DIRECTORS AND EXECUTIVES IN RELATED COMPANIES

Note :
 

X = Chairman  
 ID = Independent Director  
 S = Authorized Director  
 ED = Executive Director  
 NR = Nomination and Remuneration Committee

XS = Vice Chairman  
 D = Director  
 MD = Managing Director  
 AC = Audit Committee  
 RM = Risk Management Committee

## DETAILS OF DIRECTORS AND EXECUTIVES IN RELATED COMPANIES

Name	Micro Leasing Public Company Limited	Director/Executive in other companies listed in The Stock Exchange of Thailand				
		Union Auction Public Company Limited	WHA Utilities And Power Public Company Limited	Siamrajathanee Public Company Limited	Siam Technic Concrete Public Company Limited	Thaifoods Group Public Company Limited
1. Asst. Prof. Krit Umpote	ID, X	-	-	-	-	-
2. Mr. Weidt Nuchjalearn	ID, XS, AC, RM	D, ED	ID, AC, NR	X	ID, X, AC	AC
3. Mr. Chalong Luengprasit	ID, AC, NR	-	-	-	-	-
4. Dr. Pijak Chantaviroj	ID, AC, NR	-	-	-	-	-
5. Mr. Thammasak Auchyawat	D, S, NR	-	-	-	-	-
6. Mr. Keittipong Toemkunanon	D, S	-	-	-	-	-
7. Mr. Wisarn Booranasuntikoon	D,S,RM,ED,MD	-	-	-	-	-
8. Mrs. Rotsanan Yingthaweesak	D, S, ED	-	-	-	-	-
9. Mr. Tanyakon Autchayawat	D, S, RM, ED	-	-	-	-	-
10. Mr. Jedsada Auchyawat	D, S, RM, ED	-	-	-	-	-
11. Mr. Kitsada Auchyawat	D, S, ED	-	-	-	-	-
12. Mr. Preeda Iramaneerat	RM, ED	-	-	-	-	-
13. Mr. Kandanai Chonsuwat	RM, ED	-	-	-	-	-
14. Mr. Wisan Wethayanukool	RM, ED	-	-	-	-	-

## DETAILS OF DIRECTORS AND EXECUTIVES IN RELATED COMPANIES

Note: X = Chairman  
ID = Independent Director  
S = Authorized Director  
ED = Executive Director  
NR = Nomination and Remuneration Committee

XS = Vice Chairman  
D = Director  
MD = Managing Director  
AC = Audit Committee  
RM = Risk Management Committee

[illegible]



# DETAIL OF THE INTERNAL AUDIT SUPERVISOR

Internal Audit Supervisor	Mr. Thanat Phonwatana <ul style="list-style-type: none"> <li>• Age: 43 Years</li> <li>• Internal Audit Manager</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Master of Business Administration (Finance and Banking)</li> <li>• Bachelor of Business Administration (Accounting)</li> </ul>
Experience	<ul style="list-style-type: none"> <li>• ADVANCE FINANCE PUBLIC COMPANY LIMITED.</li> <li>• CHAROEN AXSORN HOLDING GROUP CO., LTD.</li> <li>• PTG ENERGY PUBLIC COMPANY LIMITED.</li> <li>• T.C. UNION AGROTECH CO., LTD.</li> <li>• PRASIT PATANA PUBLIC COMPANY LIMITED. (PHYA THAI HOSPITAL)</li> <li>• O C C PUBLIC COMPANY LIMITED.</li> </ul>
Qualifications	<ul style="list-style-type: none"> <li>• Working Paper Advance</li> <li>• Audit Program Development</li> <li>• Fraud Audit</li> <li>• Leadership Skills for Auditor</li> <li>• Risk Management Control</li> <li>• COSO Based Approach</li> <li>• Control Self Assessment</li> <li>• Internal Audit Management</li> <li>• Review of the internal control system using the international framework</li> <li>• Continuous Auditing</li> <li>• Information System Auditing</li> <li>• IT Audit for Non IT Auditor</li> <li>• Analytical Thinking in the Internal Audit Process</li> <li>• Corporate Governance (CG)</li> <li>• Risk Management COSO ERM 2017</li> <li>• Agile Internal Audit</li> <li>• Risk Based Audit</li> <li>• Internal Auditing Certificate Program (IACP)</li> <li>• Compliance Management</li> <li>• Data Analytics for Internal Auditor</li> <li>• Financial audit for Internal Auditor</li> </ul>

# RISK MANAGEMENT / COMPLIANCE SUPERVISOR

Risk Management / Compliance Supervisor	Mr. Charusak Boonnom <ul style="list-style-type: none"> <li>• Age 45 Years</li> <li>• Manager of Risk Management and Corporate Governance Department</li> </ul>
Educations	<ul style="list-style-type: none"> <li>• Master of Business Economics</li> <li>• Bachelor of Business Administration (International Business Management)</li> </ul>
Experiences	<ul style="list-style-type: none"> <li>• BANK OF AYUDHYA PUBLIC COMPANY LIMITED.</li> <li>• SIAM CITY BANK PUBLIC COMPANY LIMITED (SCIB)</li> <li>• THANACHART BANK PUBLIC COMPANY LIMITED.</li> <li>• KTB LEASING COMPANY LIMITED (KTBL)</li> <li>• KIATNAKIN PHATRA BANK PUBLIC COMPANY LIMITED.</li> </ul>
Qualifications	<ul style="list-style-type: none"> <li>• Corporate Sustainability Strategy</li> <li>• ESG Risk Management</li> <li>• Advanced Operational Risk Management</li> <li>• BCP-BCM Management and Workshop</li> <li>• Risk Control Self-Assessment ; RCSA and Risk tools</li> <li>• Financial and Cyber Fraud Prevention</li> <li>• Strong Analytics and Leadership Skills for Risk Manager</li> <li>• Risk Management in Financial Institutions</li> <li>• COSO Framework for Internal Control and Risk Management</li> <li>• Enterprise Risk Management in Standard and Regulation of Risk Management Framework</li> <li>• (PDPA Compliance Risk Management)</li> <li>• DPO</li> <li>• Safety Officers in the workplace Cert. Management Level</li> <li>• Secured Loan Credit Analysis</li> <li>• Analytical Thinking in Risk Management Framework</li> <li>• Data Governance in IT Security and Risk Management</li> <li>• Operational Risk Management in Business Process Improvement in New Product / Service and Change and Process Review</li> <li>• Risk Management in Agile Project Management Applying</li> <li>• Learning for Risk management in Risk Planning Agile and Scrum</li> <li>• Internal Control and Risk Management in Workshop</li> <li>• Credit Risk and Portfolio management.</li> <li>• Product Development in Housing Loan and Secured / Unsecured Loan and Personal Loan</li> <li>• Retail Loan. Hire Purchase, Consumer Loan, Car Cash, Personal Loan, Floor Plan, Bancassurance and Deposit and Branch products.</li> </ul>

# ASSETS FOR BUSINESS OPERATIONS

## ASSETS USED IN BUSINESS UNDERTAKING.

### 1 Major assets

The major assets used in the business of the Company and its subsidiaries consisted of hire purchase receivables, land, buildings and equipment, and assets foreclosed. The net accounting value after deducting accumulated depreciation and allowance for impairment. As at 31 December 2022 and 2023 as follows;

List	Ownership	Obligation	31 December 2022	31 December 2023
			THB Million	THB Million
Hire purchase receivables	Company owned	Some were collaterals for loans	4,725.6	4,300.1
Land, building and equipment	Company owned	Some were mortgaged with financial institutions	121.1	113.8
Assets foreclosed	Company owned	None	85.8	150.9
<b>Total</b>			<b>4,932.5</b>	<b>4,564.8</b>

#### 1.1 Hire purchase receivables and allowance for expected credit loss

Hire purchase receivables shown as the value of hire purchase receivables after deduct deferred interest income, net of deferred fee income, commission expenses and initial direct cost of hire purchase.

Hire purchase receivables classified by credit risk are as follows;

Hire purchase receivables	31 December 2022		31 December 2023	
	THB Million	Percent	THB Million	Percent
Hire purchase receivables where there has not been a significant increase in credit risk	3,851.6	77.7	3,450.9	76.2
Hire purchase receivables where there has been a significant increase in credit risk	879.8	17.7	862.8	19.1
Hire purchase receivables that are credit - impaired	225.8	4.6	213.4	4.7
<b>Total hire purchase receivables</b>	<b>4,957.2</b>	<b>100.0</b>	<b>4,527.1</b>	<b>100.0</b>
<u>Less:</u> Allowance for expected credit loss	(231.6)		(226.9)	
<b>Hire purchase receivables - net</b>	<b>4,725.6</b>		<b>4,300.1</b>	



### Policy of reserved allowance for expected credit loss

The Company and its subsidiary classified its receivables according to the classification standard and the reserve setting by new criteria according to the TFRS9 principles. The Company's hire purchase receivables were reclassified into 3 levels as follows;

- Level 1 - Receivables that do not have significant increase in credit risks, such as receivables without outstanding debt or with not more than 30 days outstanding according to the old criteria. The value of allowance for credit loss shall be measured by the expected credit loss in the next 12 months.
- Level 2 - Receivables which have significant increase in credit risks, such as receivables with 31-90 days outstanding according to the old criteria. The allowance for credit loss shall be measured by the Lifetime Expected Credit Loss.
- Level 3 - Receivables with credit impairment or, if considered by old criteria, receivables with more

than 90 days outstanding and debtors under the process of prosecution and have not yet been written off from accounting. The allowance for credit loss shall be measured by the Lifetime Expected Credit Loss.

In consideration of allowance for impairment according to TFRS9 principles, the Company will set the allowance for the Expected Credit Loss (ECL), which is calculated by referring to the current value of total expected loss cash flow which is estimated by referring to information and experience in the past of the loss of receivable group considered to have the same characteristics of credit risk and will consider the risk from the Macroeconomic Assumption factor.

### 1.2 Assets foreclosed

Assets foreclosed which are repossessed from hire purchase receivables due to the default, showing the cost deduct allowance for impairment. The assets foreclosed of the Company and its subsidiary as of 31 December 2021 and 2022 classified by type and age since the effective date of Company's ownership are as follows;

Foreclosed assets	31 December 2022		31 December 2023	
	THB million	Percent	THB million	Percent
10-wheel or 12-wheel trucks	32.0	37.3	51.8	34.3
6-wheel truck	22.4	26.1	44.6	29.6
Tractor	20.3	23.6	33.5	22.2
Trailer or semi-trailer	8.7	10.2	10.7	7.1
Others <sup>1</sup>	1.0	1.2	1.1	0.7
Motorcycle	1.4	1.6	9.2	6.1
<b>Foreclosed assets - net</b>	<b>85.8</b>	<b>100.0</b>	<b>150.9</b>	<b>100.0</b>

<sup>1</sup> Others include water trucks, liquid trucks, special trucks i.e. bulk feed trucks (silo) or hazardous substance etc.

Age of foreclosed assets (from the collateral confiscation date)	31 December 2022		31 December 2023	
	THB million	Percent	THB million	Percent
Less than 1 months	40.0	46.6	25.8	16.9
1 - 3 months	27.4	32.0	44.6	29.2
4 - 6 months	15.6	18.1	33.3	21.8
7 - 12 months	2.8	3.3	34.9	22.9
More than 12 months	-	-	-	9.2
<b>Total</b>	<b>85.8</b>	<b>100.0</b>	<b>152.7</b>	<b>100.0</b>
<u>Less:</u> Allowance for impairment	-		1.8	
<b>Assets foreclosed - net</b>	<b>85.8</b>		<b>150.9</b>	

### 1.3 Land, buildings and equipments

Land, buildings and equipment of the Company and its subsidiaries as of 31 December 2022 and 2023 as follows:



Asset type	Ownership	31 December 2022	31 December 2023	Obligation
		Book value (THB million)	Book value (THB million)	
Land	Company owned	73.0	73.1	Mortgaged to financial institutions
Buildings and building improvement	Company owned	17.8	16.7	Mortgaged to financial institutions
Computer	Company owned	22.3	15.6	None
Furniture and office equipment	Company owned	6.9	6.7	None
Motor vehicles	Company owned	1.1	1.7	None
Assets under installation and construction	Company owned	0.0	0.0	None
<b>Total</b>		<b>121.1</b>	<b>113.8</b>	

2 Trademark

As of December 31,2023 the Company had one trademark as follows:

Trademark / service	Registration date	Item	Protection period
	10 <sup>th</sup> April 2012	Hire purchase vehicle service	Present – 10 <sup>th</sup> April 2032 (Renew)

As of December 31, 2023 the Company was in the process of applying for trademark/service registration of 2 items as follows:

Trademark / service	Date of registration submission	Item	Status
	18 <sup>th</sup> Nov. 2019	For rent and leasing vehicles	In the process of consideration of the Appeal committee trademark
	18 <sup>th</sup> Nov. 2019	For rent and leasing vehicles	In the process of consideration of the Appeal committee trademark as of January 7, 2024

3. SUMMARY OF SIGNIFICANT CONTENT OF AGREEMENT RELATING TO OPERATION

1) Loan agreement

As of December 31, 2023 the Company has entered the agreement of loan application with 4 financial institutions and with individuals who may have conflict of interests as following details:

1<sup>st</sup> Financial Institution

Borrower	Company
Credit type	Short-term loan
Credit limit	650.00 million Baht
Interest rate	MLR - 1.0% per year
Debt burden as of 31 <sup>st</sup> Dec. 2023	00.00 million Baht
Collaterals and surety	<ul style="list-style-type: none"><li>• Mortgage the land and buildings owned by Company as collaterals.</li><li>• Company fixed deposits as collaterals.</li><li>• Claims under hire purchase agreement as non-specific debtor of rights</li></ul>
Other conditions	<ul style="list-style-type: none"><li>• Maintain debt to equity ratio at not over 2.5</li><li>• When the loans from financial institutions is higher than 70% of total receivables, the Company needs to reduce debt burdent at once.</li><li>• Set NPL ratio not higher than 5.0%</li></ul>

2<sup>nd</sup> Financial Institution

Borrower	Company
Credit type	Bank overdraft loan
Credit limit	10 million Baht
Interest rate	MOR-0.5%
Debt burden as of 31 <sup>st</sup> Dec. 2023	None

Borrower	Company
Credit type	Long-term loan
Credit limit	240.00 million Baht
Interest rate	MLR – 0.5% per year
Debt burden as of 31 <sup>st</sup> Dec. 2023	110.766 million Baht
Repayment condition	<ul style="list-style-type: none"><li>• No principal payment for 3 months from the date of signing the contract</li><li>• Principal repayment at the end of each month by equal installments, not less than 2.563% of the loan amount drawn</li></ul>
Collaterals and surety	<ul style="list-style-type: none"><li>• Claims under hire purchase agreement as non-specific debtor of rights.</li><li>• Guarantee by using credit limit of major shareholders, directors, and executives.</li></ul>
Other conditions	<ul style="list-style-type: none"><li>• Maintain debt to equity ratio at not over 3.0</li><li>• Set NPL ratio not higher than 5%.</li><li>• Maintain major shareholders ratio at not lower than 50% of total shares.</li></ul>

3<sup>rd</sup> Financial Institution

Borrower	Company
Credit type	Long-term loan
Credit limit	300.00 million Baht
Interest rate	MLR – 2.275% per year
Debt burden as of 31 <sup>st</sup> Dec. 2023	77.777 million Baht
Repayment condition	<ul style="list-style-type: none"><li>• The principal repayment must be completed within 6,12,18,24 and 36 installments according to the weighted average of the repayment period for Portfolio receivable in each withdrawal by paying every month.</li></ul>
Collaterals and surety	<ul style="list-style-type: none"><li>• Mortgage the land and buildings owned by Company as collaterals.</li><li>• Company fixed deposits as collaterals.</li><li>• Claims under hire purchase agreement as non-specific debtor of rights Guarantee by using credit limit of major shareholders, directors, and executives.</li><li>• Guarantee by using credit limit of major shareholders, directors, and executives.</li></ul>
Other conditions	<ul style="list-style-type: none"><li>• Maintain debt to equity ratio at not over 2.0</li><li>• Set NPL ratio not higher than 5%.</li><li>• Require the ratio of total loan from financial institutions to be not higher than 60%.</li></ul>



4<sup>th</sup> Financial Institution

Borrower	Company
Credit type	Long-term loan
Credit limit	100.00 million Baht
Interest rate	MLR – 2.375% per year
Debt burden as of 31 <sup>st</sup> Dec. 2023	36.855 million Baht
Repayment condition	<ul style="list-style-type: none"><li>Interest is paid at the end of every month.</li><li>Principal repayment for each loan drawdown By dividing the payment in equal installments, choose to pay back in 36 and 48 installments.</li></ul>
Collaterals and surety	<ul style="list-style-type: none"><li>Claims under hire purchase agreement as non-specific debtor of rights Guarantee by using credit limit of major shareholders, directors, and executives</li></ul>

Borrower	Company
Credit type	Long-term loan
Credit limit	200.00 million Baht
Interest rate	MLR – 2.375% per year
Debt burden as of 31 <sup>st</sup> Dec. 2023	83.333 million Baht
Repayment condition	<ul style="list-style-type: none"><li>Interest is paid at the end of every month.</li><li>Principal repayment for each loan drawdown By dividing the payment in equal installments, choose to pay back in 36 and 48 installments.</li></ul>
Collaterals and surety	<ul style="list-style-type: none"><li>Company fixed deposits as collaterals.</li><li>Claims under hire purchase agreement as non-specific debtor of rights Guarantee by using credit limit of major shareholders, directors, and executives.</li></ul>

Within the budget that the Company received from the fourth financial institution, here are conditions and criteria:

Other conditions	<ul style="list-style-type: none"><li>Maintain debt to equity ratio at not over 2.5</li><li>Set NPL ratio not higher than 5%.</li><li>Require the ratio of total loan from financial institutions to be not higher than 60%.</li><li>Maintain major shareholders ratio at not lower than 50% of total shares.</li></ul>
------------------	---

2) Debenture

As of December 31, 2023 the Company issued long-term debentures. They are shares in the name of the holder, unsubordinated, unsecured, and have a debenture holder's representative. Interest is paid every 3 months as follows:

Issue Date	Symbol	Amount (MB)	Interest rate	Issue Term	Due Date
October 29, 2021	MICRO240A	203.60	5.50%	3 Yrs.	October 29, 2024
April 26, 2022	MICRO244A	321.10	5.40%	2 Yrs.	April 26, 2024
April 26, 2022	MICRO254A	478.90	5.65%	3 Yrs.	April 26, 2025
October 6, 2022	MICRO240B	558.50	5.50%	2 Yrs.	October 6, 2024
October 6, 2022	MICRO250A	269.10	5.70%	3 Yrs.	October 6, 2025
June 1, 2023	MICRO259A	302.90	6.20%	2 Yrs. 3 Mth.	September 1, 2025
June 1, 2023	MICRO269A	249.90	6.50%	3 Yrs. 3 Mth.	September 1, 2026

3) Lease

Since 1<sup>st</sup> January 2021, the Company has applied the Thai Financial Reporting Standard No. 16 Re: Lease (TFRS 16) to replace the Accounting Standard No. 17 Re: Lease. The TFRS 16 requires the Company, as a tenant, to recognize assets and liabilities of leases with longer than 12 months leasing period. As a result of such change, the Company has recorded such item as “Rights of use assets” and “Lease liabilities”.

The Company shall recognize the Rights of use assets on the effective date of the lease with the costs deducted by the accumulated depreciation and the loss from accumulated impairment and adjusted by the debt value measure under new lease contract. As for the Lease liabilities, the Company recognizes lease liabilities with the current value of payment amount under lease contract deducted by the interest rate implicit in the lease or the interest rate of additional loans of the Company after the effective date of the lease. The lease liability will increase by reflecting from the lease liability and will be decreases when reflecting payment under the lease.

Details of lease classified by type of assets of the Company and its subsidiaries as of 31 December 2023

Type of assets	Details of lease	Lease payment condition	Net rights of use assets	Lease liabilities
Land	Parking spot for confiscated vehicles to be sold and parking spot for employees	Monthly	0.5	0.5
Building	Branches of business operations	Monthly	5.8	6.0
Equipment	Office supply	Monthly	1.9	1.9
Vehicles	Cars for Company’s business.	Monthly	10.9	11.5
Total			19.1	19.9



# REPORT OF THE AUDIT COMMITTEE

Micro Leasing PCL's Audit Committee is comprised of 3 independent directors, with Mr.Chalong Luengprasit as the Chairman of the Audit Committee, and Assoc. Prof. Dr. Pijak Chantaviroj and Mr. Weidt Nuchjalearn as the Audit Committee members.

All Audit Committee members are qualified and perform duties independently. They possess all the qualifications required of the Audit Committee

member as specified in the Audit Committee's charter that is in line with the criteria of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

In 2023, the Audit Committee held a total of 5 meetings. The meeting attendance details are shown below.

Name of Audit Committee Members	The Number of Meetings Attended/ The Number of Meetings Held
1. Mr. Chalong Luengprasit	5/5
2. Dr. Pijak Chantaviroj	5/5
3. Mr. Weidt Nuchjalearn	5/5

The Audit Committee has performed the following important duties.

### VERIFICATION OF FINANCIAL REPORTS

The Audit Committee has Verification the quarterly and annual statements of financial position and relevant financial reports for Micro Leasing Group together with the management, the Internal Audit division and the auditor, by addressing inquiries to the auditors on important accounting and auditing issues, which will be further clarified, to ensure that the financial reports are properly prepared based on the financial reporting standard and adequately disclose the information prior to proposing to the Board of Directors. The Committee members attended a meeting with the auditor without the management's participation to independently discuss different matters, for instance, cooperation received in the audit procedures, matters that may worry the auditor, accounting issues and significant issues from the audit, etc. In this regard, the auditor has Verification the statement of financial position 2023 and offered an unconditional opinion.

### VERIFICATION OF THE INTERNAL CONTROL SYSTEM

The Audit Committee has Verification the annual audit plan to align with the Company's strategies and risk management in a holistic manner. The scope includes a Verification of the internal audit report from the Internal Audit division and a discussion with the Internal Audit team and the management on critical matters detected. The scope of Verification also extends to the follow-up of the improvement and correction of issues previously identified by

the administration and proposed to the function to prioritize the maintenance of IT security and cybersecurity to ensure that the Company's internal control and internal audit systems are appropriate and effective. The Audit Committee has arrived at a conclusion that the directors, management and staff members strictly abide by the policies and the Company's internal control system is adequate and suitable for business operations, together with the adoption of the anti-corruption policy and measures to enhance its operational standards to contain corruption risks among the private businesses and operate the business by focusing on transparent and fair competition in accordance with the market mechanisms.

### SUPERVISION OF THE INTERNAL CONTROL DIVISION

The Audit Committee has reviewed and signed off the annual audit plan and budget, as well as the execution of the plan. The Committee also considered the independence of the Internal Audit division, and approved the appointment, transfer, and termination of the Internal Audit team leader. The Committee also participated in a meeting with the head of Internal Audit division without the management's presence to independently discuss different matters such as headcount, problems and obstacles in work operations, with the efforts to push forth the development and enhancement of work standards of the Internal Audit division in terms of credibility, consultation, annual performance reviews and supervision of the Internal Audit division's compliance with the internal standards on the Internal Audit profession to ensure that the work is carried out effectively and efficiently.



## **VERIFICATION OF LEGAL COMPLIANCE, REGULATIONS, POLICIES AND RELEVANT RULES**

The Audit Committee has reviewed legal compliance on securities and exchange, the stock exchange's regulations, and relevant laws on the company's business, as well as obligations from the agreement made with external parties. Besides, the Audit Committee has also inquired and discussed with the management regarding preparing for the Company's operations to align with the new laws that will be effective in the future to ensure that the Company properly and comprehensively complies with the law, in accordance with the principle of good governance. In this regard, the Audit Committee did not detect any violation of the laws that may impact the reputation and the operating results of the Company.

## **CONSIDERATION OF INTER-RELATED TRANSACTIONS OR TRANSACTIONS THAT MAY INVOLVE CONFLICTS OF INTERESTS**

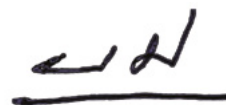
The Audit Committee has considered inter-related transactions or ones that may involve conflicts of interest to ensure they comply with the law and the Stock Exchange's regulations, based on the size of the transaction, category of interrelated transaction, reasons, necessity of such transactions and information disclosure. The management has reported the inter-related transactions to the Audit Committee to consider prior to proposing to the Board of Directors to ensure that the transactions have been considered through the transparent approval procedures by the directors and the management. Stakeholders are excluded from decision making, and it is to ensure that the transactions are reasonable and proceeded with the Company's maximum benefits. They must also comply with the laws and the Stock Exchange's regulations.

## **CONSIDERATION, SELECTION AND NOMINATION OF THE AUDITOR AND AUDITING FEES FOR 2023**

The Audit Committee has selected the auditor based on the qualifications set in the criteria that have been agreed upon by the Securities and

Exchange Commission, performance, experiences, independence, and remuneration fees. The Audit Committee has arrived at a resolution to propose to the Board of Directors to consider and seek approval from the Annual General Meeting of Shareholders to appoint the auditor from EY Office Company Limited.

In summary, the Audit Committee possesses all the required qualifications as stipulated in the Audit Committee Charter. The Audit Committee has performed its duties independently by leveraging knowledge, due diligence, and caution in rendering opinions and suggestions. It had reviewed Company's financial reports and opined that the Company had accurately prepared the financial reports in accordance with relevant financial reporting standards and adequately disclosed information. The Company has an appropriate and efficient internal control system in line with the overall corporate risks. The internal audit office is independent and operates on international standards. The Company complies with the Securities and Exchange Act, stock exchange requirements, and laws related to the Company's business in its entirety and in accordance with the principles of good corporate governance. Connected transactions were made through a transparent approval process, all of which were reasonable and conducted with the best interest of the Company.



**(Mr. Chalong Luengprasit)**  
Chairman of the Audit Committee











**MICRO LEASING PUBLIC COMPANY LIMITED**

Head Office 863/3 Petchkasem Road,  
Sanamchan Sub-district, Mueang District,  
Nakhon Pathom Province 73000

Call Center 034 109 200

[www.microleasingplc.com](http://www.microleasingplc.com)