



HENG



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Annual Registration Statement and Annual report 2023
(Form 56-1 One Report)

Heng Leasing and Capital Public Company Limited

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Visions

*“The most admire financial service
for localization”*



Mission

To provide financial services that respond to the needs of local customers and exceed their expectations and comply with international standards by professional personnel in order to achieve the optimum benefits for customers. To improve product quality, manage and control risks, and continuously improve the quality of personnel for sustainable growth.





Message from the Chairman of The Board of Directors

“

*The most admire financial service
for localization*

”

Dear Shareholders,

Throughout the past, Heng Leasing and Capital Public Company Limited (the “Company”) has been committed to conducting business with transparency and to ensure that every stakeholder receives maximum benefit. However, from the recent world situation, such as the way of life and economic system after the outbreak of the COVID-19 infection and the Russian-Ukrainian war that had an effect. Affecting the price of oil and electricity which is the cost of producing almost every type of product or the effects of climate change that affect agricultural products and food shortages in many countries, etc. From such various situations, various regulatory agencies in Thailand are required to issue measures to help and support for the country’s economic system to continue moving forward. This must not have an unreasonable impact on all stakeholders. The company, as a business operator, must adapt to accommodate such rapid changes. And stakeholders in every part of the supply chain must be considered as well.

In 2023, the company continued to expand its services through its branches to society and communities. Along with promoting careers to create income for local people from employment. Developing the service skills of employees to be professional Create potential credit opportunities in every channel, whether in branches or online. In order to push the company to grow according to the set goals, the company is also committed to developing new products to truly respond to customer needs.



However, in addition to driving the company’s economic business. The company still intends to continuously develop into a sustainable organization. Last year, the company received an important award for sustainability, namely being rated ESG Rating at level “A” by the Stock Exchange of Thailand. This is something that can confirm business operations that aim to create sustainable growth and giving equal importance to stakeholders for a company to be a sustainable organization that depends on the support and cooperation of every part of the supply chain. The company is currently in the process of creating a sustainable corporate culture in order to carry on this intention to happen soon.

On behalf of the Board of Directors of Heng Leasing and Capital Public Company Limited, we would like to express gratitude to all stakeholders and shareholders who have always given trust to the Company.

Prof. Dr. Surapon Nitikraipot
Chairman of the Board of Directors



Message from the Chairman of The Board of Directors

“

*Service with transparency and fairness
Committed to creating sustainable growth.*

”



Dear Shareholders,

Heng Leasing and Capital Public Company Limited (the “Company”) was listed on the Stock Exchange of Thailand in October 19, 2021 over the past 8 years which was a gathering of a group of co-founders who had previously been engaged in leasing business in the northern for at least 30 years. The co-founders intended to bring together the knowledge and capabilities of each group as a driving force for the Company, allowing the Company to be on the path of doing business with stability and step into professional financial service that can reach locally by service with transparency and fairness committed to creating sustainable growth.

In the past year of 2023, amidst new challenges from uncertainty of international conflicts and war threats that affect the overall economic situation, the Company continues to act as a source of funding which closely supports business recovery so that fair source of funding is accessible to customers and business groups. The Company also continuously offers assistance to customer groups that were affected from the past to recover and together move forward as per sustainable debt resolution measures according to the Bank of Thailand’s guidelines.

The Company is committed to conducting its business, taking into account the interests of stakeholders as a main consideration. As a result of such determination and dedication, the Company continuously receives an honorable award in relation to corporate governance assessment (CG rating) at 5-star rating or “Excellent” level since being listed on the stock exchange. In addition, the Company places importance on protecting the rights of shareholders. This is reflected in the full assessment score of 100 for the quality assessment in arranging annual general meeting of shareholders (AGM) by companies listed on the Stock Exchange of Thailand.

The Company is committed to conducting its business with transparency, and fairness to all parties. It has been certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC). In the past year, the Company has significantly raised

the standard of operations to develop the organization towards sustainability and deliver financial stability to customers, along with taking care of the society, economy, and environment in a balanced way. As a result, the Company has been selected as one of the listed companies announced as Thailand Sustainability Investment (THIS). The Stock Exchange of Thailand (SET) recently changed the name ‘Thailand Sustainability Investment (THIS) to ESG Investment’ for which the Company was assessed and received SET ESG Rating of A.

To be in line with the Company’s vision of becoming “the most preferred financial service provider in each locality” and create growth for the business, the Company has placed importance on expanding the number of branches nationwide. There will be a total of approximately 1,200 branches by the end of 2024 to accommodate customers and provide convenient access to financial services. In addition, the Company is seeking growth opportunities abroad and developing capabilities of its personnel using modern technology to develop products and services so that customers receive services with convenience and speed. At the end of 2023, the Company introduced the product “agricultural loan” which has received good feedback from farmers. In 2024, the Company focuses on expansion by providing funding for all types of agriculture, including agriculture tools and equipment. The Company will become a source of financing for farmers who make up the majority of the country. We will carry out our operations with cautions and take into account interests of stakeholders as the main consideration and we highly anticipate that such action will create stable and sustainable growth to the Company.

Mr. Wichai Suphasathitkul
Chief Executive Officer



Part 1 :

The Structure and Operation of the Group of Companies



1. The Structure and Operation of the Companies

1.1 Policy and Business Overview

Heng Leasing and Capital Public Company Limited (the “Company”) was incorporated by joint investment between major loan service providers in the northern region. In the year 2015, Suphasathikul family, Pantharat family and Patong family Paisanteerakorn family and Ratanasirisap family registered the incorporation of the Company. Subsequently in the year 2016, jointly invested in the Company to provide secured loans under the service mark “Heng Leasing.” The Company later expanded its scope of services to respond to customers’ needs and increase competitiveness through product development including unsecured loan, mortgage loan, and non-life and life insurance broker.

Expansion in terms of number of branches and human resources development has resulted in continuous growth of the Company and continued to focus on business expansion. As of 31 December 2023, the Company provides services to retail customers through its 852 branches offices and a network of many thousands used car tents countrywide that covers all regions throughout the country. The company still has plans to expand the market by continuously expanding branches. To continue increasing the customer base continuously

1.1.1 Vision, Mission and Goals of Heng Leasing and Capital Public Company Limited

Vision

“The most admire financial service for localization”

Mission

To provide financial services that respond to the needs of local customers and exceed their expectations and comply with international standards by professional personnel in order to achieve the optimum benefits for customers. To improve product quality, manage and control risks, and continuously improve the quality of personnel for sustainable growth.

Goals

The company is determined to be one of the leaders in the comprehensive credit service business that can respond to the needs of all groups of customers. There are important business goals as follows:

1. To expand the Company’s service channels for accessibility of the Company’s products and services by customers. The Company plans to continuously expand to increase the number of branches to 1,200 branches by 2024, covering all regions of the country and continuously expanding to 2,000 branches by 2026.



2. To develop loan services to suit the behavior of each target customer group. The Company's goal is to continuously grow the value of debtors and has the value of receivables of approximately THB 14,800 million within the year 2023 and plans to expand the receivable value to approximately 25,400 million baht within 2025.
3. To increase the effectiveness in the control and management of debtor quality
4. To develop the Company's personnel to become professional with standards to support the growth of the organization.
5. To develop technology systems to support business growth and increase competitiveness.
6. Driving the organization towards sustainability which is one of the organization's main goals. In 2023, the company received the SET ESG Rating at the level "A" and is still committed to continuous development.

1.1.2 Significant Developments and Milestones

Significant developments of the Company during the past period are as follows:

Milestones

2015 >

- Suphasathitkul Family, Pantharat family and Patong family co-founded the Company on 30 October 2015 with initial registered capital of THB 5.0 million, consisting of 1.0 million shares at a par value of THB 5.0 per share to provide loan services with motor vehicle registration as collateral.

2016 >

- Paisanteerakorn family and Ratanasirisap family jointly invested in the Company on 22 August 2016.
- The Company increased its registered capital from THB 5.0 million to THB 305.0 million by issuing
- 60.0 million new ordinary shares with a par value of THB 5.0 per share to be used for expansion of loan services and branches.
- Started to open 147 branches in 3 regions, namely 103 branches in the northern region, 41 branches in the central region, and 3 branches in the western region.

2017 >

- Increased registered capital from THB 305.0 million to THB 1,710.0 million by issuing 281.0 million new ordinary shares with a par value of THB 5.0 per share to be used for expansion of loan services and branches.
- Opened 82 additional branches in 4 regions, namely 49 branches in the central region, 18 branches in the north-eastern region, 13 branches in the northern region, and 2 branches in the western region. As a result, there was a total of 229 branches in services. This was the first year to expand loan services in the north-eastern region.

< 2018

- Increased registered capital from THB 1,710.0 million to THB 3,009.0 million by issuing THB 259.8 million new ordinary shares with a par value of THB 5.0 per share to be used for expansion of loan services and branches.
- Opened 65 additional branches in 4 regions, namely 52 branches in the north-eastern region, 7 branches in the western region, 5 branches in the central region, and 1 branch in the northern region. There was a total of 294 branches in services.
- Accredited to the international standards such as ISO/IEC 27001:2013 Information Security Management System.

< 2019

- The Company obtained a letter of approval from the Ministry of Finance to conduct the following business: Regulated retail loan for occupations on 11 March 2019 Regulated personal loan on 13 June 2019
- The Company obtained a license as a life insurance broker and a non-life insurance broker on 26 December 2019 from the Office of Insurance Commission (OIC).
- Opened 5 additional branches in 2 regions, namely 4 branches in the north-eastern region and 1 branch in the central region. As a result, there was a total of 296 branches in services (3 branches were closed down).
- Opened 4 car auction centers in Chiang Rai Province, Suphanburi Province, Phitsanulok Province and Khon Kaen Province to be the centers for car auction in the northern, central and north-eastern regions.

< 2020

- Opened 106 additional branches in 6 regions, namely 56 branches in the northern region, 23 branches in the central region, 22 branches in the north-eastern region, 3 branches in the southern region, 1 branch in the eastern region, and 1 branch in the western region. There was a total of 402 branches in services. This was the first year to expand loan services to the eastern and southern regions.
- Opened 3 car auction centers in Chiang Mai Province, Phrae Province and Nakhon Ratchasima Province to be the centers for car auction in the northern and north-eastern regions. As a result, the Company had a total of 7 car auction centers.
- Expansion of services into mortgage loan service.



2021 >

- As of 5 July 2021, the Company has a total of 451 branches in 6 regions, namely 171 branches in the northern region, 131 branches in the central region, 122 branches in the north-eastern region, 21 branches in the western region, 3 branches in the southern region, and 3 branches in the eastern region.
- The Company has been certified by the Thai Institute of Directors (IOD) to be a member of the Private Sector Collective Action Coalition Against Corruption (CAC). Such certification is valid for a period of 3 years, effective on 31 March 2021.
- The 2021 Annual General Meeting of Shareholders held on 21 April 2021 resolved as follows:
 - Approved the conversion of the Company from a private limited company to a public limited company and changed the company name from Heng Leasing Company Limited to Heng Leasing and Capital Public Company Limited. The Company registered its conversion from a private limited company to a public limited company on 21 April 2021.
 - Changed the par value of the Company's ordinary shares from THB 5.0 per share to THB 1.0 per share, resulting in an increase in the number of ordinary shares from 601,832,540 shares to 3,009,162,700 shares.
 - Increased registered capital in the amount of THB 800,837,300, resulting in an increase in the registered capital from THB 3,009,162,700 to THB 3,810,000,000 by issuing 800,837,300 new ordinary shares with a par value of THB 1.0 per share for initial public offering (IPO).
- The Company's shares became listed securities on 19 October 2021, which was the first day trade on the Stock Exchange of Thailand. The total number of 800,837,300 shares were offered to the general public at the price of THB 1.95 per share. The Company's ticker symbol is "HENG".

2023 >

- The annual general meeting on 21 April 2023, The company received 100 full score or excellent rating from the 2023 Annual General Shareholders' Meeting Assessment Project, conducted by the Thai Investors Association.
- The Company's Board of Directors Meeting No. 5/2023 on October 3, 2023 considered and resolved to approve investment in Vietnam. By purchasing investment in S68 CAPITAL INVESTMENT LLC, an investment of 4,312.50 million VND or approximately 6.22 million THB, representing 75 percent of the total registered capital of the target company from the original group of investors. which has no relationship and is not a related person to the Company in any way. The Company will purchase such investment after various conditions precedent as negotiated by the parties in the relevant contract have occurred and/or have been complete.
- As of 31 October 2023, The company received excellent rating or full mark 5 medals rating from the Corporate Governance Report of Thai Listed Company (CGR) Assessment conducted by the Thai Institute of Directors (IOD) with support from the Stock Exchange of Thailand (SET).
- As of 6 November 2023, the company received the SET ESG Rating at the level "A" which reflects the company's business practices that adheres to the principles of fair service Emphasis is placed on transparency and consideration of the highest benefits for all groups of stakeholders.

< 2022

- The annual general meeting on 20 April 2022, The company received 100 full score or excellent rating from the 2022 Annual General Shareholders' Meeting



- Assessment Project, conducted by the Thai Investors Association.
- As of 3 August 2022, the Company has received Best Hire Purchase Company for Second-Hand Cars from IFM Awards 2022, conducted by International Finance Magazine.
- As of 27 October 2022, The company received excellent rating or full mark 5 medals rating from the Corporate Governance Report of Thai Listed Company (CGR) Assessment conducted by the Thai Institute of Directors (IOD) with support from the Stock Exchange of Thailand (SET).



- As of 31 December 2022, the Company has a total of 638 branches in 6 regions, namely 173 branches in the northern region, 157 branches in the central region, 219 branches in the north-eastern region, 35 branches in the western region, 23 branches in the southern region, and 31 branches in the eastern region and there are 40 new branches opened in January 2023 to prepare for continuous operations, totally 678 branches.

- The Company Received the 2023 National Green Office Award by passing the evaluation criteria at the level of "Very Good", reinforcing the company's commitment to business operations. that is ready to aim to be an international model office as a business organization that operates in tandem with environmental and social sustainability.
- The company received the Outstanding Business Award as Provincial level labor relations and labor welfare for the year 2023.
- As of 31 December 2023, the Company has a total of 852 branches in 6 regions, namely 194 branches in the northern region, 192 branches in the central region, 305 branches in the north-eastern region, 72 branches in the western region, 40 branches in the southern region, and 49 branches in the eastern region.

2024 >

- The company has received renewal certification as a member of the Thai Private Sector Collective Action Against Corruption (CAC). It shows the company's commitment to conducting business correctly, transparently, fairly and that can be verified. By specifying the criteria for responsibility for taking appropriate action and having clear guidelines for preventing corruption. Leads to further development of the organization towards sustainability.



1.1.3 Utilization of proceeds from the initial public offering

Please refer to the topic “Obligations of the company as stated under the information statement.”

1.1.4 Obligations of the company as stated under the information statement

According to Heng Leasing and Capital Public Company Limited (“the Company”) offered the first public offering ordinary shares (“IPO”) on October 6 - 8, 2021, amounting to 800,837,300 shares at the share price. 1.95 baht per share and brought the Company’s newly issued ordinary shares listed on the Stock Exchange of Thailand on October 19, 2021. The company received money from the offering of newly-issued ordinary shares in the amount of 1,561.63 million baht, after deducting the underwriting fees and underwriting guarantees in the IPO and other related expenses this time. The remaining amount is 1,504.8 million baht. The company has used the money received from the IPO ending on December 31, 2023 as follows:

(Unit : Million)

Objective	Financial plan (Approximate)	Amount spent Until Dec 31, 2022	Balance amount As of Dec 31, 2022	Amount spent from Jan 1, 2022 to Dec 31, 2022	Balance amount As of Dec 31, 2022
1. Expansion of loan service business, branches, and related business, such as non-life insurance and life insurance brokerage business, and working capital for business operations	1,014.8 - 1,134.8	1,034.8	-	-	-
2. Partial repayment of loans from financial institutions	300.0 - 400.0	400.0	-	-	-
3. Development of information technology system, such as software and mobile applications, for the Company’s loan service business	70.0 - 90.0	5.7	64.3	13.4	50.9*
Total	1,504.8	1,440.5	64.3	13.4	50.9

*The Board of Directors’ Meeting No. 1/2024, held on February 15, 2024, resolved to extend the period for using the capital increase, which will report such details at The 2024 Annual General Meeting of Shareholders.

1.1.5 Name and location of head office

Company name	Heng Leasing and Capital Public Company Limited
Head office address	69 Moo 7, San Sai Noi Sub-district, San Sai District, Chiangmai Province 50210
Type of business	Non-bank financial institution which provides: <ul style="list-style-type: none"> (1) hire purchase; (2) regulated personal loan with motor vehicle registration as collateral; (3) mortgage loan; (4) personal loan which is not loan with motor vehicle registration as collateral; (5) regulated retail loan for occupation; (6) non-life and life insurance brokers.
Company registration number	0107564000120
Telephone	1361 or 02 153 9587
Fax	053 350 490
Website	www.hengleasing.com
E-mail	Investor Relations Department IR_heng@hengleasing.co.th
Registered capital	THB 3,810,000,000, consisting of 3,810,000,000 ordinary shares at a par value of THB 1 per share
Paid-up capital	THB 3,810,000,000, consisting of 3,810,000,000 ordinary shares at a par value of THB 1 per share



1.2 Nature of Business

1.2.1 Revenue structure

The Company's revenue structure can be mainly classified based on the credit risk into secured loans and unsecured loans.

Table illustrating the Company's revenue structure

Interest income	For the financial year ending 31 December			
	2022		2023	
	Million Baht	%	Million Baht	%
1. Interest income from secured loans	1,710.2	80.5	2,433.5	84.6
• Hire purchase	924.0	43.5	863.9	30.0
• Regulated personal loan with motor vehicle registration as collateral	761.1	35.8	1,536.2	53.4
• Mortgage loan	25.1	1.2	33.4	1.2
2. Interest income from unsecured loans	151.2	7.1	122.1	4.2
• Regulated personal loan without motor vehicle registration as collateral	22.4	1.0	17.0	0.6
• Nano financing	128.8	6.1	105.1	3.7
• Total interest income	1,861.4	87.6	2,555.6	88.8
• Fee and service income	197.6	9.3	254.7	8.9
• Other income	65.4	3.1	67.4	2.3
Total	2,124.4	100	2,877.7	100.0

1.2.2 Product information

(1) Nature of products or services and business innovation development

At present, the Company offers secured loans, unsecured loans, and regulated personal loans under the supervision of the Bank of Thailand ("BOT"). The Company has been licensed to conduct:

(1) regulated retail loan for occupation (Nano financing); and (2) regulated personal loan business from the Ministry of Finance since March 2019 and June 2019 respectively. Based on credit risk, the Company's loan products can be classified into the following 2 major groups.

1. Secured loans

1.1. Hire purchase

The Company offer hire purchase for general retail customers who wish to purchase used cars such as cars, pickup trucks, motorcycles, and vehicles used for agriculture etc. The customer who agrees to enter into a hire purchase contract must transfer the ownership in the car to the Company to reduce credit risk, while the customer maintains possession and can utilize such asset. The customer pays a monthly installment consisting of principal and interest and the ownership of the asset shall be transferred to the customer when the customer has paid all installments under the contract in full. In considering each customer's credit limit, the Company shall consider type and value of collateral and ability to repay debt, and qualifications of the customer and guarantor (as the case maybe) etc. The Company's policy is to provide the maximum contract period of not more than 12-84 installments.

As of December 31, 2023 interest income from hire purchase accounted for 30.0% of the total revenues.



1.2. Regulated personal loan with motor vehicle registration as collateral

Regulated personal loan with motor vehicle registration as collateral is a loan service for general retail customers who own a vehicle by using vehicle registration manual as collateral for application of the loan. The customer must have ownership in the vehicle. The customer pays monthly installments consisting of principal and interest. In considering each customer's credit limit, the Company shall consider type and value of collateral and ability to repay debt, and qualifications of the customer and guarantor (as the case may be) etc. The Company's policy is to provide the maximum contract period of not more than 12-84 installments. Each customer may apply for only 1 loan contract per collateral.

The Company receives interest income and fee and other service income from providing loan at the interest rate mutually agreed under the contract, provided that the maximum aggregate rate of interest income, fine, service charge and fee must not exceed the maximum effective rate as determined by the BOT. In addition to such interest income, fine, service charge and fee, the Company

may collect actual and reasonable expenses as prescribed by the BOT.

As of December 31, 2023 the Company's interest income from regulated personal loan with motor vehicle registration as collateral accounted for 53.4% of the total revenues.

To ensure that the loan applicant is a real owner of the vehicle, customers who apply for a loan must provide the original vehicle registration manual to the Company as collateral without having to register the transfer of ownership. The customer must sign a transfer form and a power of attorney in the form as prescribed by the Department of Land Transport. In the event that the customer defaults on the loan repayment, the customer agrees to transfer the ownership and deliver the vehicle to the Company in order to sell and use the proceeds to pay off the loan. The ownership in the vehicle remains with the customer and may bring the vehicle back for usage.

The vehicle registration manual used as collateral must be in accordance with the Road Traffic Act B.E. 2522 (the "Road Traffic Act") which covers vehicles including motorcycle, passenger car, commercial car, truck, and vehicle for agricultural use etc.

Sample of the types of motor vehicle which are used as collaterals



● Pickup truck



● Sedan



● Truck



● Van



● Motorcycle



● Agricultural vehicle



1.3. Mortgage loan

Mortgage loan is a loan service for general retail customers who own a house or land. The owner of house or land as mortgagor registers mortgage over the house or land as collateral to the Company as mortgagee. The customer provides the land title deed to the Company as collateral on the date on which he or she receives the loan proceeds. The mortgagor maintains possession and may continue to use such collateral. In case the debt repayment is overdue, the Company as lender and mortgagee must notify the customer to make repayment within a specified time period. If the customer does not make repayment within the prescribed time period, the Company shall file a lawsuit to enforce the mortgage and sell the collateral through auction at the Legal Execution Department. The customer will pay the principal and interest as mutually agreed under the contract. In considering each customer's credit limit, the Company shall consider type and value of collateral with reference to appraisal value by the Land Department, ability to repay debt, and qualifications of the customer and guarantor (as the case maybe). The Company's policy is to provide the maximum contract period of not more than 12-84 installments.

The Company receives interest income at the interest rate mutually agreed under the contract, provided that the maximum aggregate rate of interest income must not exceed the maximum effective rate under the applicable laws. In addition to such interest income, the Company may collect actual expenses, such as mortgage fee and stamp duty etc. At present, the Company does not have a policy to charge a front-end fee on mortgage loan.

As of December 31, 2023, the Company's interest income from mortgage loan accounted for 1.2% of the total revenues respectively.

2. Unsecured loans

2.1. Regulated personal loan without motor vehicle registration as collateral

Regulated personal loan without motor vehicle registration as collateral is a multi-purpose loan for individual customers with steady income and can provide proof of income such as government and state enterprise officers and private sector employees etc. The customer will pay the principal and interest on a monthly basis. In considering each customer's credit limit, the Company shall consider ability to repay debt and qualifications of the customer and guarantor (as the case may be). The Company's policy is to provide a maximum credit limit of not more than 1.5 times of monthly income (the maximum credit limit is subject to changes according to the Company's marketing strategy at the time). The maximum repayment period is not more than 36 installments, which is in accordance with the regulations of the BOT. In addition, the Company's policy is to grant only 1 contract for regulated personal loan without motor vehicle registration as collateral to each customer. Customers who have outstanding balance of nano financing with the Company may not apply for regulated personal loan without motor vehicle registration as collateral in order to reduce risk of the customer not being able to repay loan to the Company.

For regulated personal loan which is not regulated personal loan with motor vehicle registration as collateral, the Company shall receive interest income and fee and other service income from providing loan at the interest rate mutually agreed under the contract, provided that the maximum aggregate rate of interest income, fine, service charge and fee must not exceed the maximum effective rate as determined by the BOT. In addition to such interest income, fine, service charge and fee, the Company may collect actual and reasonable expenses as prescribed by the BOT.

As of December 31, 2023 the Company's interest income from regulated personal loan without motor vehicle registration as collateral accounted 0.6% of the total revenues.



2.2. Nano financing

The Company provides nano finance loans to general retail customers that are intended for professional use for customers who neither have proof of income or asset as collateral. The customer must be qualified as a professional with a permanent establishment and must have evidence and place of occupation and a clear source of income from occupation. The Company will assess income, inspect and take pictures of the place of occupation as evidence for credit consideration or a person who has a document certifying occupation, such as a certificate of trade registration or farmer's registration book etc., to be used as evidence for application for a loan.

The Company will consider the credit limit based on income assessment. The maximum credit limit for nano financing (the maximum credit limit is subject to changes according to the Company's marketing strategy at the time). The maximum repayment period is not more than 36 installments. The maximum aggregate rate of interest income, fine, service charge and fee must not exceed the maximum effective rate as determined by the BOT. The Company's policy is to grant only 1 contract for nano financing to each customer. Customers who have outstanding balance of regulated personal loan without motor vehicle registration as collateral with the Company may not apply for nano finance loan from the Company.

As of December 31,2023 the Company's interest income from nano financing accounted for 3.7% of the total revenues.

Value of receivables classified by type of collateral

Total receivables – net	As of 31 December			
	2022		2023	
	Million Baht	%	Million Baht	%
Pickup trucks	5,620.1	46.8	7,107.9	47.1
Sedan	3,933.13	32.7	5,257.9	34.8
Vehicles for agricultural use	557.7	4.6	698.7	4.6
Vans	398.2	3.3	427.8	2.8
Trucks	461.4	3.8	559.9	3.7
Motorcycles	396.2	3.3	357.2	2.4
Other vehicles ⁽¹⁾	0.3	0.1	0.3	0.0
Land and houses	182.1	1.5	277.3	1.8
No collateral	471.0	3.9	412.6	2.7
Total receivables	12,020.1	100.0	15,099.5	100.0
Deduct: Allowance for doubtful accounts / Allowance for expected credit losses	(538.5)	(4.5)	(624.6)	(4.1)
Total receivables – net	11,481.6	95.5	14,474.9	95.9

Remark: ⁽¹⁾ Majority of other vehicles include cranes, tricycles and tour buses etc.



Terms and conditions of each type of loan

Loan Type	Secured Loans			Unsecured Loans	
	Hire purchase	Regulated personal loan with motor vehicle registration as collateral	Mortgage loan	Regulated personal loan without motor vehicle registration as collateral	Nano financing
Supervisory agency	Office of the Consumer Protection Board (OCPB)	BOT	Ministry of Justice	BOT	BOT
Credit limit / maximum number of contracts ⁽¹⁾	Total of not exceeding 4 contracts (including contract (s) under which customer acts as a guarantor)	Total of not exceeding 4 contracts (including contract (s) under which customer acts as a guarantor)	Total of not exceeding 4 contracts (including contract (s) under which customer acts as a guarantor)	(1) Not exceeding 1.5 times of income (2) Not exceeding THB 45,000 per customer (Financing balance including insurance) (3) Total of not exceeding 3 places (including contract(s) with other loan service provider(s)) (4) Total of not exceeding 4 contracts (including contract(s) under which customer acts as a guarantor)	(1) According to the BOT Criteria (2) Total of not exceeding 4 contracts (including contract(s) under which customer acts as a guarantor)
				*The customer could make the Personal Unsecured Loan or Nano Finance only 1 contract.	
Maximum interest rate ⁽¹⁾	Maximum effective interest rate and other fees of 15% per annum for used car and 23% for used motorcycle	Maximum effective interest rate and other fees of 24% per annum (for customers from 1 August 2020 onwards)	Maximum effective interest rate of 15% per annum	Maximum effective interest rate and other fees of 25% per annum (for customers from 1 August 2020 onwards)	Maximum effective interest rate and other fees of 33% per annum (for customers from 1 August 2020 onwards)
Repayment	On a monthly basis	On a monthly basis	On a monthly basis	On a monthly basis	On a monthly basis
Repayment	Maximum of 84 months	Maximum of 84 months	Maximum of 84 months	Maximum of 36 months	Maximum of 36 months
Type of customer	General customers who want to purchase used cars	General customers	General customers	General customers with proof of income	General customers without proof of income
Collateral	Vehicle registration manual	Vehicle registration manual	Title Deed, Certificate Utilization (NS.3/NS.3K.)	None	None
Type of vehicle	Vehicle which has vehicle registration manual according the Road Traffic Act	Vehicle which has vehicle registration manual according the Road Traffic Act	Not applicable	Not applicable	Not applicable

Remarks : ⁽¹⁾ The maximum interest rate is subject to changes according to the Company's management policy and marketing strategy at the time.



The Company has a policy to control concentration of all loan types by requiring each customer to enter into contracts with the Company at the maximum number of not more than 4 contracts. The Company gives importance to the customer's ability to repay loan by assessing each customer's remaining cash flow after deducting monthly expenses, whether it is sufficient to pay each installment as requested by the customer to the Company.

However, In the future, the Company may review terms and conditions of each loan type as it deems appropriate, subject to a number of factors such as risks that might be changed according to market and/or economic conditions or competition in the industry etc.

Table illustrating the Company's receivables classified by type of loan

Total receivables – net	As of 31 December			
	2022		2023	
	Million Baht	%	Million Baht	%
1. Secured loans	11,549.14	96.1	14,686.9	97.3
• Hire purchase	6,732.54	56.0	4,666.2	30.9
• Regulated personal loan with motor vehicle registration as collateral	4,634.5	38.6	9,743.4	64.5
• Mortgage loan	182.11	1.5	277.3	1.8
2. Unsecured loans	471.0	3.9	412.6	2.7
• Regulated personal loan without motor vehicle registration as collateral	83.2	0.7	68.9	0.5
• Nano financing	387.8	3.2	343.7	2.3
Total receivables	12,020.0	100.0	15,099.5	100.0
Deduct: Allowance for doubtful accounts / Allowance for expected credit losses	(538.53)	(4.5)	(624.6)	(4.1)
Total receivables – net	11,481.6	95.5	14,474.9	95.9

3. Non-life and life insurance brokers

The Company provides non-life insurance and life insurance brokerage services through a network of branches. The Company obtained a license to act as life insurance and non-life insurance brokers from the Office of Insurance Commission ("OIC"). At present, the Company is a non-life insurance broker and a life insurance broker for 14 leading insurance companies, covering products such as car insurance, motorcycle insurance, accident insurance, and life insurance etc. The Company will receive compensation as a commission from the insurance companies at mutually agreed rates which are recorded as fee and service income under the Company's financial statements.

4. Business Innovation development

The Company places importance on information technology system which is used to develop and improve efficiency of the loan services and support growth of the Company's business, as well as being prepared for changes in consumers and technology (Digital Disruptions) that may occur in the future.

At present, the Company has begun to use information technology to improve its efficiency and operating processes and provide customers with services that are convenient, fast, safe, and up-to-date. Examples of this implementation include improving efficiency in providing loans to customers, receiving payments, debt collection tracking, branch management, personal information protection, and development of various work procedures so that customers can receive quick and convenient services.

Particularly, the Company focuses on system and information security to ensure that its information is managed securely and safely. The Company has continuously received ISO/IEC 27001 certification for the information security management system from 2018 until present.



Development and improvement of information technology infrastructure, including core leasing system architecture and information system development plan for the period of 1 – 3 years (3-Year IT Roadmap)

Based on the operating plan for 2023, the Company has decided to invest in development of the core leasing system by evaluating its ability to respond to the Company's future strategic direction and goals and sustainability of technology. The information system development plan in 1-3 years will be divided into 3 phases:

Short-term plan For the year 2024, the Company focuses on improving projects by digitization and transformation with quick wins to solve urgent problems, increase business agility by developing communication systems within the Company, adjust work processes and systems and convert to electronic documents, including E-KYC, E-Consent, E-Signature, E-Application, E-Contract, E-Stamp Duty, and E-Tax etc. The Company will also develop robotic process automation to reduce work redundancy and errors at work.

Medium-term plan For the year 2024-2025, the Company plans to change the core leasing system through modernization which allows creating new loan products with flexibility and speed and keeps up with changes and competition in the market. The system will have complete functions, support business growth, increase competitiveness and safety, and reduce risk of system errors. The enterprise architecture process is used for planning new technology and developing a mobile platform to increase efficiency in providing services to employees and customers who come to use the services. The Company will develop a document management system which quickly responds to services and maximizes efficiency.

Long-term plan From the year 2027 onwards, the Company plans to develop an efficient reporting process (Optimize and Adjust) and increase its ability to analyze business opportunities. It will create a data analysis system that is beneficial to the business by using business intelligence tools as information to improve business cooperation with business partners and various organizations.

(2) Marketing and Competition

1. Marketing, product development and product presentation channels

1.1 Marketing at the local level (Localized Marketing)

The Company uses a marketing strategy that adjusts customer access, building relationships (Customer Engagement) to match local people, areas and regions, as well as consumer behavior to allow brands to reach the market they want to go the most or in order to feel that the service of the brand is one with the local to create friendliness and create more brand recognition. The Company recruits branch staff from local people in which the branch is located in order to understand the different dialects, cultures, lifestyles, occupational characteristics and customer needs in each area and can also market in terms of Local marketing model, such as participating in important events of each locality, marketing in community sources such as flea markets, approaching community leaders in each locality (Key Opinion Leader-KOL) to help spread the word for product introduction. In addition, it can also help check the history of customers to help make credit consideration more concise, including being able to follow up debt closely.

1.2 Marketing on digital channels (Digital Marketing)

In an era where the digital world is changing rapidly, the Company has adjusted its marketing strategy to the modern era by emphasizing marketing on digital platforms. This is not only a response to the different and diverse needs of customers, but also a preparation for future market changes. At present, the main communication channels include the Company's websites, Google, Facebook, LINE, Instagram and TikTok. Presenting information and communication with customers through these digital networks helps in increasing awareness and expanding customer base effectively, building strong relationships with customers, and allowing the Company to understand and respond to customer needs effectively. The number of visitors to the Company's website by 2023 will be more than 1.5 million users (data from Google



Analytics 4) and search queries within the website will be displayed up to 50 million times (data from Google Search Console) by 2023. The Company has increased the main channel of communication with customers by developing an automatic question and answer system, resulting in a growth rate of registration renewal through AI Chatbot by more than 200% compared to the year 2022. In addition, the Company also places importance on customer relationship management (CRM) to improve and maintain relationships with existing customers and create satisfaction for new customers. Placing importance on customer relationship management does not only create sustainability in the business operations, but also reflects the Company's readiness to move forward into the digital world of the future.

1.3 Fast service and a wide range of credit products

The Company pays attention to the speed of service to customers and in order to respond to customers' money needs quickly and in a timely manner, the Company has set up a more concise credit approval process. In the event that the customer prepares complete documents as specified by the Company, the customer can know the approval result and receive money within a day for loans that do not require ownership transfer or collateral mortgage with government agencies and within the next day for loans that require ownership transfer or collateral mortgage with government agencies. The Company continues to focus on the process of reviewing documents and scrutinizing credit approval.

The Company offers a wide range of credit products to respond to the credit needs of each customer, the Company's main products consist of (1) secured loans, namely hire purchase loan, personal loans under supervision with car registration as collateral and loans with houses and land as collateral; and (2) unsecured loans, such as personal loans under supervision that are not collateralized car registration loans, nano-finance loans, which have credit forms and conditions that can support customers with different needs of money different, such as the need to buy used cars, multi-purpose

purposes, purposes for use in occupations, etc. In this regard, all types of credit products of the company It is designed to be easy to understand. It is not complicated to cause confusion to customers by specifying the installment payment schedule separated by principal, interest and fees for easy understanding.

In addition, the Company provides loans that cover a wide range of collateral, both personal and commercial vehicles such as passenger cars, pickup trucks, motorcycles, trucks, agricultural vehicles. etc., without limiting the age of the car used as collateral and there are also a variety of options to meet the needs of different customers, such as loans that focus on providing high credit limits to customers who need a lump sum to use for transactions and loans that focus on quick approval for customers who need money urgently, etc., including loans that cover land and building collateral. The provision of credit services that cover various types of collateral will help expand the group of target customers even more.

1.4 Distribution and service channels

The Company has a wide range of distribution, product and service channels to help increase credit and service reach, consisting of branches covering all regions, partner networks, used car operators and brokers, used cars and digital platform channels, allowing branch brands to expand their awareness at the local level. In 2023, the Company will continue to focus on expanding branches, increasing business alliances, and developing digital platform technology innovations to support future growth.

Branch

The branch channel is considered as the main business channel of the Company in providing loan and insurance brokerage business. The number of branches has been continuously increasing and as of 31 December 2023, the Company has 852 branches.

In considering the establishment of a new branch, The Company will consider from the assessment of the population in the area and the nature of the community's occupation, the number of competitors, and the location near the



community, markets, banks, factories and industrial estates, etc.

The Company's branches are open from 8:00 a.m. to 5:00 p.m. Monday - Saturday. The Company has a policy to open on Saturdays to accommodate customers who are full-time employees or groups of customers who may be inconvenient on normal working days, such as company employees, government officials, and business owners, etc., as well as to respond to customers' money needs in a timely manner. In addition, the Company requires employees of each branch to regularly issue public relations to introduce the company's products and credit services to the used car community and brokerages in the vicinity.

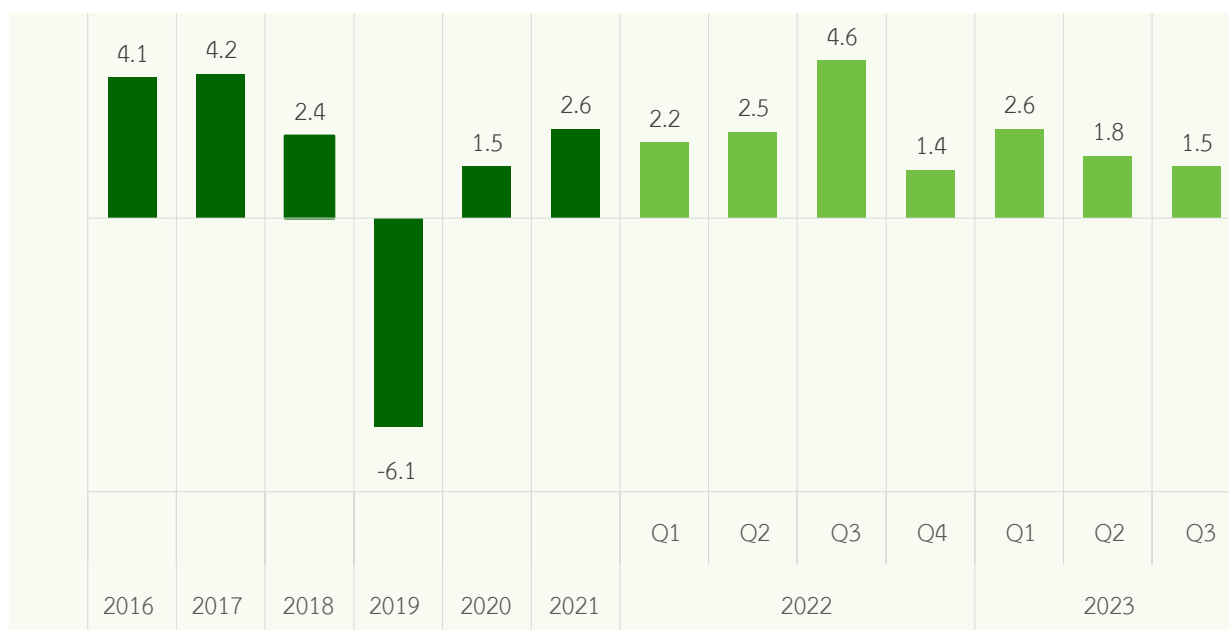
Partner network of used car tent operators and used car brokers

The company has a policy to focus on expanding new customer bases by building good relationships with used car tent operators and brokers who are partners with the company, along with expanding branches in various provinces as one of the service channels to reach the group of customers who want to buy used cars has increased. When customers need credit for buying used cars, used car tent operators and brokers will present the Company's products and pass them on to branches in in each area, which will allow the Company to increase channels for providing credit services without the investment burden of opening new branches. Currently, the Company has a network of alliances with thousands of used car tent operators covering all regions across the country.

2. Industry and competition conditions

2.1 Overview of the Thai economy

Chart : Growth rate of Gross Domestic Product ("GDP")

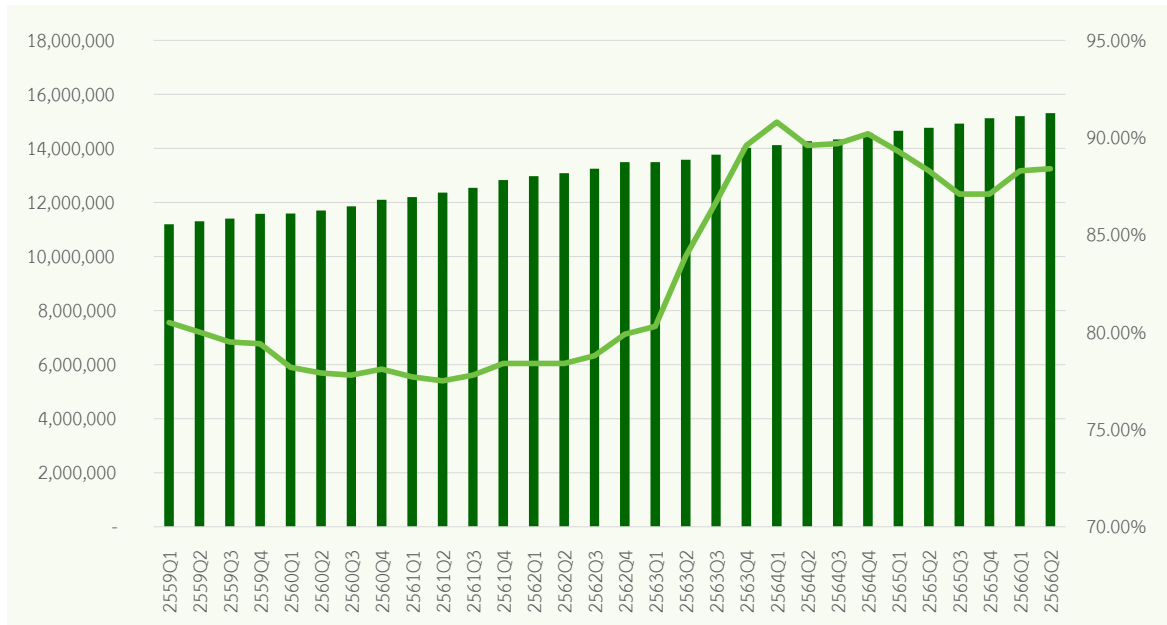


Source : Office of the National Economic and Social Development Council

The Thai economy in Quarter 3/2023 expanded by 1.5%, compared to an expansion of 1.8% in Quarter 2/2023 (%YoY), and when adjusted for seasonal effects, the Thai economy in Quarter 3/2023 expanded from Quarter 2/ 2023 by 0.8% (%QoQ_SA). In the first 9 months of 2023, the Thai economy expanded by 1.9%. In terms of spending, private consumption increased at a high level. Private investments also continuously expanded. Exports, government spending and public investment continued to decline. Manufacturing, accommodation and food services, and logistics and warehouse services expanded at a high rate. Agriculture, wholesale and retail sales and construction also expanded, while industrial product manufacturing continuously decreased.



Chart : Loans to households (trillion Thai Baht) and the ratio of household loans to GDP (%)



Source : Bank of Thailand

Household loans as at the end of Quarter 2/2023 in Thailand was Baht 15.30 trillion or representing 86.4% of GDP. As at the end of Quarter 2/2022, household loan in Thailand was Baht 14.76 trillion or representing 88.3% of GDP. The amount of household loans increased by Baht 115 billion compared to the previous quarter.

In respect of household loans in Quarter 2/2023, the total amount of loans from commercial banks was Baht 6.35 trillion, while the total amount of loans from commercial banks in Quarter 2/2022 was Baht 6.36 trillion, an increase of Baht 41.3 billion. The total amount of loans from specialized

financial institutions that accept deposits was Baht 4.29 trillion, while the amount in Quarter 2/2022 was Baht 4.14 trillion, an increase of Baht 11.24 billion.

Meanwhile, the total amount of loans from savings cooperatives amounted to 2.26 trillion baht, compared to 2.19 trillion baht in the Quarter 2/2022 an increase of 75.8 billion baht. The amount of borrowing from credit card, leasing, and personal loan companies has amount was 1.90 trillion baht, compared to the second quarter of 2022 with an amount of 1.62 trillion baht, an increase of 27.08 Ten billion baht.

2.2 Personal loan and hire purchase loan industry

Chart : Value of personal loans under supervision (billion baht) classify loans with vehicle registration as collateral for business operators that are not financial institutions

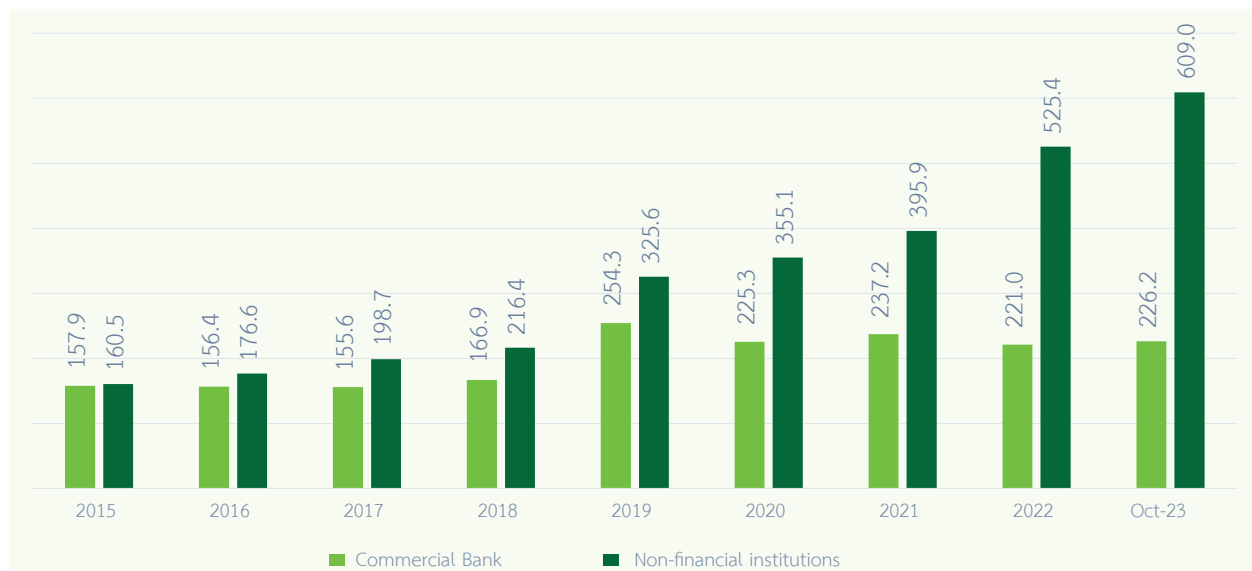
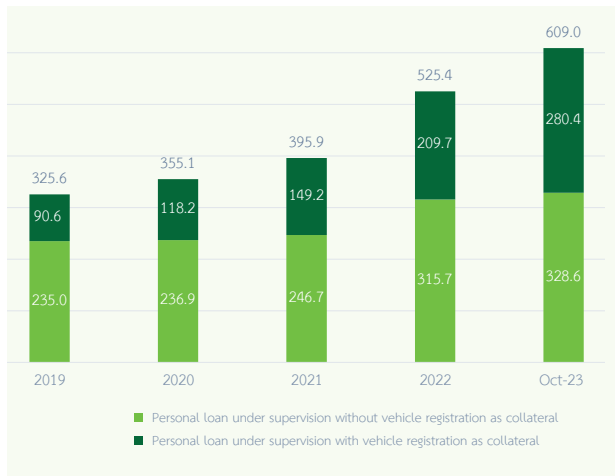
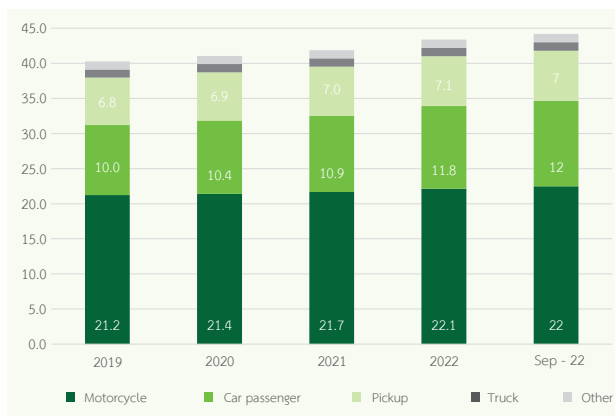




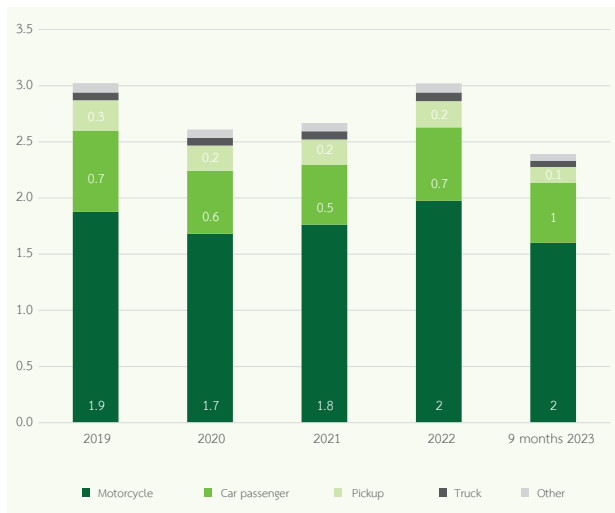
Chart: Value of personal loans under supervision (billion baht) classify loans with vehicle registration as collateral for business operators that are not financial institutions



Level : Cumulative number of registered vehicle (million) by vehicle type.



Level : Number of new registered vehicle (million) by vehicle type.



Personal loans with collateral and hire purchase loans had grown in line with growth of automobile and motorcycle industry and the automobile and motorcycle industry in 2023 will continue to grow. Demands for all types of household loans had increased, especially hire purchase loans and other consumer loans. Hire purchase loans were supported by business sales promotions at the end of 2023, while other consumer loans increased in line with consumption demand, particularly for households with limited savings. Demand for credit card loans and other consumer loans is likely to continue increasing as consumption demand and consumer confidence continue to improve. According to information from the Department of Land Transport, the cumulative number of registered vehicles in the country was 44.18 million in September 2023.

According to information from the Bank of Thailand, Used Vehicle Price Index (“UVPI”) is directly linked to stability and risks in performance of auto leasing businesses because UVPI is a price index that reflects value that lenders will receive if a vehicle is seized and sold at auction. Changes in used vehicle prices are seasonal where prices are high at the beginning of the year and usually fall at the end of the year. This reflects consumer behavior of heavily selling vehicles at the end of the year since appraised value of that vehicle model will be reduced in the next year.

Krungsri Research Center expects that, in respect of the automobile industry and related businesses during 2023 - 2025, performance of used vehicle tent business is likely to be sluggish due to intense competition and an increased supply of used vehicles in the market. Revenue from sales tends to stagnate in line with demand because new vehicles are likely to continue entering the market after supply of certain models of chips arrive and the upcoming trend in electric cars. These factors have caused demand for used vehicles to decrease and most of the used vehicles are internal combustion engine vehicles. In addition, there is an increase in supply of seized vehicles in the market as some borrowers are unable to make repayment due to higher cost of living and increasing entries into the market by new business operators (especially multinational companies, affiliated companies of car manufacturers, and online used car trading platforms) may put pressure on operators’ profit margins.



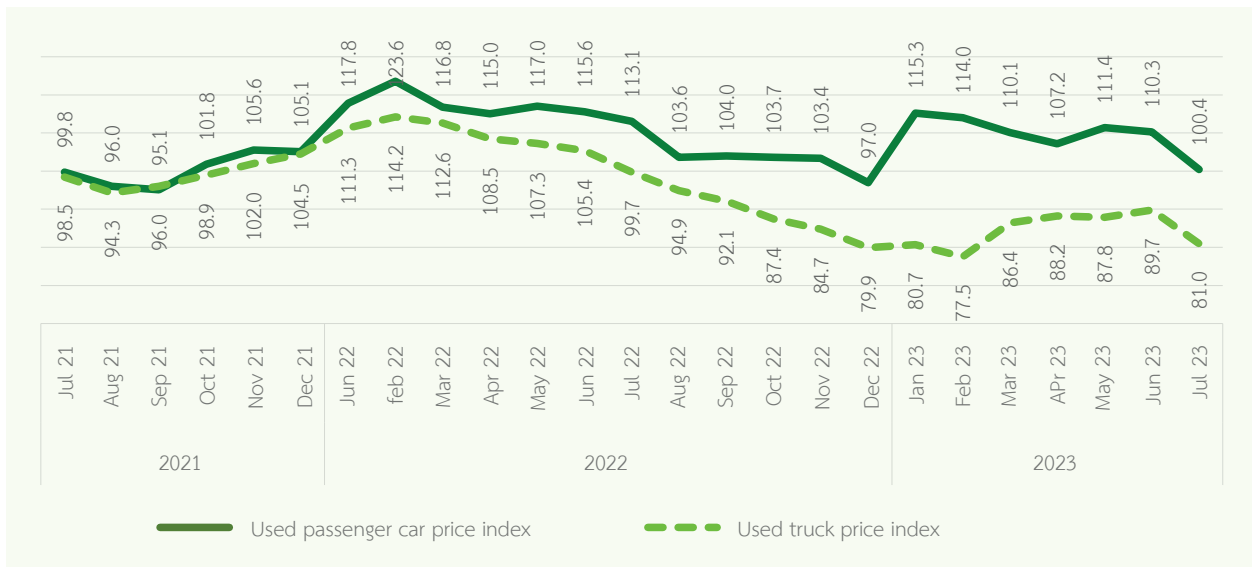
Since the Covid-19 pandemic has resolved and the government announced relaxation of control measures, many businesses are gradually resuming services and people start travelling to work and travelling within the country. As a result, the demand for used vehicles has increased. This is in line with the UVPI which will gradually increase from the end of 2021 to the beginning of 2022. However, after the vehicle loan moratorium measure by financial institutions ended, the number of used vehicles in the market will increase as additional vehicles will be seized and sold at auction because some borrowers with high expenses and debts may not be able to repay their debts. This may result in the price of used vehicles decreasing and leads to increased risk to financial institutions who provide vehicle loans.

Chart: Quarterly Used Vehicle Price Index



Source : Bank of Thailand

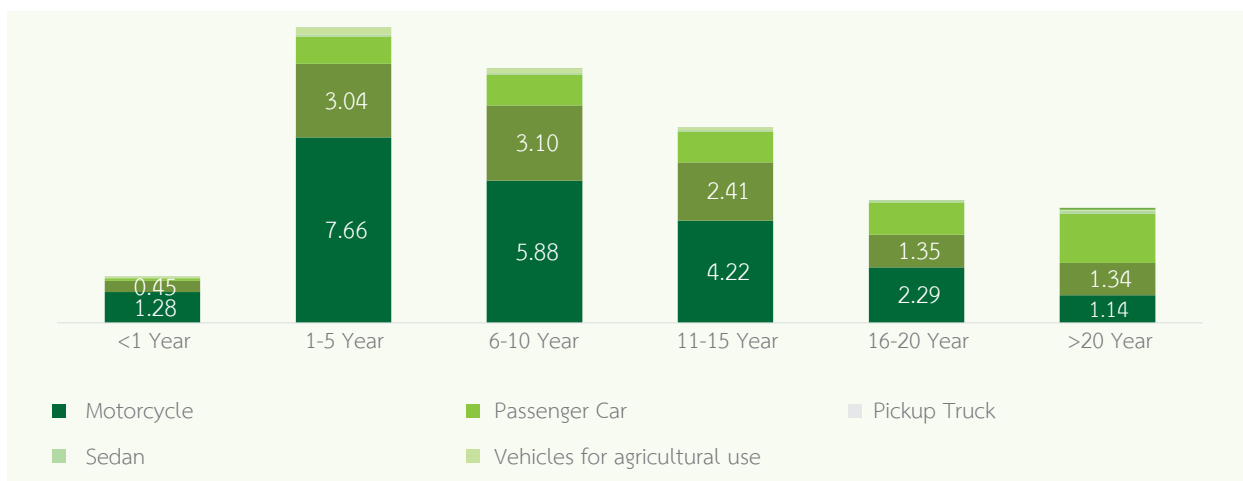
Chart: Monthly Used Vehicle Price Index



Source : Bank of Thailand



Chart: Vehicle types classified by age (8/2023)



Source : Department of Land Transport

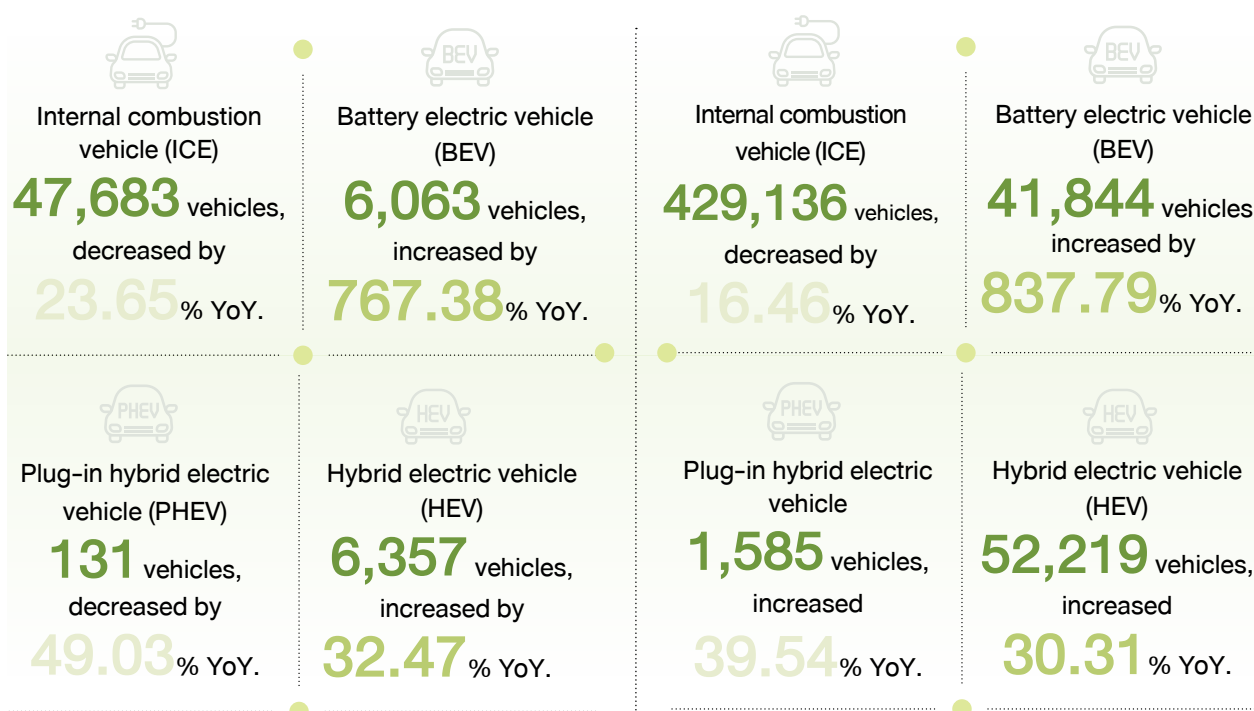
Number of registered vehicles classified by vehicle type and age

Motorcycles make up the majority portion of all vehicles with a total of 22.4 million vehicles. The greatest age range is 1-5 years, followed by 6-10 years and 11-15 years. There was a total of 11.7 million passenger cars with the greatest age range being 1-5 years, followed by 6-10 years and 11-15 years. As for pickup trucks, there was a total of 7.1 million vehicles with the highest age range being >20 years old, followed by 16-120 years and 6-10 years.

2.2.1 Automobile market

Automobile sales (combustion engine reduced, while electric train significantly increased).

The Federation of Thai Industries (FTI) has provided information on the country's production, domestic sale and export of automobiles and motorcycles. In August 2023, domestic automobile sale was a total of 60,234 vehicles, a decrease of 3.62% from July 2023. The decrease included a 36.3% decrease in pickup truck sale because financial institutions were strict in approving loans. The domestic automobile sale had decreased by 11.7% compared to the same month of last year.





Automobile production

The total number of vehicles manufactured in August 2023 was 150,657 units, a decrease of 12.27% from August 2022. This was due to decrease in production of pickup trucks for domestic sales by 41.65% from August of last year in line with decrease in domestic sales since the beginning of the year. During August of last year, the country received additional semiconductor parts and was able to manufacture additional number of vehicles. Hence, the last year's production was high as a base, but there was an increase from July 2023 by 0.63%. The number of vehicles manufactured during January - August 2023 was 1,221,878 cars, an increase of 3.13% from January - August 2022. Passenger cars manufactured in August 2023 was a total of 51,299 vehicles, a decrease from August 2022 by 4.24%.

In terms of vehicles manufactured for export, there was 88,661 vehicles manufactured for export in August 2023, representing 58.85% of the total production. This was an increase of 1.07% from August 2022. During January - August 2023, the number of vehicles manufactured for export was

705,868 vehicles, representing 57.77% of the total production. The figure was an increase from the same period of 2022 by 10.26%.

Development of EV cars for the domestic automobile industry

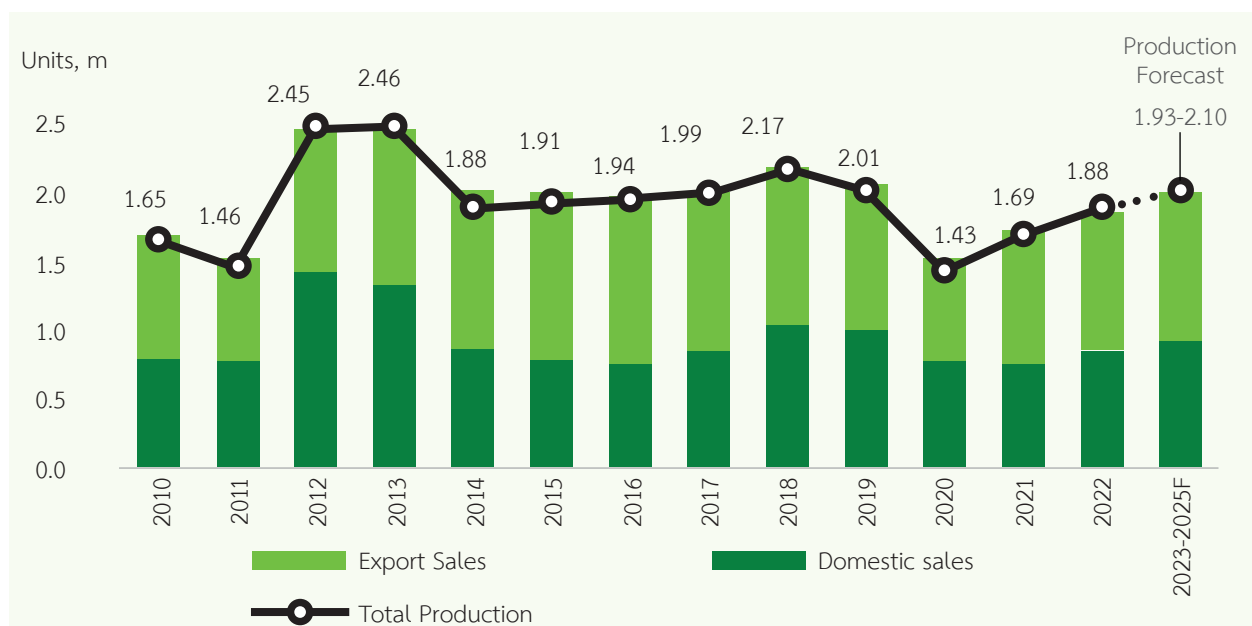
Electric cars (BEV, PHEV, and HEV) have gained popularity among consumers as evidenced by 837% growth of BEV from last year. The cumulative sales from January until the end of August 2023 was 41,844 vehicles. In the long run, it is anticipated that popularity and demand for combustion cars will reduce. Such factor will put pressure on selling prices of used cars by used car tent business and prices of seized vehicles with combustion engines to decrease significantly. At the same time, famous car dealers, such as BYD, have, in cooperation with partners, started to play a role in determining standards for used electric cars which would be used for evaluating used car prices. Such standards will provide standardized and fair prices to buyers and those involved in the industry. This will have a positive impact on the used car financing industry in the future.

Automobile market

Growth forecast for 2023-2025

It is expected that the automobile production volume during 2023 - 2025 will grow by an average of 3.0 - 4.0% per year or 1.93 - 2.10 million vehicles. The automobile production volume is expected to be close to the volume during the period before the outbreak of Covid-19 of approximately 2 million vehicles in 2024 (Krungsri).

Chart : Automobile production in Thailand and production forecast 2023 - 2024



Source : Bank of Ayudhya Research Center



Domestic car sales are likely to expand by an average of 4.0–5.0% per year, at 0.89–0.98 million units

Supporting factors include: 1) the country's purchasing power is gradually recovering from economic activities that are expected to increase, especially after the country has been fully opened to support travel and logistics for businesses and tourism; 2) policy to subsidize use of battery electric vehicles (BEV) is still ongoing (the project period is from 2022 - 2025) and provides a motivation to certain consumers to buy battery electric vehicles; 3) business operators plan to launch new models along with marketing promotion campaigns to continue stimulating sales; 4) construction sector is likely to recover according to the government's investment acceleration plan, especially construction of infrastructure networks to

support investment plan for development of Phase 2 of the Eastern Economic Corridor (EEC) (2023 - 2027), supporting the demand for commercial vehicles for loading and logistics; 5) development of new transportation routes within the country and linked with neighboring countries, including expansion of online retail and logistics businesses, which causes demand for medium-small commercial vehicles to increase; and 6) Thailand's motorization rate of 285 vehicles per 1,000 people, which is lower than countries in the upper-middle income group such as Malaysia with 478 vehicles per 1,000 people, Russia with 403 vehicles per 1,000 people, and Argentina with 366 vehicles per 1,000 people, reflecting that the Thai automobile market has the opportunity to continue growing (Bank of Ayudhya Research Center).

3. Industry Outlook

3.1 Supporting factors in 2024

Table showing positive factors in 2024

Item	Positive factor	Positive consequence	Opportunities
1	New government policy <ul style="list-style-type: none"> • Digital wallet Baht 10,000 • Suspension of payment of farmers' debts • Reduce costs, electricity costs, and energy costs • Stimulate tourism, free visas • Wage adjustment to Baht 400 	Lower expenses for the people and improving ability to make loan repayments	Debt collection might be improved due to improved ability of customers in making loan repayments from government expenditure reduction assistance measures.
2	Tourism growth Expected growth in the number of tourists to 30-35 million tourists per year (TAT)	The bustle of economic activities improves income of the population.	Demands for loans in the service sector
3	Low unemployment rate National Statistical Office of Thailand has provided a report on the Thai labor situation. In Quarter 2/2023, there are 39.7 million employed people, an increase of 660,000 people from the same period in 2022. The average unemployment is 430,000 people, which is equivalent to an unemployment rate of 1.1%, a decrease from 1.4% in the same period of 2022.	The population has income from working in both manufacturing and service sectors.	Income to cover for expenses, including general expenses and debt repayments
4	Growth of the automobile industry	Growth forecast for 2023-2025 It is expected that automobile production volume during 2023-2025 will grow by an average of 3.0-4.0% per year or 1.93-2.10 million vehicles. Domestic vehicle sales are likely to increase by an average of 4.0-5.0% per year (Krungsri).	Increased demand for loans
5	Growth of the lending industry	There is an increasing demand for loans in the service sector due to tourism growth.	Increased demand for loans



3.2 Limitations and risk factors in 2024

Table showing negative risk factors in 2024

Item	Risk factor	Consequence	Observation
1	Special loans for automobile loan (SML) Q1/2023 increased. It is at the level of 13.9% to the total loan balance. There is a chance of becoming an NPL, which leads to vehicle confiscation and increases the supply of seized vehicles in the market to a higher volume.	This may result in an increase in the number of seized cars, increasing the supply of seized cars in the market in large quantities, while the demand side has obstacles from the household debt situation that is still at a high level. This could cause the price of repossessed vehicles to drop significantly.	Special caution in considering customers and hastening the release of outstanding vehicles in order to sell them quickly to reduce losses from over supply.
2	High household debt of 90.6% of GDP in Q2/2023.	Ability to create new debt at a low level	Defaults on payments, debtor promotions continue to decline.
3	Drought conditions in 2024 , at present, the actual usable water volume of the four main dams in the Chao Phraya Basin is only 3,011 million cubic meters, or 12 percent of the dam capacity, which is at a low critical level (demand in 2024 is approximately 12,000 million cubic meters).	The impact on farmers' employment and income from drought is likely to be more severe. This puts the customer group at risk of income. It may affect their ability to repay debt.	caution in granting loans to customers who are farmers, especially farmers who grow crops that use a lot of water, such as rice.
4	International war Russia-Ukraine that protracted and escalated more and more.	Economic uncertainty and the number of tourists entering the country.	International situation and number of tourists including import and export of goods and services.
5	Economic conditions may deteriorate in key countries such as the United States, China, Japan, and the Euro-zone.	The number of tourists traveling to Thailand will decrease, affecting the overall income of corporate customers, which will have a chance to decrease, affecting the ability to pay debts will decrease.	Economic conditions of large countries such as China, Europe, America, Russia, Japan, Korea, etc.
6	Interest rates remain stable at a high level. Currently, the policy interest rate is at 2.5%.	Company's financial costs increasing	NIM and Yield on loan
7	Oversupply of seized vehicles and the secondhand car price index decreased significantly.	Selling at a loss on repossessed vehicles may increase in the next period.	Releasing seized cars from stock

Source : of risk factors

1, 4, Social condition report for the 2Q2023 by the National Economic and Social Development Council.

2 Bank of Thailand



(3) Competition

The Company is a non-financial institution business operator, which provides secured and unsecured loans. Most of the business operators in the industry are hire purchase loan operators, vehicle title loan operators who have licenses to conduct personal loan business under supervision and/or licenses to conduct retail loan business for undertaking business. Occupation under the supervision of the Bank of Thailand.

As of December 31, 2023, for non-financial business operators, the value of personal loans under supervision (excluding those with vehicle registration as collateral) amounted to Baht 322,200 million

compared to the outstanding loans of the same type of companies in the amount of Baht 68.9 million or percentage 0.02 of the market share and the value of personal loans under supervision with vehicle registration as collateral of Baht 291,752 million compared to the value of outstanding loans of the same type of the Company of Baht 9,743.4 million or 3.34 percent of the market share. and the value of hire-purchase loans in the amount of Baht 1,179,881 million compared to the outstanding loans of the same type of the Company in the amount of Baht 4,666.2 million or 0.04 percent of the market share.

(4) Procurement of products and services

In respect of loan services business, the main procurement of products and services is financing for use in the provision of loan services. The Company's current sources of funds include shareholders' equity and loans from financial institutions. In addition, in the early stages of business operations, the Company received funding from shareholders in the form of loans from related persons, which was in accordance with the joint venture agreement of 4 groups of shareholders. The Company has continuously received additional credit lines from commercial banks to be used as funding for expansion of loan services. The details of the sources of funds can be summarized as follows:

Liabilities	As of 31 December			
	2022		2023	
	Million Baht	%	Million Baht	%
Loans from financial institutions				
Short-term loans	910.0	7.7	473.3	3.1
Long-term loans	5,693.2	48.0	9,291.3	61.2
Total loans from financial institutions	6,603.2	55.7	9,764.6	64.3
Funding from shareholders				
Loans from related persons	-	-	-	-
Shareholders' equity	5,244.3	44.3	5,416.1	35.7
Shareholders' equity (post adjustment)⁽¹⁾	5,244.3	44.3	5,416.1	35.7
Total sources of funds	11,847.5	100	15,180.7	100.0

Remark : ⁽¹⁾ Adjustment by classifying loans from related persons as shareholders' equity.

As of December 31, 2023, the Company's loans from financial institutions for 64.3% of total sources of funds and the source of funds from shareholders' equity accounted for 35.7 % of total sources of funds. Most of the Company's loans from financial institutions were long-term loans, which accounted for an approximate of 61.2% of total sources of funds or 64.3% of total loans from financial institutions. This was consistent with the growth in the secured loan customer base with relatively average repayment periods.



(5) Assest used in the business

1. Main fixed assets

As of 31 December 2023, the details of the Company's main fixed assets used in the business operations were as set out below.

Item	Net book value as of 31 December 2023 (Million Baht)	Type of ownership	Encumbrance
1. Land	7.0	Ownership	None
2. Buildings and improvements to leasehold buildings	81.5	Ownership	None
3. Furniture and office equipment	37.8	Ownership	None
4. Computer and equipment	8.6	Ownership	None
5. Vehicles	23.1	Ownership	None
6. Others	0.7	Ownership	None
Total	158.5		

1.1 Buildings and improvements to leasehold buildings

Location	Net book value as of 31 December 2023 (Million Baht)	Type of ownership	Encumbrance
1. Head office 3-storey office building on land of 1-2-25 Rai with total area of 1,269.0 square meters No. 69 Moo 7, San Sai Noi Sub-district, San Sai District, Chiangmai Province 2-storey office building on land of 1-2-34 Rai with total area of 1,248.0 square meters No. 69/7 Moo 7, San Sai Noi Sub-district, San Sai District, Chiangmai Province	10.8	Ownership	None None
2. Branch office buildings	66.8	Ownership	None None
3. Auction centers and warehouses for vehicles	3.9	Ownership	None None
Total	81.5		

1.2 Vehicles

Type of vehicle	Net book value as of 31 December 2023 (Million Baht)	Type of ownership	Encumbrance
1. Head office and branch office vehicles in thenumber of 49 vehicles	1.0	Ownership	None
2. 2. Head office and branch office motorcycles in thenumber of 997 motorcycles	22.1	Ownership	None
Total	23.1		



2. Leased assets


Type of leased asset	Net book value as of 31 December 2023 (Million Baht)	Type of ownership	Encumbrance
1. Head office building, warehouse for documents, and parking lot	25.8	Leasehold right	None
2. Branch office building of 488 branches	156.3	Leasehold right	None
3. Auction centers and warehouses for vehicles of 10 locations	8.2	Leasehold right	None
4. Head office and branch office vehicle in the number of 79 vehicles	15.4	Hire purchase	None
Total	205.7		

3. Intangible asset

As of 31 December 2023, the Company's intangible asset included computer software with net book value according to the Company's financial statements of THB 8.7 million or accounted for 0.1% of net book value of total assets.

4. Trademark and servicemark

As of December 31, 2023, details of the Company's key trademark and servicemark used in the business operations are as set out below.

Trademark / Servicemark	Country	Application	Registration Date	Expiration Date
	Thailand	Provision of secured and unsecured loans	23 August 2016	22 August 2026
	Cambodia ⁽¹⁾	Provision of secured and unsecured loans	20 September 2016	20 September 2026
	Laos ⁽¹⁾	Provision of secured and unsecured loans	31 August 2017	31 August 2027

Remark : ⁽¹⁾ As of 31 December 2023, the Company does not have any business operations in Cambodia and Laos.





5. Key licenses used in the business operations

The details of key licenses used in the Company's business operations are as set out below.

License	Licensor	Type	Issuance Date	Expiration Date
License to operate regulated personal loan	Ministry of Finance	Business operators that are neither commercial banks, finance companies, nor credit foncier companies under the law governing financial institutions business established by specific laws.	13 June 2019	N/A
License to operate regulated personal loan	Ministry of Finance	Business operators that are neither commercial banks, finance companies, nor credit foncier companies under the law governing financial institutions business established by specific laws.	11 March 2019	N/A
Non-life insurance broker license (NorWor.6)	Office of Insurance Commission for the business of non-life insurance	Direct insurance arrangements	26 December 2019	25 December 2027
Life insurance broker license (NorChor.6)	Office of Insurance Commission for the business of life insurance	Direct insurance arrangements	26 December 2019	25 December 2027
License to auction Phitsanulok Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars and motorcycles	1 January 2023	31 December 2023
License to auction Suphanburi Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars	1 January 2023	31 December 2023
License to auction Nakhon Ratchasima Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars	1 January 2023	31 December 2023
License to auction Phrae Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars and motorcycles	1 January 2023	31 December 2023
License to auction Chiang Rai Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars and motorcycles	1 January 2023	31 December 2023
License to auction Chiang Mai Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars and motorcycles	1 January 2023	31 December 2023
License to auction Khon Kaen Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars, motorcycles, public vehicles, service vehicles, private cars	1 January 2023	31 December 2023



6. Insurance policy

As of 31 December 2023, the Company has a property insurance contract for head office building branch office buildings, and auction centers. The key terms and conditions of the contracts are as set out below.

(1) Property insurance head offices building and 852 branches office buildings and 3 billboards

Insurance company	The Deves Insurance Public Company Limited
Insured person	Heng Leasing and Capital Public Company Limited
Policy type	Property insurance policy
Insurance period	<ul style="list-style-type: none"> Insurance period commencing from 27 February 2023 to 27 February 2024 at 4.30 p.m. in respect of 760 branches and 2 head offices and 3 billboards Insurance period commencing from 10 March 2023 to 27 February 2024 at 4.30 p.m. in respect of 22 branches Insurance period commencing from 1 April 2023 to 27 February 2024 at 4.30 p.m. in respect of 48 branches Insurance period commencing from 3 August 2023 to 27 February 2024 at 4.30 p.m. in respect of 12 branches Insurance period commencing from 18 August 2023 to 27 February 2024 at 4.30 p.m. in respect of 10 branches
Beneficiary	Heng Leasing and Capital Public Company Limited
Insured property	Building (excluding foundation), furniture, fixtures, extension and building improvement, office equipment, computers, electronic devices (excluding all types of portable computers and/or tablets and/or mobile phones), antenna, lightning rod, satellite dish, ceiling, flooring material, landscape or other assets that comes with buildings, system works such as electricity (including transformer), waterworks, fences, doors and all kinds of assets belonging to the insured person, including assets under the care of the insured person as a keeper.
Protection	<ul style="list-style-type: none"> Property insurance policy Protection against any damage or damage to the insured property due to fire, lightning, explosion, windstorm, water, smoke, traffic collision, aircraft peril, damage from smolder, earthquake, volcanic eruption, underwater wave or tsunami, hail, robbery with sign of tampering by entering or leaving a building, robbery, and accident caused by external factor that is not specified as an exception under the current property insurance policy approved by the Office of Insurance Commission. Third party liability insurance policy Protection and payment of remedy on behalf of the insured person for any loss or damage to third party of which the insured person is liable according to the laws as a result of or caused by any accident arising from operations relating to the insured business within the scope of risks incurred during the insurance period and at the coverage area specified under the insurance policy for: <ol style="list-style-type: none"> Loss of life, body, injury or health of third party; Loss or damage to third party's property. The protection under items 1 and 2 shall include any expenses, fees in making claim, and compensation of which the insured person must pay the claimant according to the laws. Litigation cost.
Insured amount	<ul style="list-style-type: none"> Insured amount of THB 2,477,048 for property insurance policy Insured amount of not exceeding THB 20,000,000 per accident and throughout the insurance period for third party liability insurance policy



(2) Property insurance policy in respect of 7 auction centers

Insurance company	Muang Thai Insurance Public Company Limited
Insured person	Heng Leasing and Capital Public Company Limited
Policy type	Property insurance policy
Insurance period	1 year (10 July 2022 – 10 July 2023 at 4.30 p.m.) 251 Days (2 November 2023 – 10 July 2024 at 4.30 p.m.)
Beneficiary	Heng Leasing and Capital Public Company Limited
Insured property	Office buildings (excluding foundation), including building improvements, fences and concrete patios, and cars and motorcycles.
Protection	Protection against any damage or damage to the insured property caused by fire, lightning, explosion, aircraft peril, traffic collision, damage from water (excluding floods), forest fire, protest, strike, riot or act with malicious intent, smoke, flood, windstorm, earthquake or volcanic eruption, underwater wave or tsunami, hail, and accident caused by external factor, subject to conditions and exclusions under the property insurance policy.
Insured amount	THB 187,642,980

(3) Property insurance policy in respect of 1 auction center

Insurance company	Muang Thai Insurance Public Company Limited
Insured person	Heng Leasing and Capital Public Company Limited
Policy type	Fire insurance policy
Insurance period	1 year (22 April 2022 to 22 April 2023 at 4.00 p.m.)
Beneficiary	Heng Leasing and Capital Public Company Limited
Insured property	Warehouse for cars and motorcycles, office, building (excluding foundation)
Protection	Protection against any damage or damage to the insured property due to water damage, flood, earthquake, hail and wind storm
Insured amount	THB 4,111,000

(6) Work that has not been delivered

- None -



1.3 Shareholding Structure

1.3.1 Shareholding Structure

As of December 31, 2023 The Company has no subsidiaries and associated companies

1.3.2 Parties with Conflict of Interest

- None -

1.3.3 Relationship with the business of major shareholders

- None -

1.3.4 Shareholders

(1) Major Shareholder

(a) The top 10 Shareholders as of December 28, 2023⁽¹⁾

Rank	Major Shareholder	Shares	Voting rights	% Shares
1.	Kasikornbank Public Company Limited	381,000,000.00	381,000,000.00	10.000
2.	Mr. Wichai Suphasathitkul	331,883,525.00	331,883,525.00	8.711
3.	Mr. Wichian Suphasathitkun	257,150,170.00	257,150,170.00	6.749
4.	Mr. Parinya Supasatitkul	197,790,430.00	197,790,430.00	5.191
5.	Mr. Kitsmith Ratanasirisap	163,624,200.00	163,624,200.00	4.295
6.	Mr. Banyong Paisanteerakorn	149,993,050.00	149,993,050.00	3.937
7.	Mr. Bunthid Supasatitkul	148,344,820.00	148,344,820.00	3.894
8.	Mrs. Saowalak Puntharat	128,930,285.00	128,528,385.00	3.383
9.	Mr. Patpong Patong	125,893,145.00	125,893,145.00	3.304
10.	Mrs. Inthurath Paisanteerakorn	106,208,150.00	106,208,150.00	2.788

⁽¹⁾ Information from Thailand Securities Depository Co., Ltd. as of 28 December 2023

(b) Group of major shareholders who, by circumstances, have a significant influence on the company's management policy or operations (eg, having a person to be an authorized director)

- None -

(2) Holding company

- None -

(3) Shareholding Agreement

- None -



1.4 Registered and Paid-up Capital

1.4.1 Common Shares

The company listed Company in The Stock Exchange of Thailand, As of December 31, 2023 the Company registered capital total THB 3,810,000,000 consisting of 3,810,000,000 THB common shares at THB 1 per share. These shares represented THB 3,810,000,000 in paid-up capital, or 3,810,000,000 common shares.

1.4.2 Other Shares with Different Terms or Rights from Common Shares

- None -

1.4.3 HENG's Shares or Convertible Securities a Mutual Funds for Foreign Investors

- None -

1.5 Issuance of Other Securities

- None -

1.6 Dividend Policy

The Company has the policy to pay dividends to shareholders at the rate of not less than 40 percent of net profit from separate financial statements after deduction of corporate income tax and reserves as required by the laws and as stipulated in the Company's Articles of Association. If the Company has accumulated losses, it will consider not paying any dividends. Such dividend payments may be subject to change depending on the Company's operating results, liquidity, cash flow, and financial status, conditions and restrictions on dividend payment as stipulated in loan agreements, debenture agreements, or other relevant agreements obliged by the Company (if any), future business plans, and the necessity for investments, including other factors as the Board of Directors deems appropriate. The Board of Directors

may consider reviewing and amending the dividend payment policy from time to time to comply with the Company's operational plans.

The annual dividend payment must be approved by the shareholders' meeting, except for the payment of interim dividends which may, from time to time, be approved by the Board of Directors when the Board of Directors deems that the Company has reasonable profits to do so and report to the shareholders' meeting for acknowledgment in the next shareholders' meeting.

In respect of dividend payment of the Company's subsidiaries, the Company currently does not have any subsidiary. However, to support the Company's future business expansion, the Company has set that consideration on dividend payment by subsidiaries shall be subject to the approval of the shareholders' meeting of each subsidiary by considering operating results, liquidity, cash flow, and financial position of each subsidiary, conditions, and restrictions on dividend payment as stipulated in loan agreements, debenture agreements or other relevant agreements obliged by each subsidiary (if any), future business plans, and the necessity for investment, including other factors as the board of directors of each subsidiary deems appropriate. The exception is an interim dividend payment which may, from time to time, be approved by the board of directors of each subsidiary when the board of directors of each subsidiary deems that such subsidiary has reasonable profits to do so and reports to the shareholders' meeting.

Dividend payment history of the company

Pay year	2022	2023
Earnings per share	0.12	0.11
Dividend per share (Baht)	0.0666	0.0665
Dividend payout ratio (%)	55	60

Note : Earnings Average per Share



2. Risk management

Risk Management Overview

The Company recognizes and foresees the importance of good corporate risk management in driving the organization to grow and expand sustainably, create strong financial positions and generate returns to shareholders at an appropriate level, and operating in accordance with good corporate governance principles, including creating check and balance in the current business competition and ever-changing conditions faced by the Company, whether caused by external or internal factors, which may affect the ability to achieve goals and core mission of the Company. Initially, the Risk Management Committee is assigned to be responsible for formulating risk management policies covering the entire organization and overseeing that there is a risk management system or process to appropriately reduce the impact of risks on the Company's business.

2.1 Risk Management Policy and Plan

The Company realizes the importance and necessity to implement a risk management system that meets the international standards in its management. It aims to make the Company an important organization that creates customer satisfaction, has a good corporate image, and develops the Company's operations to move forward in the same direction throughout the organization. Therefore, the risk management policy is set as follows:

1. The Risk Management Committee is responsible for determining the risk management policy, both internally and externally, to ensure that it is comprehensive and in accordance with the strategy and directions of the business. At least the following 5 risks must be covered:

- (a) Financial Risk
- (b) Operational Risk
- (c) Strategic Risk
- (d) Compliance Risk
- (e) Risk from Business Environment
- (f) ESG Risk

2. Risk management shall be responsibility of employees at all levels, who must be aware of the risks involved in their operations and the organization, focusing on risk management in various fields and managing under systematic internal control to a sufficient and appropriate level.

3. There must be an organizational risk management process that complies with good standards in line with international practice to effectively manage risks that may affect the Company's operations. The development and implementation of risk management throughout the organization must go forward in the same direction by making risk management system part of decision making, strategic and operational plans of the Company, and focusing on achieving the determined objectives, goals, visions, missions, and strategies to create operational excellence and build confidence in stakeholders.

4. Guidelines are established in order to prevent and mitigate risks from the Company's operations to avoid damage or loss that may incur, including monitoring and assessing risk management results on a regular basis.

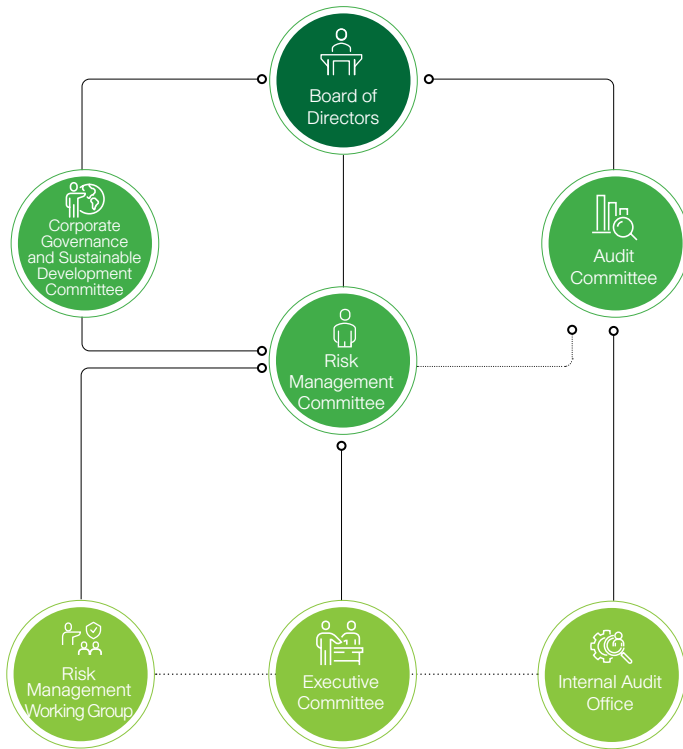
5. Promote and develop the use of modern information technology systems in the Company's risk management process and encourage personnel at all levels to have access to information on risk management, including establishing an effective risk management reporting system for the Risk Management Committee.

Risk Management Structure of the Company

The Company has determined risk monitoring as part of the Company's management to ensure that the governance structure and responsibilities are appropriate and can promote effective risk management. The structure and duties and responsibilities in the monitoring of the Company's risks are as follows:



Risk Management Structure



Executive Committee is responsible for the following matters :

1. Consider and review the Company's risk management and internal control system.
2. Report high and very high risk levels to the Risk Management Committee, the Audit Committee, and the Board of Directors for acknowledgement.



Risk Management Working Group is responsible for the following matters :

1. Analyze and assess risks of each unit and manage risks according to established guidelines.
2. Study, analyze, assess, and manage risks, including finding solutions.
3. Educate various departments to understand criteria for analysis and assessment and manage risks.
4. Follow up, review, notice the risk owners to manage risks continuously
5. Report result of assessment risks



Chief Executive Officer is responsible for the implementation of policy and supervision to ensure continuous compliance through the Risk Management Working Group, which consists of executives from core units of the Company.



Board of Directors has the overall responsibility to supervise the Company's risk management in accordance with the risk management structure and acceptable policies and risks, including promoting continuous and efficient risk management at all levels throughout the Company according to international principles to create a sustainable risk management culture.



Audit Committee helps support the Board of Directors in performing duties relating to risk management by reviewing to ensure that the risk management system is appropriate and effective.



Corporate Governance and Sustainable Development Committee

support the Board of Directors in performing their duties in risk management related to corporate governance and ESG



Risk Management Committee

responsible for ensuring that significant business risks are identified and assessed regularly, and effective risk management measures have been established and is responsible for the following matters :

1. Prepare risk management policy, strategy, and criteria for risk management to propose to the Board of Directors for approval.
2. Review risks and the Company's risk management guidelines as assessed by the agency owning risk and providing suggestions for improvements.
3. Supervise effectiveness of the Company's risk management process by continuous monitoring and review.



2.2 Factors and risks to the Company's business operations



2.2.1 Risks to the Company's business operations

Emerging risks

In the next 3-5 years, the Company is prepared to deal with many risks that may arise in the future. Such risks affect economic and business directions of the Company, both directly and indirectly. In order to find guidelines for eliminating or reducing risks, the Company has disclosed new risks that may arise in the future and the following risk management process.

Emerging risks	Risk description	Impact that may occur to the Company	Risk management process
1. Emerging pandemic risk 	<p>Emerging pandemic risk affects the country's economy causing economic slowdown in manufacturing, exports and tourism sector. As a result, some customers lose their income, unable to repay debts on time or avoid using services at the Company's branches, which is an important risk of the Company that must be monitored and handled on an ongoing basis.</p>	<p>The pandemic may intensify and has a broad impact on economy and society, including directly affecting the Company's short-term to long-term operating results in providing customer service. The business model and customer service must be adjusted so that customers can continuously and safely receive services.</p>	<ol style="list-style-type: none"> 1. The Company has urgently announced policies and measures to prevent the spread of emerging infectious diseases for all employees to follow in order to protect themselves and customers against the spread within the head office and branches across the country. 2. The Company has place an IT system to support financial assistance measures for help customers that affected by the emerging infectious disease epidemic situation. 3. The Company has added the process of auctioning assets to online channels in order to avoid exposure in accordance with social distancing policy.
2. Cyber security risk 	<p>At present, the Company uses technology and information technology systems as a mechanism to drive the business. As a result, the Company faces additional risk from cyber threats. Therefore, the Company should maintain strict and sufficient security against cyber threats in line with its risk management system to be prepared in handling cyber threats.</p>	<p>Cyber attack will have a direct impact on the Company in many levels including:</p> <ol style="list-style-type: none"> 1. The Company's services will be interrupted if the intended attack on the Company's computer system is daaged. 2. The Company's information will be published without permission. <p>In addition to financial damage, it also affects customer confidence in the Company's services. There may also be penalty imposed by the authority if there is any violation of regulation. It may also cause financial damage to the customer if the attack is directed at the Company's customer.</p>	<p>For prevention and response at the corporate level, the Company has focused on continuously providing tools and developing technology to be able to protect against sophisticated or unknown attacks. In addition, the Company has been developing information security management to upgrade its services with safety in accordance with international standards and compliance with official regulations such as ISO 27001 standard and the Personal Data Protection Act.</p>



Emerging risks	Risk description	Impact that may occur to the Company	Risk management process
<p>3. Risk from natural disasters caused by climate change such as global warming and flood.</p> 	<p>The company is unable to operate its business as usual. For example, when there is a flooding the service cannot be opened leads the distressed of lending and debt collection service to follow up on debtors and if the agricultural area is damaged by drought It may cause the cessation of operations in various sectors both in the manufacturing, service and consumption sector.</p>	<p>The occurrence of disaster can affect a company's ability to conduct business. If customers are affected by the cessation of operations in various sectors, may not be able to pay their debts.</p>	<p>The company has instilled awareness among employees in campaigning for maximum energy efficiency.</p> <ul style="list-style-type: none"> • Save water and electricity consumption • waste separation • Reduce greenhouse gas emissions by using green vehicles <p>Including prepared a Business Continuity Plan (BCP) and tested according to the specified period. In order to be able to respond effectively and efficiently to emergency situations.</p>
<p>4. Risks from using electric cars instead of internal combustion (gasoline) cars, resulting in the price of used cars using the internal combustion system falling at a higher rate than usual.</p> 	<p>In 2023, the sales of electric cars is increasing rapidly. Therefore, consumers will sell their combustion cars in order to use the money to buy electric cars, causing the number of used combustion cars in the market to increase.</p> <p>In addition, some electric cars are cheaper than combustion cars, causing more consumers to decide to buy electric cars. This affects the rate of decline in secondhand car prices.</p>	<p>The price of secondhand cars has dropped more than normal, causing the median price of collateral to be higher than the market price. As a result, the Company will grant loans higher than the acceptable risk and the loss resulting from the sale of seized assets will increase.</p>	<p>The Company will increase the frequency of monitoring median prices, especially for cars in segments that are directly affected, in order to reduce the risk of lending higher than the value of securities and losses from asset sales.</p>



Risk management

The Company gives importance to risk management in all aspects. The Company analyzes internal and external environment, including economic, social, political, technological, industrial, competitor and other trends in order to determine the Company's key risks, which can be summarized as set out below.

(1) Strategic risks

(1.1) Risk of loan expansion not meeting the business plan

At present, the Company's branches are the main channels for providing loans and other services. The Company has a plan to continuously increase its number of branches to increase its service capabilities and support the needs of current and new customers in the future. This will help diversify risks if any event affects business operations in certain areas.

In the event that the Company is unable to expand loans in accordance with the Company's business plan or there is a delay or malfunction in the operations caused by factors such as inability to find potential areas to open new branches, inability to recruit qualified personnel or branch service personnel do not have enough capabilities to achieve goals, the Company may not be able to meet customers' needs effectively. Due to increasing competition in the personal loan business

from competitor's branch being located in the nearby area of the Company's branch, new branches may not be able to achieve operational goals determined by the Company such as targeted loan value, number of loan contracts, debt collection and tracking, insurance selling or operating costs or expected return on investment could not be achieved etc. Such factors may have negative impacts on the business, operating performance, financial positions and business opportunities of the Company.

However, the Company's shareholder groups have over 20 years of experience and expertise in loan service business. The Company requires an investment analysis by the relevant departments in terms of target customers, location, population distribution and characteristics of surrounding community, market conditions and competitors, consumer demand, local personnel, investment per branch, payback period, and expected return. Such investment analysis must be approved by the

Executive Committee and/or the Board of Directors in accordance with the Company's authorization matrix. After making the investment, the Company closely monitors and evaluates the operating results and adjusts the operating plan according to the changing situations.

In addition, the Company has given importance to the development of personnel based on the fundamental belief of "Good services can deliver better business results (loan amount and debt collection)" by cultivating a service culture. The service culture emphasizes on driving towards the process that is equipped with good mindset and skills and creates "Change Leaders", a group of branch managers who acts as coaches to educate, provide advice and convey ideas and good service practices to nearby branches. The Company's identity as a preferred service provider to local people is emphasized. The change leaders are willing to provide proactive services, understand the needs of customers as locals, and perform their duties as professional at their best capabilities. In the long run, the Company expects that the seed of this cultivated personnel will expand and build up the business to create sustainable business operations.

(1.2) Risk from competition in hire purchase, regulated personal loan for occupation, and other loans industry, entry into the industry by new competitors, and technology disruption

There are many service providers in the loan service business including existing and new service providers. Other loan service providers have expanded their services to online channels and are using technology in the credit approval process to improve and create faster and more efficient services. The number of customers who choose to apply for loans through online channels has also increased.

In addition, the government has a policy to support online personal loans (P2P lending) and digital personal loans, resulting in new entrepreneurs who are interested in entering into the lending industry which provide services through online channels. Competition is presented due to various promotions such as providing a higher credit limit, reduction in interest rate, and extension on repayment period in order to attract customers to choose the services. There is competition in presenting promotions or additional investment to increase quality of the Company's services



to compete with other service providers in the industry. Therefore, the Company may not be able to lend additional amount of loans in accordance with its strategies or the value of new loans by the Company may decrease as the Company's services are mainly provided through its branches. Service hours at the Company's branches are only from 08.00 a.m. – 5.00 p.m. on Monday to Saturday, while customers can access services of other loan service providers with online channels 24 hours. Such circumstances may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

The Company has prepared a strategic plan to respond to competition within the loan industry by expanding its customer base in order to increase an opportunity to lending through increasing number of branches in potential areas, building awareness of the Company's brand with local customers (Brand Awareness) through building a good relationship with customers for recognition (Brand Recognition) and decision to apply for loans with the Company as the first place (Conversions). In addition to expanding the customer base, the Company has a strategy to maintain its existing customers (Customer Retention). For instance, if customers pay their installments on time for a certain period of time, the Company will offer customers refinancing loans to increase their balance (Up-Selling) or will offer a new type of loan (Cross-Selling) or discounting promotion to increase its competitiveness. In addition, the company has marketing through Referral Program with partners in each locality such as car tents to introduce hire purchase loan products for customer who interested to buying a car. The company also participating in activities with community leaders for community leaders to recommend products to members. The Company focuses on development of loan products, new channels for product presentation, customer database system and system for, and expertise of personnel, in credit consideration and analysis. The Company has set measures for future business planning to support changes in consumer behavior and changes in technology by collecting customer information to study their behaviour in using loan services and repayment to analyze trend and changes on a regular basis. Such information is used for

planning the Company's strategies. At present, the Company has begun to develop online channels according to the determined plan to support customers' needs and provide convenience in using the services in the future, in parallel with provision of services through branches. In addition, the Company has improved the credit approval process to become faster, while effectiveness of the approval process for screening qualified loan applicants is maintained. In addition, the company has also improved the credit approval process to be faster. At the same time, the effectiveness of the approval process for screening qualified loan applicants is maintained.

(2) Operational risks

(2.1) Risk from efficiency of credit analysis and credit approval which may affect the quality of the Company's loan portfolio

The Company takes into consideration customer identity, ability to repay debt, existing liabilities, and history of debt repayment. The branch officers will be responsible for analyzing data of which accuracy will be verified and credit will be approved by branch managers, district managers or the Credit Control and Approval Department. Persons authorized to approve the credit will depend on the value of credit limit as stipulated in the Company's operating manual.

The efficiency of credit analysis and credit approval is an important factor affecting the success of the Company's operations. Although the Company has a process of analyzing data and consideration of credit approval with caution and prudence and the process is completed in accordance with the operating manual, the Company cannot guarantee that it will analyze credit accurately at all times in the future. Factors affecting the quality of credit analysis and approval include employees' expertise in analyzing credit data, employees' expertise in valuing collateral, concealment of important customer information, and corruption by employee etc.

Inefficient or incorrect credit analysis may affect the quality of the Company's loan portfolio. The Company may not receive loan repayments within the period specified under the contracts, or in the event that the borrower defaults on payment for a long time, the Company's accounts may be affected as the Company have to record



an increase in credit losses, or the Company may not be able to track down the vehicle used as collateral for auction and to pay off the debt, or the market value of the vehicle at that time may be substantially reduced and is insufficient for repayment of the outstanding loan etc. Such factors may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

The Company realizes the importance of credit analysis and approval process, which is a critical operation in the Company's business. Therefore, branch employees are required to complete credit analysis related knowledge training before operations. The branch employees must pass a knowledge test and attend practical training before starting actual work. In addition, the Company clearly separates the function of credit analysis from credit approval. The approval authority is determined according to the procedures under the operating manual. Accuracy of information must be verified prior to every credit approval. The Company believes that its credit analysis and approval process will allow the Company to analyze factors for approving credit with reliability.

(2.2) Risk of debt collection being unable to meet the maturity period, which may be caused by external factors that are beyond the Company's control and the Company may significantly incur additional costs from such factors

The Company provides loan services to customers with a monthly repayment schedule. The company faces risk of customers not paying installments as scheduled or the Company is unable to collect installments that are due or overdue. This might be due to external factors that affect ability and willingness to repay by customers such as macroeconomic conditions, total liabilities of the borrower or changes in career or income etc. Such circumstance will affect the Company's debtor status classification and provision for allowance of expected credit loss and the Company may incur additional expenses if the Company is unable to collect loans and has to take collateral for auction and use proceeds from the auction for repayment or there is a lawsuit or legal action. Such factors may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

To prevent the risk relating to debt collection, the Company analyzes and considers credit by requiring the Credit Control and Approval Department to consider qualifications of the borrower and taking into consideration the borrower's ability to repay loan as a main factor. In addition, the Company has an off-site payment collection service to help facilitate borrowers who are unable to pay installments at branches or other channels provided by the Company in order to increase the collection rate.

In terms of debt collection, the Company has set up a system for managing and tracking debts quickly and efficiently. The Company organizes trainings and provide knowledge to branch employees, call center employees and continually test their knowledge and understanding of the operations. In addition, the Company has determined operational guidelines based on compliance with the laws and the Debt Collection Act B.E. 2558 (2015), which have been stated in the operating manual of the Collection Department. The Company has established a debt collection procedure that is consistent with the outstanding debt of each borrower and a procedure for debt collection through field visit. The Company has separated the authorities of persons in the process of debt collection for each debtor status for transparency, verifiability, and can be crossed check among persons authorized for debt collection.

In respect of receivables that are overdue for more than 150 days, the Company engages an experienced external debt collection team. The external collection team performs its duties with professionalism and strictly operates in accordance with the laws and the Debt Collection Act B.E. 2558 (2015) to follow up such receivables. In addition, the Company has a system to control the results of debt tracking at the end of every day and at the end of every month to manage efficiency of debt collection and follow up debts in a timely manner, reducing risk of incurring non-performing loans (NPLs).

(2.3) Risk of not being able to track the vehicle which is a collateral under the loan contract or the vehicle which is a collateral under the hire purchase contract in the event of non-payments

The Company's secured loans can be divided into 2 types of loans: loans with vehicle



registration as collateral and hire purchase loans. For loans with vehicle registration as collateral, the borrower who owns the vehicle will use original vehicle registration as loan collateral and deliver the original vehicle registration to the Company, along with signing the ownership transfer documents to the Company in advance so that the Company could track the vehicle according to the vehicle registration and auction the vehicle for loan repayment.

In the event that the customer has defaulted on payment, the Company will follow up and seize the vehicle used as collateral under the loan with vehicle registration as collateral contract or seize the vehicle used as collateral under the hire purchase contract. Such vehicle will be auctioned to pay off the outstanding loan. The Company faces risk of not being able to track motorcycles, cars or other types of vehicles used as collateral that can be moved easily. Such factor may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

To reduce the chance that the Company is unable to seize the vehicle, the Company has determined that the customer's primary residence is one of the factors that are considered in the credit analysis and approval. The Company will consider giving loans to customers whose residences are in the provinces where the Company's branches are located or in the provinces with specified distances from the branches only. The branch employee will go to the local area to verify the customer's history and the Credit Control and Approval Department will call customers directly to verify and confirm the information. The customer's history will be checked against the Company's black list and credit information of the customer will be checked at the National Credit Bureau prior to credit approval. In the event that the customer defaults on payment beyond the period specified by the Company, the Company's policy is to follow up and seize the collateral under the contract with the Company without delay. The Company will negotiate with the customer using reasonings and ask the customer or the person who has possession over the vehicle at that time to sign a memorandum regarding delivery of vehicle or a letter requesting for return of hire-purchased

vehicle and agreement to be responsible for any damages, together with delivering the vehicle. The conditions of the collateral shall be inspected and a photo of the collateral at that time shall be taken as evidence.

(2.4) Risk of the value of assets held for sale is lower than the outstanding debt or inability to sell assets held for sale

The Company has assets held for sale due to breach of contract and non-payment of outstanding balance by customers. As a result, the Company has assets held for sale in order to repay outstanding debts of such customers. The Company, therefore, cannot guarantee that: (1) There will be no damage to the vehicle used as collateral while in the customer's possession. Any damage to the vehicle may result in a significant impairment in the value of the vehicle; (2) The value of the collateral through auction sale will cover the outstanding debts under each contract. The value will depend on conditions, age and popularity of the brand, model, market conditions, and demand for such vehicle at that time; (3) In the event that there is outstanding debt after the auction sale, the Company may have additional expenses from following up on the outstanding debts or may incur legal costs and if the Company cannot claim the customer or the guarantor to pay the difference of the outstanding debt, or in the event that the Company expects that the cost of debt collection will be higher than the expected cash inflow, the Company may consider not to follow up on the debt. As a result, the Company will incur a loss from the sale of assets held for sale.

However, the Company has a strict policy for credit analysis and debt collection by comprehensively considering important factors to assess the borrower's qualifications and the conditions of the collateral, including but not limited to purpose and suitability of the use of the vehicle, the main address of the borrower, occupation, brand, model, year of production, and market price of the car etc. In addition, the Company has auction channels through: (1) the Company's 7 auction centers in Chiang Mai, Chiang Rai, Khon Kaen, Nakhon Ratchasima, Phrae, Suphan Buri, Phitsanulok; and aims to increase the 4 auction yards in 2024 in Surat Thani, Ubon Ratchathani, Udon Ratchathani and Udon Thani.



(2.5) Risk of malfunction, interruption or damage to information technology system during business processes

The Company has invested and developed information technology system for use in various business processes. The business processes include credit analysis, record of customer information, calculation of installment payment, preparation of loan contracts, debt collection and monitoring of debt, management and storage of contract information, sale of collateral, accounting and finance management, human resources management, and legal proceedings. The Company will use information from such information technology system to prepare a report for the management (Management Report) and financial statements and analysis of the Company's operating performance and financial positions.

If the information technology system malfunctions, is interrupted or damaged due to the Company's business operations, or events beyond the control of the Company such as natural disaster, network problem, power outage, hardware problem, cyber security threats etc. Such event may cause data loss, inability to access information in the information technology system, or data leakage. As a result, efficiency in the Company's business operations will decrease, creating delays or interruptions, which may cause financial loss or resulting in lack of confidence in the Company's business operations from customers, and adversely affect the Company's reputation. Such factor may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

However, the Company has a policy to maintain information security in order to prevent any damage that may occur to the Company's information technology system. The efficiency of the information technology system is checked. The information technology security is regularly reviewed and improved to be in line with the changing environment, including establishing a business continuity plan and an IT disaster recovery plan (IT DRP) with a rehearsal on implementation of the plans to respond to emergencies at operational level. The right to access information and information systems is determined according

to the authorities and responsibilities of each level of employees. Password is determined for access and the Company has personnel with expertise to inspect, improve and control operations of the information technology system in order to prevent and solve any problems that may arise within a reasonable time and limit any damages.

(2.6) Risk of reliance on senior management and key personnels with expertise and experience in various fields in the business

The Company relies on a team of senior management with experience and expertise in the industry in managing the Company's business, including professional management team in the financial industry, loan service business and other industries for a long period of time. If the Company is unable to motivate and retain senior management and key personnel or unable to recruit replacement or additional personnel within a suitable time period for such change, there might be a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

The Company has established a succession plan and a career development program to develop potential personnel within the organization and recruit potential personnel from outside the Company for executive-level personnel and other key positions so that the Company is able to recruit key personnel to replace them within an appropriate period of time. In addition, the Company has allocated compensation suitable for the knowledge and capabilities of each position of which the Company believes that it can be compared with other operators in a similar industry.

The Company relies on personnel with expertise and experience in operating the Company's business in multiple processes, including but not limited to data analysis for credit approval, valuation of collateral, debt collection, and preparation and analysis of financial, accounting and legal information etc. The Company's inability to recruit or retain personnel with knowledge and expertise may have a negative impact on its operations. Such circumstance may result in incorrect credit analysis and consideration, inaccurate assessment on the customer's ability to repay debt or appraised value of the asset is not in accordance with conditions of the asset etc.



The Company cannot guarantee that it will be able to recruit or maintain personnel with skills, knowledge, expertise and experience that is sufficient and suitable for the Company's current operational needs or can support future business expansion plans. The recruitment or development of personnel which does not keep up with the Company's needs in expanding the business according to the strategic plan or the inability to recruit personnel to replace important positions which may suddenly retire, relocate or resign may cause the Company's operations to be inconsistent, inefficient or interrupted, or the Company may incur additional costs by offering additional compensation and benefits to attract and retain key personnel with experience and competence. Such factors may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

However, the Company is determined to continually recruit and develop the quality of its personnel to increase their capabilities. The recruitment and selection of employees will be based on educational qualifications, knowledge, relevant training courses, and skills related to the job position. In addition, the Company has an annual training plan in each department to transfer knowledge to employees and requires personnel at all levels to attend regular trainings on knowledge and skills relating to their operations. Performance assessment are carried out to acknowledge strengths and weaknesses of the personnel, including adjusting the method of development and improvement of competence as appropriate. To attract and retain qualified and competent personnel in its business operations, the Company has established a fair compensation and welfare structure in line with the responsibilities and expertise of personnel and can compete with businesses in the same industry. The Company also creates a good working atmosphere and work motivation such as rewarding employees for good performance, annual bonus payment and other welfare etc.

(2.7) Risk of fraud by employee in the Company's main activities such as credit analysis and approval, payment installment, cash storage, and debt collection etc.

The Company has opened branches to support the provision of loan and installment payment services by customers for fast and efficient services that can compete with other service providers. The Company's main activities will occur at the branches, including such credit analysis and approval, acceptance of installment payment, cash storage, debt collection, and custody of assets etc. Such activities may provide an opportunity for fraud such as credit approval for non-qualified individual, embezzlement or forgery of documents etc.

The Company has a strict policy and measures to prevent fraud by employee and continually communicate such policy and measures to its personnel so that its personnel understand the measures and penalties for fraud. The Company has established internal control measures in each operating process. There is a separation of duties of branch employees and the Credit Control and Approval Department. The approval authority is determined according to the procedures under the operating manual. The loan application, supporting information, and customer identification are checked every time before credit approval. There is also a check on cash on hand at the end of the day at each branch.

In addition, the Company has engaged KPMG Phoomchai Business Advisory Limited ("KPMG") as its internal auditor whose role is to regularly and independently audit the operations of branches and departments. There is a random check on the branch operations. The results of the audit will be reported directly to the senior management and the Audit Committee for acknowledgment. There are channels for reporting whistleblowing. The Company's internal and external stakeholders may directly report any clue or complaint to the Office of the Company Secretary via comment box, mail, telephone at 1361, email whistleblower@hengleasing.co.th or through the Company's website www.hengleasing.com. A report on risk of corruption is also prepared to monitor such risk and the senior management and the Risk Management Committee is reported in order to reduce opportunities for corruption and corruption can be detected in a timely manner.



The Company has been certified by the Thai Institute of Directors (IOD) to be a member of the Private Sector Collective Action Coalition Against Corruption (CAC). Such certification is valid for a period of 3 years, effective on 31 March 2021.

(2.8) Risk of loss or damage to loan contract or collateral document due to theft, fire or other natural disasters

The Company keeps original loan contracts, vehicle registrations and land title deeds which are collaterals of the contracts at the Company's head office and makes copies of such contracts and stores them in the Company's information system to increase efficiency in information management and provide access of information to employees for operations. However, the Company cannot guarantee that the original loan and collateral contracts or information stored in the Company's information system will not be damaged or lost due to occurrence of the abovementioned factors in the future as the abovementioned events are beyond the control of the Company.

The Company is highly aware of the importance of contracts and collateral documents and has established a policy and procedures for keeping contract and collateral documents. The Registration and Contracts Unit/branches are responsible for controlling completeness and overseeing storage of loan contracts and collateral documents. Documents are systematically stored in designated room for storage of contracts and collateral documents. Copies of contracts and collateral documents are also stored in the Company's information technology system and the information is regularly back up on the Company's redundant servers. There are regular audits and improvements of the information system to maintain system efficiency.

(3) Financial risks

(3.1) Risk of reliance on credit from financial institutions and obligations to comply with financial covenants as stipulated in the loan agreements

The Company currently has 2 main sources of funds to support its loan services business which include loans from financial institutions and funds from the Company's shareholders. The risk of being reliance on any one financial institution is mitigated by procuring funding from 6 commercial banks in Thailand. The Company has good relationship

with such financial institutions and the Finance Department is required to monitor the status of the business in maintaining financial ratios and regularly report to the relevant executives to ensure that the Company is able to comply with financial covenants under the existing loan agreements with financial institutions. In addition, after the initial public offering (IPO), the Company has additional sources of funds from offering of its ordinary shares. Part of the proceeds from the IPO is intended to be used as a source of funds for supporting operations and growth of the Company's business.

(3.2) Risk from difference in credit term and borrowing period (Mismatch fund)

The Company's loan service business requires a high amount of capital. The Company's main sources of fund for loan services include short-term and long-term loans from financial institutions, shareholders' capital, proceeds from capital raising in the stock market, and cash flow from operations. The Company may not have sufficient liquidity to meet due dates of loans or other liabilities at all times. There are factors that may negatively affect efficiency of the Company's cash flow management, including changes in macroeconomic conditions, financial markets, and government policies relating to the Company's business operations, both directly and indirectly, efficiency in credit analysis, collection and monitoring of the Company's debts etc., which may cause the Company's loan services not being in accordance with the strategic plans or goals. The Company's cash flow from operations may not be sufficient to repay loans from financial institutions or there may be a period that does not correspond to the due date of loan, which negatively affects the Company's liquidity.

Inefficient capital and liquidity management may result in the Company not being able to procure funds to support the Company's business operations and business expansion plan at appropriate cost and conditions, or may not able to procure additional funds at all, which may have a negative impact on the Company's business, performance, financial positions, and business opportunities.

The Company's liquidity management policy includes: (1) preparation of monthly cash flow projections; (2) closely monitoring of debt collection and cash flow from operations;



(3) procurement of funds from bank loans in accordance with the Company's lending plan; (4) procurement of funds at the level that is in line with the Company's loan growth so that the Company has sufficient funds to repay short-term and long-term loans under the loan agreements. In addition, reports on the Company's cash flow analysis shall be prepared on a regular basis. The Company is confident that it can manage sufficient cash level to support its business operations and repay loans from financial institutions. In the past, the Company has always had a good relationship with financial institutions and never faced any financial problem nor defaulted on loan repayment.

(3.3) Risk of interest rate fluctuations while the Company's interest income from loans with vehicle registration as collateral and personal loans is subject to the maximum interest rate as prescribed by the Bank of Thailand.

Finance cost is an important cost in the Company's business operations because the Company's main income is from interest receive on loans and the interest rate cannot be adjusted during the contract term.

In addition, the Bank of Thailand supervises personal loan with vehicle registration as collateral, personal loan without vehicle registration as collateral, and regulated retail loan for occupation. The Bank of Thailand also imposes a maximum interest rate of which the Company can charge its customers, while short-term and long-term loans from financial institutions, which is the Company's main source of funding, charge floating interest rates. The Company cannot guarantee that it can maintain the current loan interest rate or will be able to find funding at a better interest rate. The increase in borrowing rates may be caused by changes in the Bank of Thailand's interest rate policy, changes in credit policy of commercial banks or changes in the Company's risks etc.

In the event that the interest rate increases, the cost of borrowing will be higher. This causes a decrease in the nominal spread between interest income and interest expense. In addition, this may affect financial stability and ability to pay off loans by debtors who have other debt obligations with floating interest rates. This can result in higher default rates and lower average debt repayments, which may have a negative impact on the Company's business, performance, financial positions and business opportunities.

(4) Compliance risks

The Company operates: (1) hire purchase; (2) regulated personal loan with vehicle registration as collateral; (3) mortgage loan; (4) regulated personal loan without vehicle registration as collateral; (5) regulated retail loan for occupation; and (6) non-life and life insurance broker to retail customers under the service mark "Heng Leasing" through the Company's branches. The Company's business is subject to various applicable laws and regulations, which have different limitations, obligations, and criteria in respect of business activities. The Company's business operations are under the supervision of relevant agencies such as the Ministry of Finance, the Bank of Thailand, the Office of the Consumer Protection Board, the Anti-Money Laundering Office, the Office of Insurance Commission, the Department of Business Development, Ministry of Commerce, National Credit Bureau Co., Ltd., and the Department of Provincial Administration, Ministry of Interior, and other related agencies. Such agencies may impose penalties against the Company and its personnel if it is found that any business operations violates applicable laws, rules, regulations and requirements or is in a manner that may cause an offense against any obligation as prescribed by the laws, including public or non-public accusations, fine, proceeding, or in severe cases, there might be a suspension or revocation of the relevant business license or legal action may be taken against the Company.

The regulatory agencies under the relevant laws will continually revise and amend the regulations, particularly the Bank of Thailand. There will also be an inspection on the Company's operations which may result in an exercise of discretion whether the Company has fully complied with the applicable laws, announcements, standards or practices, and conditions under its licenses (collectively, the "Applicable Laws"). As a result, the Company may have to change its work procedures and/or policies to comply with the Applicable Laws and/or orders of the regulatory agencies. This may significantly affect the Company's operating performance and business operations.

The Company gives importance to and is aware of the aforementioned risk. Therefore, the Company has established a compliance unit with specialized knowledge to supervise, control and



monitor the operations of various departments within the Company to be in accordance with the laws. The Compliance Unit is assigned to analyze impacts, plan and assess key risks associated with compliance with the Applicable Laws, including setting guidelines for control measures, recommendations and preventive measures to reduce the risk to an acceptable level and to continuously develop the organization's risk management system to be effective. The Compliance Unit also keeps track of amendments to laws, regulations and announcements relating to the Company's business operations. If necessary, the Company may hire an external legal advisor to provide legal advice and opinions so the Company is able to continue its business operations according to the laws on an ongoing basis.

(5) Risk from business environment

5.1 Risk of credit assistance measures to support customers affected by the Covid-19 outbreak announced by the Bank of Thailand that may affect the Company's cash inflow and the ability to repay debts

With the spread of Covid-19 in the year 2021, the Bank of Thailand announced an extension on credit assistance measures to support borrowers. Therefore, the Company implemented measures to assist borrowers. In respect of hire purchase loans, the Company offered borrowers who joined the program to pay each installment in a decreased amount by 50% for a period of 12 months. In respect of regulated personal loans with vehicle registration as collateral and long-term loans, the Company offered borrowers who joined the program to each installment in a decreased according to the ability to pay debts but not lower than the interest charged for a period of 12 months.

However, the aforementioned measures affect the Company's cash inflow and the Company cannot guarantee that, after the end of the assistance measures, borrowers will have the ability to repay their debts similar to before the Covid-19 pandemic. The borrowers' decreasing ability to repay debts may result in the Company's failure to collect debts as targeted and the Company may have to set additional allowance of expected credit loss. However, the Company has set management overlay to cover risks that may occur after the aforementioned measures have ended, including closely monitoring the status of borrowers participating in the assistance measures.

According to the Company's policy, debt collection report is prepared every day at the end of the day and at the end of the month to manage efficiency of debt collection in a timely manner and reduce risk of non-performing loan (NPL).

5.2 Environmental, Social, and Governance risk

At present, entrepreneurs around the world expect to partner with businesses that operate whilst preserving the environment. The Company has a vision of operating a profitable business while promoting society and being friendly to the environment. Therefore, it is a challenge for the Company to find suitable methods in managing along this vision. In this regard, sustainability risk or ESG risk plays an important role in affecting the ability to generate profits, competition, image, reputation or even the survival of the Company. Giving importance to sustainability risk management represents readiness in prevention and adaptation in handling various risks.

The Company places great emphasis on sustainability risk and can apply ESG principles to business practices. Apart from creating a good corporate image, the fact that the Company has a good policy and guidelines for managing resources and is environmentally friendly also helps reduce the Company's expenses. The Company's quality and transparent internal management with employee welfare and the ability to maintain good relations with employees reduce employee turnover rate and cost of training new employees. It also helps to increase profits, which will affect the value of the Company and contributes to the Company's sustainable growth.

5.2.1 Climate change risk

Currently, global warming affects the world's climate significantly. The changing climate will inevitably affect the way organizations operate. It will cause shifting seasons and changes including droughts, floods, severe forest fires, and extinction of certain wild animals.

In some cases, climate change will have a direct impact on the Company's operations. For instance, floods may affect branch services, storms will result in air pollution (PM 2.5), or drought will affect agricultural productivity and farmer's income. The Company understands our responsibility for environmental issues and has organized a campaign for employees to use natural resources for optimal benefits, including saving water and electricity, caring for the community,



and helping society. Every year, the Company has a plan to protect and conserve natural resources such as planting forests, donating equipment to support the environmental groups, building firebreaks to prevent forest fires, reducing small dust particles, and expanding results in important risk areas.

5.2.2 Human rights risk

Human rights issues have been a global focus for the past few years. The business sector plays a role in promoting human rights through conducting business that improves the quality of life, including development of public utilities to provide convenient access to the people. At the same time, the business sector has the potential to violate human rights of individuals such as having an unsafe working environment in the business premise, emission of pollution which affects human rights in the community etc. Moreover, climate change may pose a threat to human rights due to the changing climate which causes damages to crops and properties. It may affect the rights to life, health, food, and adequate standards of living. The consequences of human rights violations may lead to negative impacts on overall business operations such as the organization image and resistance from the society.

The Company gives priority to employees, communities, and surrounding society. To maintain respect for the human rights of all stakeholders, the Company has appointed a welfare committee at the place of business to represent employees in consulting with the employer to provide appropriate employee welfare within the workplace. The welfare committee has been appointed according to the announcement of the Department of Labor Protection and Welfare regarding criteria and procedure for election of the welfare committee in the place of business. In addition, the Company has a policy of recruiting employees who are mainly local people to create jobs for people in the community. This will allow the Company to understand the needs or concerns of the local community and appropriately bring such needs or concerns into action. In the year 2023, the Company had no human rights risk and human rights complaints from employees or communities and has never been fined by regulators regarding such matters.

5.2.3 Trade partner risk

Business operations of various organizations involve many stakeholders. Trade partners take a part in driving the Company's business to move forward according to the specified goals. If the Company receives adequate, appropriate, and correct support as needed, it will be able to move forward quickly and steadily. Therefore, trade partner management is an important factor in business operations and enhances the quality of life for the Company's stakeholders, including increasing transparency in management of the organization. In addition, managing partners will result in the Company being able to receive quality products and services, enhancing business opportunities, and being able to continually manage trade partner risks. The risks associated with trade partners that may affect the Company's sustainable operations include:

- 1.) Reliance on large trade partner
- 2.) Supplier concentration
- 3.) Reliance on a small number of trade partners
- 4.) Receipt of poor-quality products/services

The Company has established policies and manuals for procurement practices such as bidding, price comparison, channels for recruiting vendors by announcing procurement across the country through public website, approving the selection of shops together with multiple departments to prevent collusion, and evaluation of trade partners and segregation of duties between the person ordering products and the person receiving products. The Company is committed to strengthening good relationships with trade partners along with trade partner management. We communicate with important trade partners for acknowledgement and compliance with the code of conduct of trade partners. The performance of trade partners is assessed at appropriate intervals. For instance, trade partners will be made aware of the Company's expectations etc. In 2023, the Company had no trade partner risk.

5.2.4 Risk of corruption

In addition to economic, social and environmental risks, the Company takes into account a preventive measure for risk of corruption, which is important to every step of the Company's operations. The Company has conducted an



assessment on risk of corruption to identify, assess, and prevent such potential risk and ensure that the risk is handled and managed promptly. The Company's executives from all departments have a duty to cooperate in providing information on risk of corruption that may occur in their departments. The Risk Management Department reviews expenses and related documents for disbursement to government agencies on a quarterly basis. Channels are available for reporting wrongdoings by internal and external stakeholders. Any clue or complaint can be directly reported to the Office of the Company Secretary via comment box, mail, telephone at 1361, email whistleblower@hengleasing.co.th or through the Company's website www.hengleasing.com. A report on risk of corruption is also prepared to monitor such risk and the senior management and the Risk Management Committee is reported in order to reduce opportunities for corruption and corruption can be detected in a timely manner.

The Company has been certified by the Thai Institute of Directors (IOD) to be a member of the Private Sector Collective Action Coalition Against Corruption (CAC). Such certification is valid for a period of 3 years, effective on 31 March 2021 to 31 March 2024.

2.2.2 Risk to investment by securities holders

The investment in the Company's shares can cause investment risks to shareholders because the return on investment may not meet shareholders' expectation and is subject to share prices, share liquidity, and investment conditions. In addition, return in the form of dividend is subject to the Company's operating results from time to time. Therefore, shareholders may receive more or less return on investment than expected. The Company has identified key risks and risk management. However, the Company has other risks that may occur in addition to the risks identified. Shareholders should study the risks and use their careful discretion when making investment decisions by accepting that the Company may not be able to prevent all risks. Other factors such as local and international economic conditions, political situation, capital inflows and outflows, change in government's policy, and other unknown

events may affect the Company's operating results and dividend payments. The Company's risk factors can be summarized as set out below.

(1) Risk of volatility of the Company's ordinary shares, liquidity and trading volume

Price of the Company's ordinary shares, liquidity and trading volume may fluctuate depending on a number of factors, which is beyond the Company's control such as:

- Economic conditions, capital markets, and local and international politics
- Changes to conditions which affect the industry, general economic conditions or stock market or other events or factors
- Natural disaster including earthquake, tsunami, fire, flood, drought, epidemic or other similar events
- Volatility of exchange rates and changes in currency exchange policy enforced by the Bank of Thailand
- Interest rate volatility
- Changes in relevant laws and regulations
- Changes in taxation
- Issuance of, or change in, the Company's estimated performance and recommendations to buy or sell the Company's ordinary shares by analysts
- Difference between the actual financial and operating results and the financial and operating results expected by investors and analysts
- Changes in valuation and share prices of listed companies that operate a business similar to the Company
- Announcement of information of other companies that are in the same industry as the Company
- Sale or selling of a substantial number of shares by the existing shareholders
- Volatility of stock prices in the stock market
- Litigation and investigations by government agencies
- Other risks that may affect the Company's financial positions and operating performance

The above factors and other factors may result in the market price, demand for purchase of the Company's ordinary shares being significantly volatile, which may limit or prevent investors from selling the Company's ordinary shares at a reasonable price and may have a negative impact on the liquidity of the Company's ordinary shares.



(2) Ability of the Company to pay dividends in the future depending on profits, financial positions, cash flow, working capital requirements, and future capital expenditures

The ability to pay dividends on the Company's shares is subject to its future operating performance. The operating performance depends on the success of implementing the strategic plan, financial factors, competition, factors relating to supervision by the relevant agencies, general economic conditions, and other specific factors related to the Company's industry. These factors are beyond the Company's control and past dividends are not a guarantee of future dividends. In addition, the Board of Directors may have a suggestion to decrease or refrain from paying dividends for a particular period as it deems appropriate or the Company may not be able to make profits in the future or the Board of Directors may not approve the dividend payment even if the Company is profitable.

According to the Public Limited Companies Act B.E. 2535 (1982) (as amended), if the Company still has accumulated losses, the Company may not pay dividend even though the Company generates net profit in such financial year. If the Company generates net profit in any year, the Company has a duty under the Public Limited Companies Act and its Articles of Association to allocate part of the annual net profit as reserve of not less than 5.0% of the annual net profit less the accumulated losses brought forward until such reserve is not less than 10.0% of the Company's registered capital. If the Company is unable to generate sufficient profit or if it considers appropriate, the Company may not pay dividends in the future.

(3) Possible restrictions on the exercise of rights to purchase the Company's newly issued ordinary shares in the future for shareholders with a residence outside of Thailand

Although public limited company is not required to offer the first right to purchase newly issued ordinary shares to the existing shareholders when issuing new ordinary shares, public limited company may issue instruments, including newly issued ordinary shares and other types of instruments such as warrants, transferable subscription rights (TSR) or convertible debentures from time to time by allocating to the existing shareholders in proportion to their shareholding. In the event that the Company offers or grants the right to ordinary shareholders to purchase newly issued ordinary shares or any other rights, the Company has the right to exercise its discretion in offering such instrument and may not offer such instrument to ordinary shareholders who reside outside of Thailand. Subject to the applicable laws, the Company may be prohibited from offering instruments to shareholders in certain countries, unless relevant procedures have been undertaken. For instance, the Company may not offer such rights to ordinary shareholders who are U.S. Persons according to regulations under the United States Securities Act of 1933 (as amended) unless: (a) there is a securities offering registration form according to the United States Securities Act; or (b) it is an offer for sale of the right to shareholders which falls under exceptions according to the United States Securities Act. Compliance with securities laws or other regulatory requirements in certain countries may prevent investors from exercising their rights to subscribe instrument in proportion to their shareholding and may reduce the shareholding of such investors. The Company is not obliged to apply for registration of its ordinary shares in any country in order for foreign investors to exercise their rights to subscribe the newly issued ordinary shares in proportion to their existing shareholding in the future.

2.2.3 Risk of investing in foreign stock markets.

-None-



Sustainability Development



Heng Leasing and Capital Public Company Limited developed this report sustainable development report to transparently expose the company's aim and motivation about the significant information and sustainable development performance to all stakeholders. Accordingly, this report covered the operations and development pertaining to ESG: environment, social and corporate governance, happening during the period from 1 January to 31 December 2023.

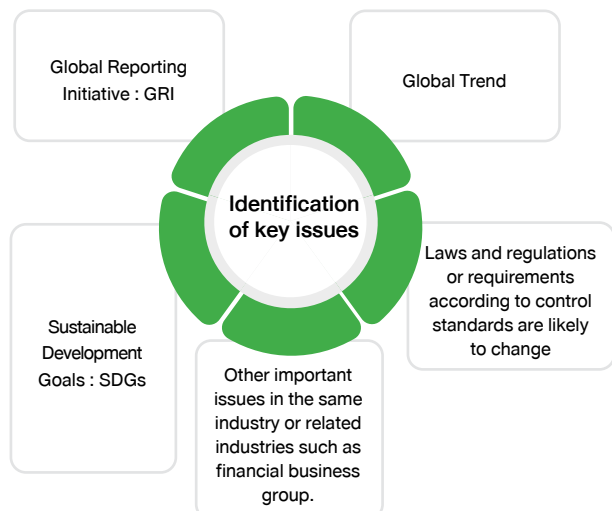
Framework of the development

The company has exposed the information in the form of One Report according to the sustainability assessment of the Stock Exchange of Thailand, which includes 19 topics in the assessment. In addition, the report was developed according to the Global Reporting Initiative G4: GRI. It includes the significant indicators of sustainability. Besides, the company has aimed to achieve the United Nation's Sustainable Development Goals: SDG. Therefore, the strategies for growth have been set to the direction and vision for those goals, which shall be described in details in this report.

Business Strategy and Sustainable Development Goals for the Year 2023

Identification of key issues and evaluate the importance of stakeholders

Corporate Governance and Sustainable Development Committee gathers key sustainability issues based on adjustment of organizational strategy and review. Decision-making resources used to identify issues relevant to business operations and stakeholders, covering economic, social, and environmental dimensions, are :





- Global reporting initiative (GRI)
- Global trend
- Laws and regulations or requirements according to control standards are likely to change
- United Nations Sustainable Development Goals (SDGs)

Other important issues in the same industry or related industries such as financial business group

Prioritization of material sustainability issues

The Company gathered key sustainability issues from sources of information through preliminary screening, along with a survey of opinions and expectations of all groups of stakeholders through answering questionnaires about prioritizing sustainability issues that are important to stakeholders and the organization and reviewing other important issues from the same industry or related industries. The Company's stakeholders, executives, and employees participated in providing opinions on those issues.

Validation and review of key sustainability issues for continuous improvement

The Company presented key sustainability issues to the Corporate Governance and Sustainable Development Committee Meeting No. 1/2022 held on 9 November 2022 to ensure prioritization and consideration of the level of influence on assessment and decision-making of stakeholders along with their significance to economic, social, and environmental impacts. The Company also validates the assessment and prioritization of key sustainability issues, particularly expectations, views and recommendations relating to the organization's sustainable operations to all groups of stakeholders by gathering opinions of stakeholders and holding meetings within the organization to review the sustainability assessment process.

Scope of the report

According to the consideration of business involvement, information readiness, and performance of main operation of the company for this year and 3-year projection.

Other

The "56-1 One Report of Year 2023" is downloadable via <https://investor.hengleasing.com/en/home> For more information, the person in charge for the report is reachable at Miss Natthanant Kittiphonsombun "Company Secretary Office" Heng Leasing and Capital Public Company Limited 69 Moo 7, San Sai Noi Sub-district, San Sai District, Chiangmai Province 50210 ☎ 02-1539582 ext. 8020, 8021, 8022 @ E-mail: CS_Heng@hengleasing.co.th

Vision, Mission & Business Goals

Vision

To become the most preferred financial service provider in each area.

Mission

To provide financial services that respond to the needs of local customers and exceed their expectations and comply with international standards by professional personnel in order to achieve the optimum benefits for customers. To improve product quality, manage and control risks, and continuously improve the quality of personnel for sustainable growth.

Goals

The company is determined to be one of the leaders in the comprehensive credit service business that can respond to the needs of all groups of customers. There are important business goals as follows:

1) To expand the company's service channels for accessibility of the company's products and services thoroughly. The company plans to continuously expand its branches to reach a total of more than 1,200 branches by 2024, covering all regions of the country. and plans to expand to approximately 2,000 branches by 2026.

2. To develop loan services to suit the behavior of each target customer group. The Company's goal is to continuously grow the value of debtors and has the value of receivables of approximately THB 17,000 million within the year 2024.

3. To increase the effectiveness in the control and management of debtor quality by setting control NPL is not over than 2.9% in the year 2023.

4. To develop the Company's personnel to become professional with standards to support the growth of the organization. By which personnel can perform according to the operating criteria of the company Reduce errors in the operation.

5. To develop technology systems to support business growth and increase competitiveness.

6. To drive the organization towards sustainability which is one of the organization's main goals. In 2023, the company received the SET ESG Rating at the level "A" and is still committed to continuous development.



Determining key sustainability topics

The Company has a process for determining important sustainability topics by collecting and prioritizing topics among internal and external stakeholders by comparing topics important to business operations and consistent with the current situation in order to ensure that sustainability management appropriately responds to the importance of stakeholders as well as creating value for the environment, society and corporate governance.



The process for determining important sustainability topics involves the following steps:

1. Specifying the topic

It is a process of determining the key sustainability implications that affect business viability, as well as appropriately evaluating the strategic direction of sustainability operations and the extent of disclosure by capturing material sustainability topics and it will be considered and proposed to the Board of Directors' meeting for approval.

2. Prioritization and evaluate the importance of stakeholders

Prioritizing sustainability topics allows the action plan to be set according to the order in which stakeholders are given appropriate importance.

In considering the issues that stakeholders are interested, The company uses stakeholder analysis management standards under 3 important principles: participation of stakeholders in every sector (Inclusivity), Consideration of issues that are significant to the company and stakeholders (Materiality) and systematic management and disclosure of operating results with transparency (Responsiveness). Each business unit is responsible for analyzing the stakeholders involved in its own operations. The results of each business unit's

analysis will be compiled and analyzed at the corporate level again under the supervision of the Sustainability Governance and Development Committee.

Stakeholder analysis steps

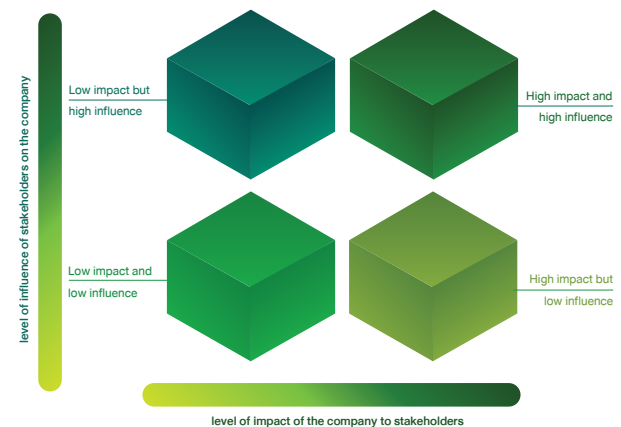
1. Identification of stakeholders By considering various factors such as dependency, responsibility, influence, and other factors as appropriate.

2. Identifying the level of impact of the company to stakeholders By evaluating economic, social and environmental impacts.

3. Identifying the level of influence of stakeholders on the company By evaluating the influence of stakeholders including finances, operations, regulations, reputation and strategy.

4. Grouping of stakeholders Stakeholders are divided into 4 groups according to the level of impact on the company. on stakeholders and the level of influence that stakeholders have on the company.

5. Prioritizing stakeholders By specifying participation methods suitable for each stakeholder group, such as interviews for stakeholder groups that are most affected. and has great influence, etc.



3. Audit

It is an action to confirm that sustainability topics have been appropriately prioritized by considering various relevant factors and completeness before presenting them to the Committees involved in supervision for further consideration.

4. Review

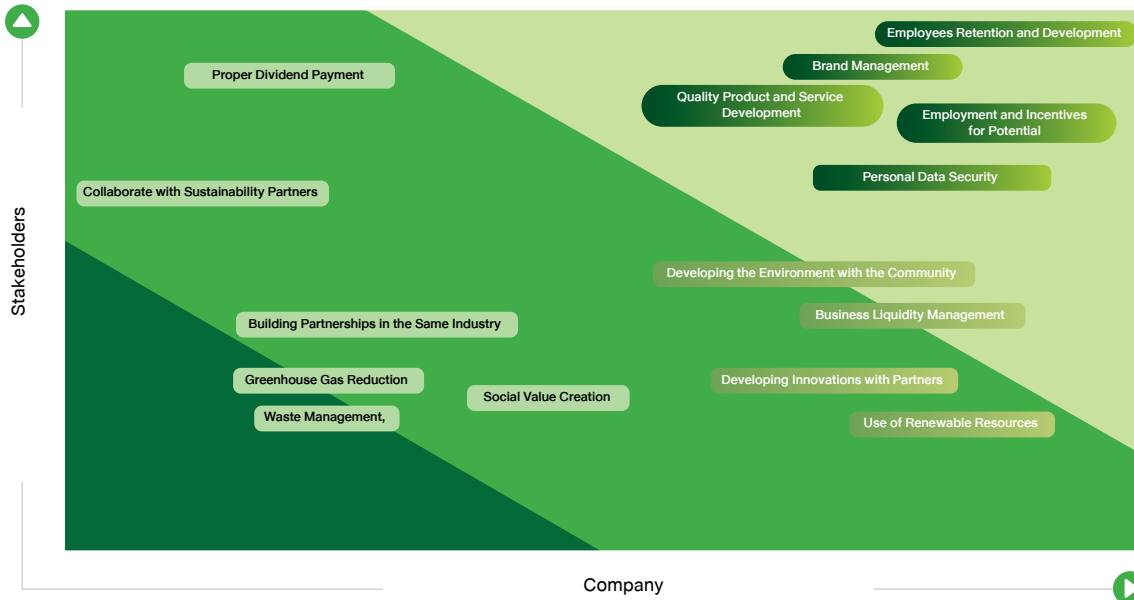
After the publication of the previous report, it will be reviewed and prioritized, including suggestions to improve the content of the report in the next year.



Assessment of significant aspects and identification of sustainability

The sustainability issue significantly impacted in both positive and negative ways on the process of decision-making, operation, performance of the company, as well as the stakeholders in short medium and long terms. This result covered issues of environment, social and governance. The Company discloses material topics that are important to sustainable organizational development related to the environment, social and corporate governance.

Assessment of significant aspects



The Company has prioritized the top 3 sustainability issues for the year 2022. However, that sustainability issues were approved by the Corporate Governance and Sustainable Development Committee No. 1/2022 at November 9, 2022 as follows

1. Employees Retention and Development

The company has always realized that the employees are an important mechanism in driving the organization to the goals as planned. Therefore, the company would support the employee's growth and development in their royal mindsets and affiliation with the company. The company shall provide knowledge enhancement for the employees to grow develop expertise in their career paths.

Goals	Current actions	Strategies to achieve goals	(Sustainable Development Goals : SDGs)
<ul style="list-style-type: none"> Employee satisfaction at 85 percent 100% of employees received training in courses applicable to their roles and responsibilities 	<ul style="list-style-type: none"> Organizing training for employees to develop their knowledge and capabilities Organizing activities to build relationships between employees and executives Employee satisfaction survey for improvements 	<ul style="list-style-type: none"> Having training plan that is consistence with operations by promoting participation in formulating training plan Organizing activities for employees which create opportunities to meet with executives or colleagues to create a good relationship 	<p>GRI401-408</p>



2. Brand management

The company aimed to grow in the domestic market therefore, we would emphasize on branding by continued brand development which included building customers and brand relationship with corresponding concerns; brand awareness, brand preference, brand loyalty and brand advocacy. This was to put the brand into trust-worthy, reliable and memoizable brand to the perception of the customers.

Goals	Current actions	Strategies to achieve goals	(Sustainable Development Goals : SDGs)
<ul style="list-style-type: none"> • Being the most preferred financial service provider in each locality and nationwide • Target for 80% customer satisfaction 	<ul style="list-style-type: none"> • Providing financial knowledge to the community • Providing IT knowledge to educational institutions • Conducting customer satisfaction surveys • New innovations to promote products such as digital platform • Product development to create a variety of products that responds to customers' needs, such as loans which focus on giving high credit limits to customers who require a lump sum to be used for transactions or loans with fast approval for customers who need fund urgently etc. • Solve environmental problems by organizing volunteered to protect and solve the problem of smog and fire sparks with community by HENG volunteer project. • The company have the marketing activities with distributing drinking water to communities. 	<ul style="list-style-type: none"> • Social activities planning • Market development by expanding to new areas to increase the lending amount • Appropriate development and improvement of products including loans for purchase-sale, secured loans, and unsecured loans 	<p>GRI202, GRI203, GRI206</p>

3. Personal Data Security

The Company respects and recognizes the importance of personal data protection according to the Personal Data Protection Act B.E. 2562 (2019) to gain trust and confidence from customers that the Company will collect, use, and disclose their personal data according to the purposes set out in the personal data protection policy. The Company has established a policy and guidelines for the protection of personal data for customers to be informed about collection, storage, usage, disclosure of personal data, rights of personal data owners, and the Company's practices and announced the personal data protection policy and guidelines for information.



Goals	Current actions	Strategies to achieve goals	(Sustainable Development Goals : SDGs)
<ul style="list-style-type: none"> Personal information held by the Company is appropriately protected in accordance with the applicable laws 	<ul style="list-style-type: none"> Providing training to educate employees on the Personal Data Protection Act B.E. 2562 (2019) Establishment of the Company's personal data protection working group Communication and review of policies and practices regarding personal data protection on a regular basis Manage personal data internally to be more efficient and regularly review records of processing activities. 	<ul style="list-style-type: none"> Encouraging staffs to apply knowledge of personal data protection in the Company's operations 	<p>GRI418</p> 

Scope of key sustainability

Proper Dividend Payment	Key Issue	GRI	Scope of impact	
			Internal	External
Economy	• Brand Management	GRI 202	✓	Customers and Trade Partners
	• Quality Product and Service Development	GRI 203		
	• Business Liquidity Management	GRI 206		
	• Building Partnerships in the Same Industry			
	• Developing Innovations with Partners			
	• Proper Dividend Payment	GRI 201	✓	Shareholders
Corporate governance	• Personal Data Security	GRI 418	✓	Customers and Trade Partners
Society	• Employees Retention and Development	GRI 401	✓	Society and Regulators
	• Employment and Incentives for Potential	GRI 402		
	• Follow human rights principles, such as not supporting child labor. sexual harassment non-discrimination	GRI 403		
		GRI 404		
		GRI 405		
		GRI 406		
		GRI 407		
		GRI 408		
	• Collaborate with Sustainability Partners	GRI 203	✓	Trade Partners
	• Social Value Creation	GRI 413	✓	Community Society
Environment	• Developing the Environment with the Community	GRI 302	✓	Community Society and Regulators
		GRI 303		
	• Greenhouse Gas Reduction	GRI 304		
	• Waste Management	GRI 305		
	• Use of Renewable Resources	GRI 306		
		GRI 413		



3.1 Sustainability management policies and goals

Sustainable management policy

The company has a policy to operate business in accordance with sustainable development guidelines as of UN Sustainable Development Goals 2030 (SDG 2030) by creating a balance of economy, society, environment, and cooperate governance, as part of business strategies for short-term and long-term goals for stability and suitability. The corresponding actions showed through the realization of responsibility and the creation of values with all stakeholders as formed by this guideline.

1. Taking into account the balance of the economy, society, environment, and cooperate governance, which includes all stakeholders involving in the growth of business sustainability.

2. Creating the awareness of the sustainable management policy as well as supporting all

actions applied towards sustainability in order to reduce the impact to the operations along the value chain.

3. Continuously promoting the development of innovation and technology in the operation in order to achieve the benefits to sustainable society and environment.

4. Disclosure of policies, management guidelines, and operation with transparency as well as being a good model for behavioral change towards the sustainability culture of the business.

5. Adhering to human rights by creating equality and equality to inside and outside of the organization, as well as being respectful to all stakeholders with fairness following the fundamentals of human dignity, no racisms, no discrimination based on ethnicity, genders, language or religious belief.





3.2 Management of effects towards stakeholders in the business value chain







3.2.1 Business value chain

In the business value chain management process, the company paid high attention in every process, obtain the effective management of the business value chain. Regarding this matter, the company has arranged the process of seeking suitable funding sources, selecting the corresponding personnel and location of the establishment, training for employees, public relation for customer accessibility to our services based on their demands. When a customer would like to apply for a company loan, the company undertook the credit analysis and loan consideration according to personal data, which were securely kept based on security standards. Also, for the following up process of debt repayment, the company would proceed with legal standards and fairness for the customers.





Primary Activities are the 7 core activities in the business value chain which are involved continuously based on context of the business – the details are shown below in the table.

Activities in the business value chain	Identification of related activities	Identification of stakeholders
1. Financing 	<ul style="list-style-type: none"> • Provision of funds from financial institutes or other source of funding with reasonable costs • Profits from business operation 	<ul style="list-style-type: none"> • Creditors • Shareholders • Customers
2. Selecting locations 	<ul style="list-style-type: none"> • Consideration of proper locations which also suit the business operation • Consideration of expenses, which had to be in accordance with market prices 	<ul style="list-style-type: none"> • Partner/lessor • Employees who were in charge of location finding
3. Personnel management 	<ul style="list-style-type: none"> • Supplying local employees • Employee training • Consideration of employees' per diem payment and benefit • Operate according to human principles 	<ul style="list-style-type: none"> • Employees • Partners/Recruiters
4. Marketing Public Relations Management and Response to customer demands 	<ul style="list-style-type: none"> • Consideration of marketing and PR strategies targeting what customers need • Marketing communication • Development of products and innovation • Evaluating customers' satisfaction 	<ul style="list-style-type: none"> • Customers • Communities • Employees • Shareholders
5. credit analysis and consideration 	<ul style="list-style-type: none"> • Setting credit/loans criteria • Credit analysis • Assessing credit risks 	<ul style="list-style-type: none"> • Customers • Employees • Governmental agency
6. Debt collection 	<ul style="list-style-type: none"> • Acceptance of credit service payment • Debt collection 	<ul style="list-style-type: none"> • Governmental agency • Employees • Partners • Customers

Supporting activities



Supporting activities are those which support the main activities to achieve the goals. Such activities have been performed with careful considerations, in compliance with management criteria, internal control, and appropriate risk management, such as development of information technology and preparation of financial and accounting system etc.







3.2.2 Value Chain and Stakeholder Analysis

Achieving good operating performance, efficient business operations and good governance are not only internal considerations, but also involve a variety of stakeholders who are related to the Company's business operations. Therefore, communicating with stakeholders through various channels, analyzing information obtained from such communication, determining needs from those stakeholders, and responding to them are all important parts of the Company. The Company must take such matters into account in formulating a strategic plan that can meet the needs and create cooperation with all sectors in running business smoothly, along with the development towards the sustainability of the Company and all stakeholders. Therefore, the Company has divided the groups of stakeholders to cover all dimensions, including internal and external dimensions, taking into account participation, impact on



operations, and the Company's performance for optimal benefits to all parties. Therefore, the groups of stakeholders are categorized into 8 main groups: 1) employees; 2) shareholders; 3) customers; 4) trade partners; 5) creditors; 6) competitors; 7) society, community, and environment; and 8) public sector. Since the expectations of each stakeholder group are different, the Company's response and communication channel must be appropriate and consistent with the needs of each group of stakeholders, as stated in the summarized table below.

Stakeholders	Channel of participation	Expectation of stakeholders	Response towards the expectation of stakeholders
Employees  Level of importance of stakeholders : High	<ul style="list-style-type: none"> All levels of employee meeting Reporting information, clues and complaints Survey of employees' satisfaction Establishment of committees as stated by laws 	<ul style="list-style-type: none"> Development of knowledge and stability, advancement in career paths Reasonable compensation and fair to work/tasks Obtaining adequate and appropriate welfare Communicating needs, opinions and complaints Comply with human rights principles 	<ul style="list-style-type: none"> Selecting local employees to generate income for the people in the areas Training for knowledge development Internal activities of the company Arrangement of the activities so that the employees could engage in social giving and environment caring Development of innovation to enhance effectiveness of working Against child labor Respect equality and do not discriminate Consider safety and the operating environment
Shareholders  The importance level of Stakeholders : Moderate	<ul style="list-style-type: none"> Shareholders meeting Analysts meeting Disclosure of information Contacting Investor Relations Reporting information, clues and complaints 	<ul style="list-style-type: none"> Conducting business with transparency and efficiency Stable business, continuous growth, good returns Equitable treatment of all shareholders Recognizing information correctly complete and up-to-date 	<ul style="list-style-type: none"> Organizing the management structure under good corporate governance Conduct business with prudence for sustainable growth concrete risk management and anti-corruption in all cases proper dividend payment without affecting future investment plans



Stakeholders	Channel of participation	Expectation of stakeholders	Response towards the expectation of stakeholders
Customers  Level of importance of stakeholders : High	<ul style="list-style-type: none"> • Providing credit loan services through branches or loan services via online channels • Reporting information, clues and complaints • Survey of satisfaction in services or products 	<ul style="list-style-type: none"> • Receiving suggestion and services reasonably and in-time • Keeping information of the customers confidentially and properly • Solving problems, healing and listening to suggestions with willingness, fairness and promptness • Developing quality in sale and service presentation of the sale representatives to be in accordance with market conduct • Comply with human rights principles 	<ul style="list-style-type: none"> • Development of products and services including benefits to meet the customers' needs • Properly providing services with willingness according to customers' needs • Listening to customers' complaints of channels • Providing customers to assess the services of the company • Supporting the anti-corruption policies continuously • Development of Legal retention of customer information
Partners  The importance level of Stakeholders : Moderate	<ul style="list-style-type: none"> • Offering sale services • Conducting agreement • Reporting information, clues and complaints 	<ul style="list-style-type: none"> • Transparent and verifiable procurement • Fair contract/agreement • Developing partners to achieve sustainable growth with the company • Comply with human rights principles 	<ul style="list-style-type: none"> • Process of partner selection and partner performance evaluation • Setting clear and transparent criteria with non-discriminatory • Supporting the anti-corruption policies continuously • Building good relationship and paid high attention in Developing Innovations with partners • Against child labor
Creditors  The importance level of Stakeholders : Moderate	<ul style="list-style-type: none"> • Agreeing in contracts • Meeting with the creditors • Reporting information, clues and complaints 	<ul style="list-style-type: none"> • Conducting as stated in the contracts 	<ul style="list-style-type: none"> • Fair and transparent treatment towards the creditors in accordance with rules and signed contracts • Management of financial liquidity
Business rivals  The importance level of Stakeholders : few	<ul style="list-style-type: none"> • Reporting information, clues and complaints • Attending meetings of related associations of business operation 	<ul style="list-style-type: none"> • Business operations with fair and transparent competition 	<ul style="list-style-type: none"> • Operating in accordance with the Company's Code of Conduct • Establishing business partnership for development business in the same industries



Stakeholders	Channel of participation	Expectation of stakeholders	Response towards the expectation of stakeholders
Society, Community and Environment  The importance level of Stakeholders : Moderate	<ul style="list-style-type: none"> Arranging activities for community, society and environment Reporting information, clues and complaints 	<ul style="list-style-type: none"> Collaboration in community and social development Supporting community's activities Operating business with cares toward society community and environment 	<ul style="list-style-type: none"> Assessment and analysis of the impact of the Company's business operations on the community Organizing activities that promote the relationship between the Company, surrounding community, society, and environment Encouraging people in the community to access financial services and manage their finances effectively
Government  The importance level of Stakeholders: High	<ul style="list-style-type: none"> Arranging meeting to hear policies and practical guideline for good corporate governance Receiving check with government agencies Reporting information, clues and complaints 	<ul style="list-style-type: none"> Conducting work following the rules and related laws Operating the business with responsibility 	<ul style="list-style-type: none"> Conducting work following the rules and related laws Providing cooperation in terms of giving access to information upon request

Progress of operations towards the 2023 sustainability goals

No.	Subject	2023 Goals	Result
1	Fuel use goal	<ul style="list-style-type: none"> Fuel consumption per number of branches is not higher than the average of last year. 	<ul style="list-style-type: none"> Gasoline usage of 36,006.77 liters compared to the number of branches of 42.26 liters per branch. Increased from last year at 4%. Gasoline usage of 191,074.769 liters compared to the number of branches of 224 liters per branch. Not increased from last year.
2	Electrical energy use goal	<ul style="list-style-type: none"> Use electrical energy from other sources or electrical energy use per number of branches reduced by 1 % from use in 2022. 	<ul style="list-style-type: none"> 4,362,922.16 kWh compared to the number of branches 5,120.80 kWh per branch. Increased from last year by 3%
3	Water use goals	<ul style="list-style-type: none"> Use water resources from other sources or use water resources per number of branches reduced by 1 percent from use in 2022. 	<ul style="list-style-type: none"> Water usage of 38,583,000.00 liters compared to the number of branches of 44,246.56 liters per branch Decreased 13.31%
4	Reducing non-hazardous waste, managing garbage, waste and/or reducing pollution such as separating recyclable waste (recycle) to reduce greenhouse gas emissions. *Measurement only at head office	<ul style="list-style-type: none"> Proportion of non-hazardous waste that is disposed of by reusing or reusing by separating recycled waste (Recycle) will increase by not less than 1 times in 2022. The amount of non-hazardous waste and non-hazardous waste decreased in the proportion of 1 percent from the total amount of waste from the previous year. 	<ul style="list-style-type: none"> The amount of waste recycled by sorting recycled waste is 1,804 kilograms. Increased on average by 0.54 times per month (calculated from the monthly average because data on recycling waste separation in 2022 is not a full year). The amount of non-hazardous waste increased by an average of 15 % per month, but the amount of plastic bottle waste decreased by 27 % because the company had a campaign to use glass bottles.



No.	Subject	2023 Goals	Result
5	Greenhouse gas reduction goals containing scope nos. 1 and 2.	<ul style="list-style-type: none"> Decreased by 3.75 % per number of branches compared to the previous year. 	<ul style="list-style-type: none"> Amount of greenhouse gas 2,786,492.93 kgCO₂ e Amount of greenhouse gas average 3,195.52 kgCO₂ e Per Branch Increased 4.71%
6	Greenhouse gas reduction goals containing scope no. 3	<ul style="list-style-type: none"> Decreased by 2.5 % per number of branches compared to the previous year. 	<ul style="list-style-type: none"> Amount of greenhouse gas 45,715.77 kgCO₂ e Amount of greenhouse gas average 52.43 kgCO₂ e Per Branch Increased 11.74%
7	Employee satisfaction percentage	85%	84.41%
8	Reduce accidents from work to zero. (Only accidents that occur within the establishment)	0	0
9	Percentage of average employee training hours in knowledge/skill groups that require employee potential development.	50	100
10	Percentage of customer satisfaction	80	95
11	Work operations that do not significantly comply with laws, regulations, and requirements.	0	0

3.3 Sustainability management in environmental dimension

3.3.1 Environmental policies and practices

Environmental management policies

The Company has policies and guidelines for conducting business in accordance with the UN Sustainable Development Goals 2030: SDG 2030 by creating a balance in the economy, society, environment, and corporate governance to be consistent with the Company's strategies, both in the short term and in the long term, with stability and sustainability, and realizing responsibilities and creating shared values with all groups of stakeholders:

Environmental governance

1. The Board of Directors determines and decides the direction of the organization's operations that includes the issue of climate change and environment then give orders to the management team.

2. Senior executives are leaders in reaching challenging goals of every business group towards net zero greenhouse gas emissions. Setting short term, medium term and long term goals to provide environmental projects reducing greenhouse gas emissions can happen quickly.

3. Corporate Governance and Sustainable Development Committee provide the direction, goals, operations and development framework and following up on the company's performance.

4. Risk Management Committee responsible for creating a system and culture of risk assessment and management that will impact the company.

Environmental management

The Company places importance on environmental conservation. We are strictly committed to operating the business in accordance with the laws, requirements, and regulations relating to the environment, including energy and water usage, and management of waste, pollution, and natural resources. The Company also encourages employees to be conscious and participate in showing responsibility for the overall environment. The short-term goal is to use resources cost-effectively and efficiently and the long-term goal is to use renewable energy in the organization in a way that would reduce greenhouse gas and the impact on the environment.



In addition, the Company encourages the evaluation of trade partners to purchase products that are environmentally friendly, energy-saving, and cost-saving by choosing products that have been assessed and verified to meet environmental standards according to the requirements announced by the Green Label committee. The company is one of the organizations that received the 2023 National Green Office Award, passing the evaluation criteria at the level of “Very Good”, reinforcing the company’s commitment to business operations that are ready to move towards. To be an international model office as a business organization that operates in tandem with environmental and social sustainability.

Environmental practices

- Create the awareness of using natural resources wisely and effectively, maintaining the environment, and not to harm environment
- Operate the business with environmental concerns and follow the rules and laws about the environment strictly
- Promote the use of environmental-friendly products to reduce impact to natural resources
- Support and collaborate with other agencies who work on environmental conservation and effective use of natural resources

Environment Goals

No.	Subject	2023 Goals	2024 Goals	2025 – 2030 Goals	2031 – 2050 Goals
1	• Fuel use goal	• Fuel consumption <u>per number of branches</u> is not higher than the average of last year.	• Fuel consumption <u>per number of branches</u> is not higher than the average of last year.	• Fuel consumption <u>per number of branches</u> reduced by the average of last year.	<ul style="list-style-type: none"> • Carbon • neutral Goals in 2050
2	• Electrical energy use goal	• Use electrical energy from other sources or electrical energy use <u>per number of branches</u> reduced by 1% from use in 2022.	• Use electrical energy from other sources or electrical energy use <u>per number of branches</u> reduced by 1 % from use in 2022.	• Use electrical energy from other sources or electrical energy use <u>per number of branches</u> reduced by 3%	
3	• Water use goals	• Use water resources from other sources or use water resources <u>per number of branches</u> reduced by 1 percent from use in 2022.	• Use water resources from other sources or use water resources <u>per number of branches</u> reduced by 1 percent from use in 2022.	• Use water resources from other sources or use water resources <u>per number of branches</u> reduced by 3%.	
4	• Reducing non-hazardous waste, managing garbage, waste and/or reducing pollution such as separating recyclable waste (recycle) to reduce greenhouse gas emissions. • *Measurement only at head office	• Separating recycled waste (Recycle) will increase by not less than 1 times in 2022.	• Separating recycled waste (Recycle) will increase by 5% from total waste	• Separating recycled waste (Recycle) will not less than 50% from total waste	
5	• Greenhouse gas reduction goals containing scope nos. 1 and 2.	• Decreased by 3.75 % per number of branches compared to the previous year.	• Decreased by 3.75 % per number of branches compared to the previous year.	• Decreased by 20 % per number of branches compared to the base year	
6	• Greenhouse gas reduction goals containing scope no. 3	• Decreased by 2.5 % per number of branches compared to the previous year.	• Decreased by 2.5 % per number of branches compared to the previous year.	• Decreased by 20 % per number of branches in 2030 compared to the base year.	
The amount of non-hazardous waste decreased by 1 % from last year.					



3.3.2 Results of environmental performance.

Efficient use of energy and resources

At present, global warming and climate change have received great attention from all sectors, including international organizations, government agencies, private agencies and organizations, and the public. Therefore, the Company supports and promotes awareness and knowledge on the usage of energy and resources. These are the duties of all parties to work together, maintain, and use resources for maximum efficiency.

Guidelines

1. Strict compliance with rules, laws, and regulations relating to usage of energy and resources.
2. Raising awareness of the economical and efficient use of resources.
3. Reviewing the environmental policy on a regular basis.
4. Promoting the use of technology relating to saving energy and resources and applying such technology to business operations.
5. Supporting activities relating to environmental responsibilities for employees at all levels. The Company has therefore prepared an environmental project. This is the starting point for efficient use of energy and resources, and instilling awareness in all employees to be a part of the efficient use of natural resources.

The Company has a policy and guidelines for energy usage and greenhouse gas emission. These include reducing electricity usage, water usage, encouraging cycling to work to reduce fuel consumption, and waste sorting. The Company has communicated the policy and guidelines through campaigns by employees' representatives and electronic mail system within the organization to ensure that employees and related parties are informed and ready to be a part of the utilization of resources for maximum benefits. The policy and guidelines through campaigns by



Heng Save the world Project

The policy and guidelines through campaigns by employees' representatives and electronic mail system within the organization to ensure that employees and related parties are informed and ready to be a part of the utilization of resources for maximum benefits.



Target employees
at HENG's head office
360 person

Objective Campaign for employees to understand and realize global warming crisis and join in rehabilitation and collaboration to change behavior

HOUR FOR HENG - Requesting for cooperation in turning off the air conditioners every Friday for at least 30 minutes before the end of the working day to save electricity. Turn off the lights and the computer screens during lunch breaks.

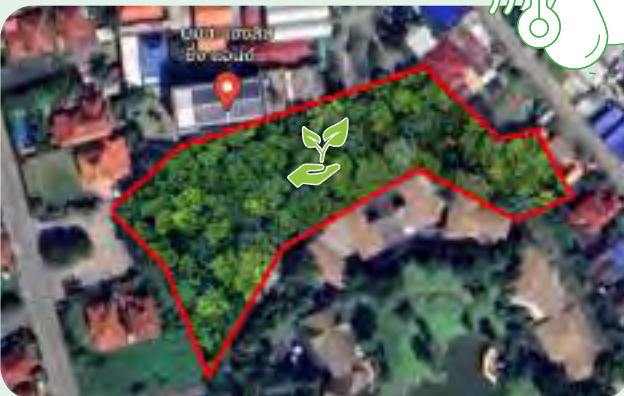
ECO WATER SAVING - Close the faucets completely, use water sparingly, and immediately notify the administration department when a defective device is found.

NON-EMISSION VEHICLE - Reducing pollution by using environmentally friendly vehicles, cycling and carpool.

GOOD BEHAVIOR - Sorting waste for efficient management and recycling waste to reduce global warming.



The Company has a policy of promoting employees to use motorcycles instead of cars in performing their duties. This is because motorcycles are more fuel efficient than cars. Such replacement will help reducing greenhouse gas emissions into the world's atmosphere. communicated by sending an emails to create an understanding and awareness of global warming for employees.



The Company planted trees inside our head office and has encouraged nearby communities to have more green spaces in order to absorb carbon dioxide in the communities and create fertility to the soil. The Company planted trees in an area of approximately 7,000 square meters (approximate of 4 Rai, 1 Ngan, 50 Square Wah) inside and around the Company's head office.



In the past year 2023, the Company has had a campaign through the executive Linechat group every Friday to communicate the campaign and create a corporate culture that encourages cooperation in changing behavior for a better environment.



To reduce the amount of waste, the Company used leaves, tree twigs and food waste in the head office and surrounding areas in making compost. The Company then used compost to nourish the trees to increase organic matters in soil and make the soil more fertile. This process also preserves moisture in the soil and accelerates the growth process of the trees.

The amount of food waste that is composted per month is 122 kilograms, and the composted fertilizer is used to put on trees within the company, 7 kilograms per month, totaling 84 kilograms.

After the Heng Save the World project has been implemented in 2023, The company has cultivated employees' understanding and be aware of the problem of global warming. There is a waste separation campaign for efficient management and taken for recycling. The Company can bring waste into the recycling process about 1,804 kilograms and non-hazardous as follows:

In 2023, the company had the amount of non-hazardous waste and non-hazardous waste of the company as follows: Total **7,829.55** KILOGRAMS





The company has measures to use resources efficiently with the following details:

1. Electricity management

Electricity is considered an extremely important source of energy for operations within the organization and the amount of electricity used increases as the organization grows and expands branches continuously. The Company has therefore established measures to manage the use of electricity in a cost-effective manner as follows:

1.1 Specifying the use of air conditioner in type of inverter with the energy saving label no. 5

1.2. Specifying the use of reflector lamps and LED bulbs.

1.3 Specifying the use of a timer to control the turning on and off of the air conditioning at the head office by turning off the air conditioning during lunch time and turning it off from 5:50 p.m. until 8:00 a.m., and the branches specifying that the air conditioning be turned off during the lunch break.

1.4 Establishing a regular air conditioner maintenance plan, such as cleaning the air conditioner and checking the fluid.

1.5 Specifying the ceilings for requesting electricity bill reimbursement for 1-unit and 2-unit buildings of the branch to be appropriate for operations and usage volume to reinforce the concept of energy saving for employees.

1.6 The head office has set up a plan to check the MDB transformer cabinets annually to prevent loss of electricity, leakage, running into the ground, and incurring electricity bills when not in use.

1.7 Solar panels are installed.



2. Managing the use of oil in the Company's operations.

At present, cars and motorcycles are being used in branch operations, causing the inevitable use of diesel and gasoline as branches expand and a customer base that is expanding every year, the amount of oil used will continue to increase, taking into account the impact and intending to reduce the impact of greenhouse gases which are the cause of climate change and global warming, the Company has established measures for oil management as follows:

2.1 For cars used at branches and cars possessed by area managers, the Company arranges for the use of Fleet Cards to fill up with gas by setting a ceiling for reimbursement for gas during operations as appropriate, including planning routes before traveling each time in order to save on fuel.



3. Water consumption management

Water is an important basic resource for the Company's business operations. Many activities at both branches and headquarters are continuously expanding, causing the amount of water to be used to increase as well. The Company is therefore aware of the importance of conserving water resources and using water in the most economical and cost-effective manner. Therefore, we have established water management measures as follows:

3.1 The head office requires housekeepers and gardeners to check the use of bathroom sanitary ware on a daily basis. If it is damaged, it will be required to turn off the water valve and immediately notify the Company for repairment.

3.2 Branch employees are required to regularly check the water on-off valves, water pipes, water meters, sanitary ware, and bathrooms once a week. If it is damaged, they are required to notify the Company for repairment immediately.



3.3 Campaign to educate branch employees and head office employees to know how to save, use water resources for maximum benefit, and conserve the environment.

3.4 Setting up a monthly PM inspection plan for water pump systems, water tanks, water pipes, water on-off valves, and water meters at the head office.

3.5 Setting a ceiling for water disbursement requests to be appropriate to the usage volume of each branch.

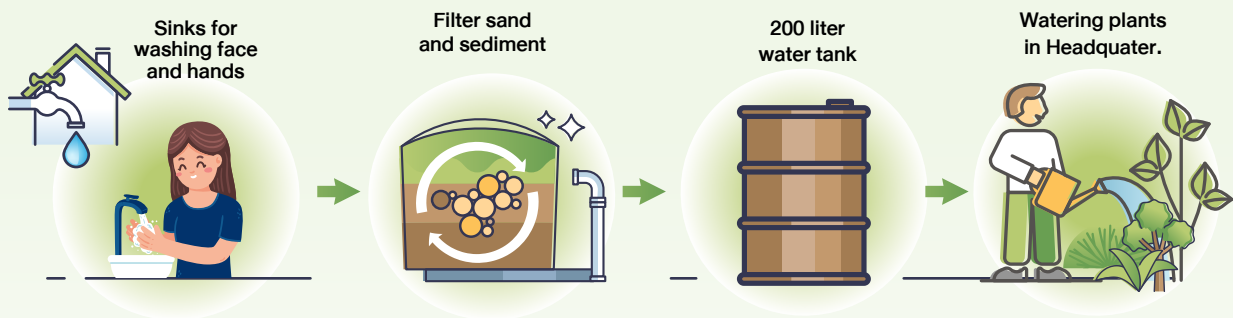
3.6. Water reuse management by using water from the sink for washing hands to water plants at the head office.

Wastewater generated from operations (head office) is mostly water that comes from bathrooms, toilets, and sinks. There is a wastewater management method by using a prefabricated treatment tank process and then flows into a seepage tank on the underground side to seep back into nature. It is a treatment system similar to that used in general residences.

The Company has managed to reuse wastewater by using water from the sink for washing hands to water plants at the head office through a filtration process from a treatment tank to watering plants and washing the floor. The Company can save 1,200 liters of water per month and 24,000 liters per year.



Project/Activity: Reuse water from sinks for washing hands by watering plants.





“Green Office” Project

The Company is one of the organizations that received the national green office award (Green Office) for the year 2023, which passed the evaluation criteria at the level of “Excellent”, emphasizing the commitment to business operations of the company that is ready to aim to be an international model office as a business organization that operates in tandem with the sustainable environmental and social care places serious importance on environmental care. The Company has established various policies to focus on efficient management of resources and energy, systematically reducing the generation of waste from operations, including reducing greenhouse gas emissions (Green House Gases: GHGs) by appointing relevant committees and working groups Including a meeting to find and wait for operations and responsible for managing and caring for the environment in the company including romoting employee participation in activities such as saving energy and resources in the office, reducing and separating waste in the office etc., which is considered part of helping to promote the Company to achieve its ESG goals.



Heng Collaboration for Energy Conservation

Target group

all departments in the head quarter

Objectives

1. To promote the economically use of electricity to support the awareness of global warming
2. To create the culture of use with awareness of electricity

Project period

Year 2022 – 2026 and extendable

Project implementation

We communicated to all employees in the headquarter to turn off the light and electrical appliances which were not necessary to use during the lunch break. Also, the company installed the solar cell which could generate 40 kilowatts solar energy to be used in replacement of electrical energy.

Target

Reduce the electricity bill of the head office
by **1%** per year.

Performance Summary

The Company can generate electricity from solar energy for latest two years :

Year **2022**
Amount

9,013.53 (kwh.)

Year **2023**
Amount

24,151.81 (kwh.)





Return

The Company recognizes the importance of efficient use of electricity resources and thus promotes the use of solar energy to reduce carbon dioxide, which is one of the key factors contributing to greenhouse gas emissions. Therefore, the Company has installed solar cell panels at the head office to save electricity costs. In 2023, the Company can produce electricity from solar energy at 24,151.81 kwh.



Using glass bottles to replace plastic water bottles

In 2023, the Company purchased drinking water in glass bottles to support various meetings, which is in line with waste reduction under the 3Rs, namely Reuse, reusing glass bottles through the production process and passing cleaning, Reduce, reducing the use of plastic, reducing waste creation and Recycle, when glass bottles have been used for a while, they will be taken through a destruction process to produce new glass bottles.

The price of glass bottled water is cheaper than plastic bottles, with 1 crate containing 24 bottles priced at Baht 65.42, averaging only Baht 2.73 per bottle. Plastic bottles have a selling price of Baht 7, allowing the company to save nearly 61% on such costs about 1,600 per year.

Zero waste



Aluminum pull cap can
You can return it with the
bottle for the factory to
recycle

Reusable **Glass bottles**
no waste is generated.





Scope 1 : Direct GHG Emissions of the organization are calculated from the amount of fuel combustion from corporate vehicles (Owned by the organization) and that the company pays to employees who use motorcycles by calculating the amount of gasoline used and diesel fuel actually used.

Category	Fuel consumption (liters)			
	Year 2022	kgCO ₂ e	Year 2566	kgCO ₂ e
Diesel	142,577.58	50,215.86	191,074.769	523,663.95
Gasoline/ gasohol	25,677.94	10,332.81	36,006.77	81,804.20

Scope 2 : Indirect GHG emissions of the organization are calculated from the amount of electricity purchased for use in the Company.

Category	Electricity consumption (kWh)			
	Year 2022	kgCO ₂ e	Year 2023	kgCO ₂ e
Average electricity Consumption per month	3,136,248.54	1,877,358.37	4,362,922.16	2,181,024.79

Scope 3 : Other Indirect GHG Emission is calculated from the actual amount of paper used and the actual water consumption. Measures and performance of Scope 3 can be elaborated as set out below.

Category	Paper consumption			
	Year 2022	kgCO ₂ e	Year 2023	kgCO ₂ e
Paper consumption	9,560 kg	20,182.12	11,768	24,842.37

Category	Water consumption (megaliters)			
	Year 2022	kgCO ₂ e	Year 2023	kgCO ₂ e
Tap Water	32,412,000	17,534.89	38,583,000	20,873.40

The second Heng Leasing volunteer project to prevent and solve the problem of smog and forest fires 3

The Company recognizes the importance of the forest fire situation during the dry season every year between December to April, when there was a forest fire situation, which caused the rapid destruction of forest areas and also resulted in air pollution, the Company therefore implemented the project called “Heng Leasing Volunteers to Prevent and Solving the Problem of Smog and Community Forest Fires” by supporting activities to prevent and to solve the problem of forest fire and smog by providing resources to stop the spread of burning and the Company also establishes the “Heng Volunteer” group which is being established

to help the community and to focus on preparing of prevention and reduction of pollution at the source from burning in outdoor area and on helping of prevention of the amount of dust from exceeding the standard limit.

Project Operations

1.) Participate in discussions with relevant agencies including people in community areas to listen to problems and ways in which the Company can provide assistance and take part in operations together with people in the community.

2.) Publicize throughout the headquarters to recruit volunteers to become members of the Heng Volunteers to help build fireguards in order to prevent forest fires and to reduce small dust particles.



3.) Prepare equipment for making fire protection lines, including lawn mowers, blowers, sprayers, tiger hand rake, coconut brooms to be used as supporting equipment for building fire protection lines.

Project	Purposes	Target Group	Results
<ul style="list-style-type: none"> • Donate equipment to build community forest fire protection lines to Bana Non Toom Thaworn, Sisaket Province. 	<ul style="list-style-type: none"> • Participate in supporting the prevention and solving of smog and forest fire problems. • Control the dust that exceeds standards limit in the northeastern region. 	<ul style="list-style-type: none"> • Community of Forest Management Committee, Ban Non-Tum Thaworn, Community Forest Members, Forestry Department Officials Military Units in the Area of Bak Dong Sub-district Administrative Organization 	<ul style="list-style-type: none"> • Participate in supporting fire protection equipment worth of Baht 50,000 and Heng Volunteers of 20 persons for making community forest fire protection lines of 2 kilometers.
<ul style="list-style-type: none"> • Landscape development project to create a fire protection line between Mueang District and Hang Dong District 	<ul style="list-style-type: none"> • Support activities to prevent and to solve problems of smog and forest fires in communities. • Maintain good relationships between organizations, partners network and communities. 	<ul style="list-style-type: none"> • Probation volunteers of Ministry of Justice of Mae Rim District, Mueang District, and Hang Dong District, the Greenery.Beauty. Scent Network, the Chiang Mai Breath Council and Mae Hia Municipality, totaling 100 people. 	<ul style="list-style-type: none"> • Support 40 packs of drinking water (480 bottles) for use in fire protection activities.
<ul style="list-style-type: none"> • Heng Volunteers for building fire protection lines 	<ul style="list-style-type: none"> • Employees become aware of their contribution to environmental conservation. • Create good relationships between the Company, the community, and related agencies at the provincial level. 	<ul style="list-style-type: none"> • 30 employees of Heng Leasing 	<ul style="list-style-type: none"> • Heng volunteers to help build a forest fire protection line with the community for 2 kilometers.
<ul style="list-style-type: none"> • Support fire protection equipment through the Breath Council 	<ul style="list-style-type: none"> • Participate in protecting the environment and preventing forest fires to create good relationships between companies, communities, and related agencies at the provincial level. 	<ul style="list-style-type: none"> • 10 villages in the area that overlaps with Suthep-Pui National Park. 	<ul style="list-style-type: none"> • Support fire protection equipment and drinking water for fire protection and forest fire monitoring
<ul style="list-style-type: none"> • Suthep Subdistrict Network Activities • Parties join to kick off the prevention of forest fires activities 	<ul style="list-style-type: none"> • Participate in preventing and solving the problems of forest fires and smog in Chiang Mai and creating a good image for environmental conservation organizations. 	<ul style="list-style-type: none"> • Suthep Sub-district Network Partners, Administrative Department, Forestry Department, Doi Suthep-Pui Park Officials, Breath Council, Village Headmen, Housewives' Group, and general public in the area of 500 people. 	<ul style="list-style-type: none"> • Support 50 packs (600 bottles) of drinking water for consumption.
<ul style="list-style-type: none"> • Khun Chang Kian Cleaning Day 	<ul style="list-style-type: none"> • Manage green areas to reduce carbon emissions in community areas. 	<ul style="list-style-type: none"> • People in the area of Sri Nehru School, Chang Phueak Sub-district, Mueang Chiang Mai District, Chiang Mai Province. 	<ul style="list-style-type: none"> • Support 30 packs of drinking water (360 bottles). • Participate in reforestation activities.





Training of employees to provide knowledge regarding environmental management

Date	Name of Course	Organizing Agency	Course details	No. of persons	Number of hours/course
30 March 2023	Guidelines for operating according to green office criteria	Department of Environmental Quality Promotion	Details of implementation according to the green office criteria in all 6 categories	5 persons	6.30 hours
4-5 April 2023	Green Office Audit	Department of Environmental Quality Promotion	Details of green office assessment such as assessment, listening, reading, and observation techniques.	5 persons	13 hours
18 May 2023	Knowledge regarding green office projects	Green Office Working Group	<ul style="list-style-type: none"> • Courses to provide knowledge in various matters as follows: • Importance of the green office; • Efficient use of energy and resources; • Pollution and waste management; and • Environmentally friendly procurement • greenhouse gases. 	9 persons	13 hours
7-8 August 2023	Climate Change Measurement & Management Workshop	Stock Exchange of Thailand	To create knowledge and understanding about greenhouse gas management for companies participating in the assessment of sustainable stocks or Thailand Sustainability Investment (THSI) by organizing separate training sessions for each industry. This project aims to enable companies to use this knowledge to collect data, set targets and plan for reducing greenhouse gas emissions.	1 person	14 hours
31 August - 1 September 2023	GRI Standard Training Course	Thaipat Institute	Disclosure of information according to GRI standards	1 person	14 hours
27 October 2023	Sustainable Development Goals Guide for Listed Companies and SDG impact standards	United Nations Development Program (UNDP) in collaboration with the Securities and Exchange Commission (SEC), along with the Thai Listed Companies Association (TLCA) and the Global Compact Network Association of Thailand (GCNT).	The SDGs Impact Guide and Standards will be a tool to help promote knowledge and understanding of listed companies. It can be used to conduct business operations in a concrete way and helps to reveal information about business operations for sustainability and prepare annual reports (56-1 One Report) that are accurate and appropriate, consistent with international standards, creating credibility and is accepted by investors and stakeholders throughout the value chain of the business.	1 person	3 hours



Date	Name of Course	Organizing Agency	Course details	No. of persons	Number of hours/course
22 November 2023	Enable ESG Bond Issuance: Global Dynamic & Thailand Framework Development	Thai Bond Market Association (ThaiBMA) in collaboration with Capital Market Development Fund (CMDF)	Sustainable development should cover E: Environment, an environment suitable for living. S: Social, caring for society as a whole. G: Governance. Organizations and executives have good governance in performing their duties as an important source of fundraising for helping to save the planet through a financial instrument called a sustainability bond or ESG bond.	1 person	3 hours

Environmentally and Friendly Procurement

The Company has guidelines regarding procurement by creating measures to promote environmentally and friendly procurement. In 2023, the Company aims to have procurement that is more environmentally and friendly, which has operations as follows:

- Methods have been developed to promote environmentally friendly procurement.
- Increase the number of partners and list of environmentally friendly products and services.
- Communicate guidelines for procuring environmentally and friendly products or trading partners to all parties involved.

In the past year 2023, the Company purchased environmentally and friendly office supplies accounting for 50 % of all office supplies. In addition, a total of 4 green hotels have been selected for use in training seminars and as accommodations for executive directors and employees to promote sustainable national

tourism and to reduce greenhouse gas emissions, which is the main cause of climate change and global warming phenomena that are becoming a major environmental crisis.



3.4 Sustainability management in social dimension

The company realized the critical issues about responsibility to community and society. We supported the growth of people in the community as the way to sincerely payback to the society. Therefore, we had developed policies to help others in the society, including activities of local community engagement and development. We also responded to other events which might have social or environmental impacts. As for the executives and employees, we supported all actions which expressed their cares and responsibility to society and environment.





3.4.1 Policies and Social practices

- operate the business legally and neither participate nor support both directly or indirectly with illegal firms or persons who violated the laws.
- coordinate in information giving for any disclosable information in order to prevent economic damage which may occur.
- allocate the budget to continuously support society at good cause.
- promote and cultivate mindsets to all executives and employees to be aware of responsibility towards environment, society and community.
- promote the development of quality of life of people residing around the company

Employees

Human rights policy

The Company places importance on respecting human rights with an intention to create equality within and outside the organization. The Company regularly monitors and ensures that our business is not involved in the violation of the rights and freedom of individuals, whether directly or indirectly. For instance, the Company does not support forced labor and is against the use of child labor. The Company respects and treats all stakeholders fairly based on human dignity and without discrimination. This includes treating all personnel equally without discrimination based on race, gender, language, or religion. The Company has established a process for identifying human right risks and a mechanism for filing complaints about human rights violations according to the Company's whistleblowing and complaints policy.

The abovementioned human rights policy has been approved by the Board of Directors' Meeting No. 1/2024 held on 15 February 2023. This can be studied further from Corporate Governance Policy. As an efficient and socially responsible company published through the company website.

Guidelines

1. Human rights of customers

- Take care of all customers equally, do not discriminate, welcome and communicate with customers politely. Provide news and advice about the company's products and services. Strictly comply with various conditions towards customers by treating them with equality and equality. Regardless of race, nationality, religion, gender, language, age, skin colour, education, social status, disabled, elderly or sexual orientation.

- The company establishes policies, procedures and a management framework for providing fair services to customers, covering pre-sale processes, during sales and after-sales services so that customers receive complete information on products and financial services. It is correct and has been offered for sale or service correctly and fairly.

- Protect customers' personal information to ensure maximum security when using services with the company.

- Provide channels for customers to file complaints, express opinions, and suggestions. If customers have grievances, they can present them to the company with appropriate complaint management, as well as providing remedies if human rights are violated.

- The company has established as a policy that granting credit must not be linked to businesses or activities that involve violations of human rights, such as human trafficking or exploitation in various forms as specified in the law or that are contrary to morality. of society and related practices of each industry

2. Human rights of employees

- Respect the equality of individuals in employment practices. Equal and fair dismissal provides opportunities for job applicants without discrimination on the basis of race, nationality, religion, gender, language, age, skin color, education, citizenship rights. social status, disabled people, elderly people, or sexual orientation

- Respect labor rights, do not use forced labor, prohibit the use of child labor under the legal age limit and illegal labor. Respect the right to join a labor union and adhere to human rights principles.

- Protect and prohibit all forms of harassment or sexual harassment in the workplace.

- Take care and protect benefits, wages, compensation and welfare for all employees. Every level is appropriate and fair. Treat employees equally without discrimination in order to create peace in the management of the company's work.

- Promote and support good employment conditions by taking into account safety, occupational health, working conditions and the working environment.

- Respect the rights of employees and allow freedom to join or join groups to negotiate employee benefits and do not obstruct the exercise of group rights. Promote and support employees



to participate in managing activities related to the management system that the company sets regularly

- Encourage employees to develop their knowledge and abilities. By giving thorough and regular opportunities. Strengthen skills and develop appropriate attitudes. The company considers every employee to be the most valuable resource.

- Give importance to listening to opinions. Employee suggestions which is based on facts and respect the rights and freedom of employees to express their opinions

- Provide employees with a channel for filing complaints about human rights violations. If employees have grievances, they should be brought to the company's attention according to the guidelines. Complaints are managed appropriately to find the root cause of the problem and find ways to prevent and provide remedies if human rights are violated.

3. Human rights of suppliers and/or creditors

- Encourage trading partners to participate in ethical and socially responsible business operations, without violating labor and human rights laws, to foster a culture of mutual respect. Partners must comply with human rights principles and other aspects specified in the Code of Ethics on Responsibility to Partners/Trade Creditors of the Company.

- Give all business partners the opportunity to offer products and services and join trade partnerships equally without discrimination.

- Treat trading partners and/or creditors equally, fairly and without discrimination. Taking into account the highest benefits of the company and based on receiving fair returns for both parties.

- Protect, protect, and not disclose information regarding partners and/or creditors to partners or other unrelated persons. Including protecting, taking care of, not misappropriating or misusing the business property and secret information of trading partners.

- Adhere to principles of fair business, advertising and competition, including compliance with all laws and regulations.

4. Human rights of the community and environment

- The Company is committed to human rights principles and guidelines to ensure that its operations or related activities will not directly or

indirectly cause human rights violations to the local communities involved in the activities. About the company's business

- The company gives importance to conducting business that is responsible to the community, society and the environment. There are environmental policies and practices as guidelines for use in conducting the company's business to have the least impact on the community, society and the environment. By strictly following laws, regulations and environmental requirements in the company's various activities.

- Support building relationships with local people by organizing activities to provide knowledge and guidance on correct financial management to the local communities where the company has branches.

In addition, the company will have a process for identifying human rights risks and a mechanism for filing complaints about human rights violations. The Company will regularly monitor, inspect, and assess human rights risks and impacts, along with setting guidelines or measures for appropriate risk management as well as providing remedies in the event of human rights violations. The company will promote and support various actions in order to achieve the set intentions.

Risk assessment

The Company has established a process for human rights risk identification and a mechanism for filing complaints regarding human rights violations. The Company provides a channel for submission of complaints regarding human rights violations according to the Company's whistleblowing and complaints policy. In the past year, there was no complaint regarding this matter.

The company has established its Welfare Committee in the workplace to represent employees in discussions with employer in order to provide welfare within the Company for employees. In 2023, the Company has not violated any human rights and has no disputes related to human rights violations.

Last year, the Company conducted a human rights risk assessment and found that there were no significant human rights risks related to the Company's operations. The Company places importance on and is strictly aware of human rights and is ready to act in accordance with relevant regulations.



3.4.2 Social Performance

Performance

Project to promote health and well-being of employees

The Company concerns about well-being and good work experience by creating many programs and activities to support employees in working from their own residences. In addition, the company has changed the work style to be more flexible according to the nature of work of each department, which is consistent with the company's sustainable business practices as follows:



Work From Home Project (WFH Project)

The Company operates in accordance with the current situation, including working from home or Work from Home (WFH). The Company supports and facilitates employees while working at home to allow employees to work as efficiently as working at the office by improving the information technology system by expanding the VPN system so that employees can access the company's various systems from their residences with the same efficiency as working at the office. In addition, this operation can support the event that there is an impact from any situation that prevents employees from working at the head office.



Flexible Working Operations Project

The Company has a policy to encourage employees to come to work at convenient times to create flexible working hours in line with the needs of various groups of employees as well as changing situations. The Flexible Working Operations Project will reduce the stress of commuting to work for employees and to allow them to more balance of their work and family responsibilities.



Project to change toxic air into fresh air for employees

Due to the spread of PM 2.5 dust, the company has purchased air purifiers and air filters for air conditioners to help filter PM 2.5 dust including foreign matter, dirt, germs, mold, dust, and various allergens by changing toxic air into fresh air to keep employees healthy and to reduce symptoms of respiratory illnesses that may occur.





Project to promote health and strengthen good relationships between employees

Employees are a valuable resource of the Company. The Company recognizes that health and good relationships between employees are important. Therefore, the Company has organized activities to promote health and to strengthen a good

relationship between employees, such as yoga activities, football activities, including E-Sport activities, etc. through the Project to promote health and strengthen good relationships between employees to allow employees to get to know their co-workers better and to create a good relationship between employees in various departments as well.



Outstanding Business Establishment Award

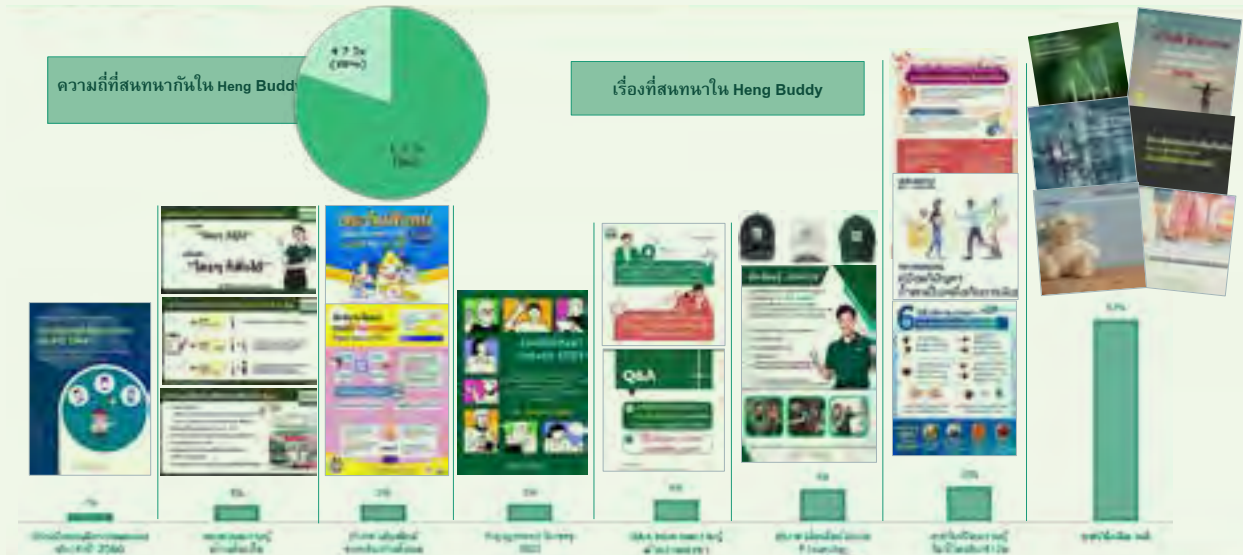
The Company focuses on developing a labor management system that meets international standards continuously, including caring for labor welfare to promote stable living and develop a good quality of life for employees at all levels. In 2023, the Company received the Outstanding Establishment Award in Labor Relations and Labor Welfare for the year 2023.





Heng Buddy Project

The Company encourages employees to learn, exchange work experience, and discuss various issues in daily life via Heng chat system.



Baan Aunjai Project

The Company recognizes the importance of employees and their families, which is considered an important force in driving the organization. If employees receive security in life and property, they will be ready to perform their duties to their best capabilities and will drive the Company to reach the specified goals. The Company has, therefore, formed Baan Aunjai project for executives and employees to create stability in terms of housing for employees and their families. This is a welfare given to employees and their families. The employees can also buy insurance at a cheaper price than the market price. They are encouraged to become aware of taking care of the family's property and safety. If there is any unforeseen event that may happen to the property, they will receive a high amount of protection. The project was approved by the meeting of the Executive Committee No. 14/2022.

The Company started Baan Aunjai project in June 2023. As of December 2022, there were 70 employees participating in the project. The aggregate all incentives of Baht 6,700 were paid back to the employees.





Heng Plaza Project

The Company has arranged space in each building and created the Heng Plaza group line to allow employees to sell products through these channels. In order to generate additional income for employees as another channel.

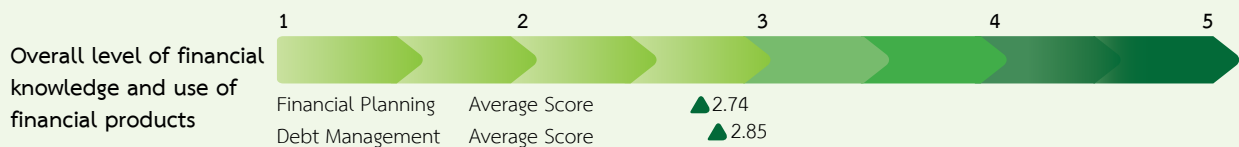
We received a lot of feedback from employees. At the end of 2023, there were 170 members in the Heng Plaza Line group.



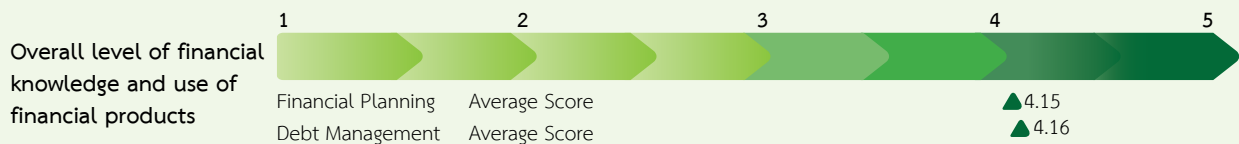
Fin Dee Happy Life Project!!!

The Company received the Outstanding Employee Financial Health Promotion Agency Award (4 stars) from the Fin Dee Happy Life Project!!! promoting financial skills among working people, organized by the Bank of Thailand (BOT) to stimulate good financial behavior and strengthen employees' immunity to fight against financial problems.

Before joining the project on 1 February 2023



After joining the project on 19 July 2023














Employee satisfaction

The Company has a policy to encourage employees to love and to bind with the organization and to promote the development of knowledge for employees as well as create values for employees to be eager to learn and develop themselves. This is consistent with the organizational values that are taken as general guidelines (H-E-N-G) which come from H = Honesty (honesty), E = Excellence (excellence), N = New Ideas (creativity), G = Growth (progress). As for the Company's employees,

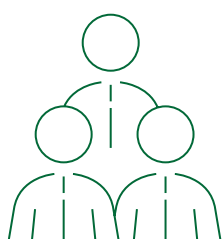
they will focus on N = New Idea (creativity) and G = Growth (progress), which is a love of learning and continuous self-improvement with the intention of achieving results in a better way, with the courage to think, dare to do, create new things all the time to make the work of oneself, the team, and customer service more efficient in order to expand the business to grow rapidly and have higher profits every year with continuous and sustainable.



In 2023, the Company conducted a survey of employee satisfaction. The Company has set a goal of employee satisfaction at 85%. From the survey, it was found that employee satisfaction was at 84.41%, with details as follows:

aspects of satisfaction		2022	2023 Mid Year	2022 End of Year
	Work Goal	89.00%	88.66%	90.80%
	Progress and stability	82.60%	78.51%	81.69%
	Giving advice and acceptance	84.80%	82.31%	84.96%
	Remuneration and benefits	70.40%	68.70%	71.88%
	Relationships with co-workers	86.80%	85.23%	87.68%
	Pride in the organization	82.60%	80.05%	83.45%
	Job satisfaction	92.00%	90.84%	92.25%
	Life balance and security	85.80%	84.31%	87.16%
	Work process and support	77.80%	75.79%	79.81%

In 2022 and 2023, employee turnover rates are as follows:



Year **2022** calculated as (%)

4.03

Number of employees
who resigned **958** person

Year **2023** calculated as (%)

3.20

Number of employees
who resigned **942** person



Due to the change in branch expansion strategy and most of the employees who resigned were employees at the operating level, it did not affect the management structure and business operations.

Training and orientation for new employees

The Company has prepared an annual training plan that is consistent with the need for continuous development of personnel in each department and in line with the Company's business plan. Internal training and external training are to support employees to be able to perform duties according to job responsibilities encourage personnel to be ready for career growth as well as inculcate good attitudes and behavior in line with the Company's values.

For new employees, the Company places importance on transferring knowledge to all employees by setting important courses on organizational governance (Compliance) and preparation for all new employees. The Company has established courses related to corporate governance for employees to study and understand as follows:

• Moving towards an anti-corruption organization (Anti-Corruption)

By focusing on creating awareness of the concept and combating corruption that may occur in all forms, employee practices in the organization, including whistleblowing guidelines and provide information to help block and prevent it from happening in the organization.

• Supervising the provision of services to customers fairly (Market Conduct)

The focus is on making branch operations staff and employees involved in customer service aware of providing fair services to customers or financial service providers based on the 4 principles of not doing things: "not deceiving, not forcing, not disturbing, not taking advantage" in order to create good service culture for customers.

• Personal Data Protection Act (PDPA)

The focus is on making all employees understand and be aware of the principles of the Personal Data Protection Act, providing definitions based on the rights and duties of Thai citizens, including information on impacts, legal penalties, as well as recommending employee conduct guidelines according to the policy and framework of the Company's operations.

For new employees in the branch operations group, the Company has laid the foundations for work attitude, good service mind (Service Mind), marketing techniques and credit services, as well as pushing for compliance with the work manual (credit, debt collection, and financial document administration of the branch) as well as having courses to refresh knowledge focusing on reducing work errors, such as principles and procedures for working with CONSENT, methods and inspection techniques for KYC, steps for checking evidence, loan approval applications, techniques for checking vehicle condition and registration, debt collection negotiation techniques, problem solving methods and preparing to take life and casualty insurance broker exams, including encouraging employees to attend training to renew the insurance broker license in accordance with the OIC regulations and etc.

Due to the COVID-19 outbreak situation, the company has set up training courses that promote the work potential of employees at various levels, both on-site, online (conference) and e-Learning system to ensure that the Company's employees will continue to gain knowledge and develop their full potential. In 2023, there were a total of 50,327 employee training hours, which is equivalent to an average employee training hour of 19.72 hours per person per year to promote the potential of employees and executives.





Engagement Workshop Activity

The Company has organized an Engagement Workshop Activity for employees in each region to meet with senior executives to express their opinions on operating methods and to learn about problems and solutions to various problems arising from their work including building good relationships between executives and employees of the Company to be even stronger.



Chiang Mai Pride 2023

The Company encourages employees to be aware of the equality of people with diverse genders and participate in Chiang Mai Pride 2023 activities to express their stance and stand beside people with diverse genders at Tha Phae Gate Square, Muang District, Chiang Mai Province on 28 May 2023. At the event there was a parade starting from Buddhasathan - Night Bazaar - Loi Kroh Road - Tha Phae Gate, with a light and sound show, a dress contest, a wedding ceremony for LGBTQ+ couples, talent shows and art. It is an expression of our stance and respect for human rights that the Company supports.

Target Group

A group of 3,000 LGBTQ+ people and the general public.



Purpose

Participate in supporting the rights and equality of people with diverse genders.

Result

The Company is well known, and employees are proud to stand up for and be there for LGBTQ people. There were approximately 30 employee representatives participating and the Company also sponsored 600 bottles of drinking water.



Pollution fight by N95 mask project

Target Group

San Kayom community especially the vulnerable group

Purpose

To help relieve the suffering of people affected by air pollution.

Result

Distribute N95 masks to the company staff and community total 20,000 Thai Baht



Customers

Customer satisfaction survey

The Company's vision is committed to being the most preferred financial service provider in each locality. The Company is determined to serve customers with honesty, transparency, sincerity, and fairness. Therefore, the focus is on serving customers. The Company conducts a random satisfaction survey, after-sales service for general customers, and sensitive customers (aged 60 years and over) to use the information for improvement and development of better services. In the year 2023, the Company randomly conducted customer satisfaction survey, which can be summarized as follows:

satisfaction goal



Customer groups in the random survey



General
4,535
customers



Sensitive
4,191
customers



Survey topics

1. Employee etiquette
2. Convenience and speed of services
3. Accuracy in providing information

Level of satisfaction from survey in the year 2023

General customers

Survey topics	Level of satisfaction					Total
	1	2	3	4	5	
Employee etiquette	0.00%	0.25%	0.64%	5.72%	93.39%	100%
Convenience and speed of services	0.05%	0.42%	1.68%	9.38%	88.48%	100%
Accuracy in providing information	0.10%	0.32%	1.23%	7.85%	90.50%	100%



Sensitive customers

Survey topics	Level satisfaction		Total
	dissatisfaction	satisfaction	
Employee etiquette Convenience	0.04%	99.96%	100%
and speed of services	0.07%	99.93%	100%
Accuracy in providing information	0.04%	99.96%	100%

Management of comments, suggestions, and complaints

To raise the level of service, the Company has established various channels in handling product-related and service-related complaints and impact from services in order to protect financial consumers, setting guidelines for resolving problems, handling complaints, and remedies that are clear, fast, independent, efficient, and fair, with a call center in charge. The call center is responsible for coordinating, problem solving, and tracking progress if customers report that they are dissatisfied with the service. They will contact the customers and ask for more details and bring them back for improvement of services. The Company has inspected the quality of services, analyzed, recorded the cause of the problems in order to use the results for improvement of quality and efficiency of products and services, including monitoring the progress in solving various problems and reporting actions.



Evaluation of customer satisfaction

The Company is committed to improving the products and providing excellent services to customers. Therefore, creating customer satisfaction along with creating social benefits is important. The Company has arranged for an evaluation of satisfaction from customers and partners who use the Company's service on an annual basis to improve services and business development.

Products for safety and health of customers

In the past year, the Company has developed products and services to reduce the risk of loan applicants. The Company focuses on selling life insurance coverage among the group of customers who use cars as collateral for loans with the Company by recommending life insurance to protect the loan amount. In launching products, the Company has verified with the regulatory body and there was process, which had been approved, and a quality control policy in place.

Social Product

The company has retail loan products that are intended to be used for run a business. Bring money into circulation and liquidity added to business. The customers can access legal funding sources. No need to rely on loan shark. The company increases opportunities for certain groups of customers to have greater access to financial services such as people with identification cards who are not of Thai nationality that begin with 0, 6, or 8 and people who have the house registration of a person who has certified the history of a person without registration status (Thor 38 Khor) can be considered for a loan as usual. Including the company's other consideration criteria. In 2023, there are people with access to the company's loans, totaling more than 200 contracts.



Information Technology Security

Currently, the Company need to deal with internal and external agencies. Thus, the Company has introduced a computer system to help in the operation to be more efficient. Therefore, in order to ensure the safety of the Company's computer information system, the Information Technology Department has established an information technology security policy to serve as guidelines and procedures for the use of information technology to achieve maximum efficiency against the Company.

The employees and executives of the Company including external personnel who can access the Information Technology System of the

Company, they shall comply with the information technology security policy. The violation of the provisions of the said policy and resulting in any damage against the Company or any persons, the Company shall consider to take discretionary action according to the Company's rules and applicable laws against the employee who has violated such policy as it deems appropriate upon the approval of the Board of Director. In addition, the policy shall be announced and all of employees shall comply with it and it shall be enforceable to all level of employees from the executives to general employees including external personnels relating to the use of IT information and assets of the Company.

In year 2023, the Company has recognized the importance of cyber security, the Company then procured its employees to attend the seminar and training as follows:

1) The company has sent employees in the information technology department to attend information technology security training courses in the field of Cyber Security to apply in their work and act as representatives in communicating to various departments to be informed and to develop work processes.

Cybersecurity Training/Organzier/Duration/Attendanees	Period(Day)	Attendee (Person)
Course : Web ApplicationPenetration Testing by ICT Mahidol University	2	6

2) Developing innovations regarding electronic identification and verification with National Digital ID (NDID).

In today's business competition, focusing on consumers is an important point that indicates business success and at present, consumer personal information is considered extremely important. The problems of forgery and electronic theft are considered a significant issue nowadays because these days all financial transactions or doing various things are performed through the electronic system which if stolen will have a massive impact. The Company has therefore begun to develop and design an electronic identity verification and identification system as an important line of defense for data protection or financial transactions with a process of identity verification and verification to make transactions meet the needs and be safe.

The form of electronic identification and verification, known as E-KYC, uses digital technology and electronic communication through Blockchain technology that is highly secure, making data collection and customer identity verification fast, convenient, safe and reduce the distribution of unnecessary personal information by eliminating

the need to store copies of unnecessary documents or information in paper documents and reducing errors caused by human errors. There is automatic data verification and the creation of an electronic verification system through Blockchain technology. It helps the information received to be reliable and accurate and complete, as well as helping to increase the level of security of customer information. Information transmitted electronically is properly encrypted and confidential to prevent improper access or cyberattacks. Currently, the Company has completed over 25,000 electronic identification and verification transactions (as of December 2023), allowing the Company to deliver services that are accurate, fast and meet the security needs of personal information. The company was able to reduce the amount of paper by 25,000 pieces, totaling about 4,500 baht.

This can create additional value for the business by

1. Facilitate off-site services for approximately 10,000 customers.
2. Increase the speed of service in filling out application forms by the time is reduced by 5 minutes per 1 person.
3. Reduce errors in filling out application.



Organizing activities with trade partners

The Company aims to increase the market expansion channel and increase the customer base. In order to deliver good wishes to existing customers, the Company has cooperated with trade partners to exchange expertise or share experience. The Company encourages customers to receive good service and have access to appropriate services from the Company and its trade partners.

Trade partners

The Company's process for selecting trade partners includes allowing trade partners to compete on equal information and selecting trade partners with fairness, transparency, and non-discrimination, subject to the Company's criteria for evaluation and selection of trade partners. The Company arranges for a follow-up to ensure that the procurement conditions are fully complied with and to prevent fraud and misconduct in every step of the procurement

process. The Company purchases products from trade partners according to trade conditions and strictly complies with the agreements made with trade partners. It promotes potential and ability to conduct sustainable business with partners such as product development, service or innovation etc.

Guidelines for selecting trade partners

The Company places importance on dealing with suitable and fair partners. To ensure that the partner selection process is correct and appropriate according to the established criteria, the Company selects, assesses and verifies partners equally. For instance, the Company considers product and service quality, punctual delivery to ensure that partners will be able to deliver products and services that meet the needs of the Company. The Company assesses the potential of partners, including effectively selecting new business partners.

It has standards for selection, assessment, and verification of trade partners fairly and transparently. It adheres to the principle of business stability and trust of partners. The selection process is performed with business integrity and requires partners to have liquidity, a reliable track record, and verifiable place of business. The Company promotes fair business dealings with trade partners without human rights violations, while considering its responsibilities to the society, community, and environment.





Trade Partner

The Company has established criteria for evaluating the importance of suppliers (Critical Suppliers) and ESG risks (ESG Risk) in order to group suppliers according to risk, taking into account the nature of products and services provided by suppliers. The analysis of procurement costs in each product and service group has established criteria for classifying suppliers so that suppliers can be managed appropriately. They can be divided according to the following types:

- Direct suppliers or general suppliers no. 1 (Tier 1 Suppliers) refer to suppliers who directly produce or provide services to the Company.
- Indirect suppliers (Non-Tier 1 Suppliers) refer to suppliers who produce or provide services to the Tier 1 supplier.

• Important suppliers (Critical Tier 1 Suppliers) means:

1. Important suppliers who are manufacturers or provide direct services to the Company;
2. suppliers who trade regularly and have high order values;
3. Suppliers with strategical importance that have a significant impact on competitive advantage and market success; and
4. suppliers in product/service groups with few suppliers or is a product/service that is difficult to substitute in the market.

• Important indirect suppliers (Critical Non-Tier 1 Suppliers) mean:

1. Important suppliers who are manufacturers or provide direct services to the Tier 1 Suppliers;
2. suppliers who trade regularly and have high order values;
3. Suppliers with strategical importance that have a significant impact on competitive advantage and market success; and
4. suppliers in product/service groups with few suppliers or is a product/service that is difficult to substitute in the market.



Important suppliers (Critical Tier 1 Suppliers)

5 sellers, accounting for **1 %**

From a total of **701** sellers

Important indirect suppliers

(Critical Non-Tier 1 Suppliers)

1 sellers, accounting for **0.1 %**

From a total of **701** sellers

Risk management and monitoring

Business operations of various organizations need to involve many stakeholders, of which trading partners are a part that will assist to drive the Company's business forward according to the goals. If the Company receives adequate, appropriate, and correct support according to its needs, the Company will be able to move forward quickly and steadily. Therefore, partner management is an important factor in conducting business and enhancing the quality of life for the Company's stakeholders as well as increasing transparency in the organization's management. In addition, supplier management will also result in the Company being able to provide quality products and services, enhancing business opportunities, and being able to continuously manage supplier risk. The risks regarding trading partners that may affect the sustainable operations of the Company are as follows:

- 1.) Reliance on major trading partners
- 2.) Reliance on few suppliers
- 3.) Reliance on a few trading partners
- 4.) Receiving goods or services that are of poor quality.

Trade partner risks identification process



Economy

- Price, quality, delivery time, credit period Promotion and emphasis on development of products and/or services. Creation of innovations with trade partners.
- Transparent and verifiable reporting of operating results



Environment

- Environmental management in line with the relevant laws



Social

- Respect for human rights
- Participation with the community and society



Corporate governance

- The business operations shall be in Corporate accordance with the applicable laws and governance regulations.
- There is an anti-corruption policy in place.



The Company has established policies and procurement operations manuals such as bidding, price comparisons, channels for selecting sellers by announcing procurement throughout the country according to public website announcement channels including approval of joint selection of stores by multiple agencies to prevent bid rigging, evaluation of suppliers and separation of duties between the product purchaser and the product receiver and it is committed to strengthening good relationships with trading partners along with managing trading partners. The Company will communicate to important trading partners to

recognize and to comply with the Supplier Code of Conduct and the Company will also arrange for evaluation of the efficiency of the trading partners on an appropriate period of time, including communicating to trading partners to understand the Company's expectations.

Year 2023, results of self-assessment responses on environment, society and governance from suppliers and results of risk assessments. Environmental, Social, and Governance (ESG) aspects in the operating area found that "There is no risk issue."



Credit terms

The Company places great importance on treating trading partners according to commercial agreements and contracts. The average credit term is 30 days or depends on the terms and conditions agreed between the Company and the trading partners, as the case may be. The actual average time for repaying debt to trading partners is within 14 days. In selecting business partners, the Company will not do business with partners who do illegal business, and all partners must comply with the Company's code of conduct for business partners. The Company also encourages business partners to participate the network to fight against corruption.

Projects that promote potential with partners

The Company has guidelines for promoting the potential and ability to conduct sustainable business operations together with trading partners. The Company has collaborated with business partners and aims to deliver good wishes to the Company's business partners. The Company has car dealer loans (Floor Plan) as a special credit line to help enhance liquidity and create business opportunities to car dealers and used car dealers whose property must be owned or in the individual name of the car dealer or used car dealers, business owner or peddler but does not require a personal guarantor. The benefits of the project are as follows.

- Special credit lines help increase liquidity for trading partners.
- Pay only interest during the contract, up to a maximum of 12% per year (from a normal loan of 24% per year) and pay interest along with principal in the final installment.
- No personal guarantee required.

Since the project's implementation, there have been 361 contract partners participating in the project with a total credit limit of 42 million baht.

Supplier CAC's Day : Grow Together

The Company places importance on conducting business with its suppliers with a commitment to conduct business with transparency, accountability and without corruption. The Company has expressed its intention to join the Thai Private Sector Coalition Against Corruption project (Thai CAC) and gives importance to business partners by organizing training and inviting business partners to participate to support the importance of conducting business with ethics, anti-corruption and sustainable operations (ESG), including inviting business partners to express their intention to join the Thai Private Sector Anti-Corruption Coalition Against Corruption project (Thai CAC) in order to conduct business responsibly towards the community, society, environment and all stakeholders in the supply chain, there are approximately 15 business partner companies interested in participating in such activities.



Shareholders

The Company has guidelines for supporting shareholders and has given the Thai Investors Association the opportunity to visit the Company's business including providing opportunities for shareholders to meet and inquire in relation to the Company's information with senior executives in order to promote understanding of the business that is correct, sufficient and appropriate for investment decisions. In addition, it also promotes joint ownership of the business among shareholders.

Society and community

Policies and guidelines for community or social development

The Company is aware of the responsibility towards the community and society to strengthen the community and give back to society. The objective is to create a body of knowledge, jobs, and people. Therefore, the Company's policy is to provide assistance and develop the society and cooperate in various activities as appropriate with the nearby communities in which the Company operates the business. The Company also responds to events that affect the community, society, and environment resulting from the Company's operations with speed and efficiency. In addition, the Company encourages its executives and employees to be cautious and responsible for the environment and society.

Policies and practices in relation to innovations and publication of innovations derived from operations with responsibilities to social, environment, and stakeholders

The Company has established an information technology department with knowledgeable and experienced personnel responsible for development and innovations for the Company's business to grow sustainably and respond to usage

and facilitate the customers. The Company also has a security protection system that prevents outsiders from accessing the Company's internal confidential information.

Responsible Lending Policy

The company conducts business with awareness of providing financial services in a responsible manner and support government policy in solving the problem of excessive household debt by providing financial knowledge to the community. The Company places importance on sustainable business operations by taking into consideration environmental, social and governance factors in formulating policies and strategies for responsible lending. The Company operates its business with responsibility to stakeholders, particularly customers. The Company considers the benefits of customers as a priority, consisting of 3 important issues:

1. Providing funding in the system for low-income customers by developing products that are suitable for each group of customers, including the repayment term and the ability for repayment. After deducting the debt and other expenses of customers, the customers must have sufficient money left for their living. In addition, the Company has expanded branches to provide customers with access to borrowings in the system.

2. Assisting customers experiencing financial crises. The Company will consider helping customers on a case-by-case basis as appropriate.

3. Clear and transparent product presentation along with providing knowledge about financial discipline, risks that may occur to customer on a case-by-case basis and taking into consideration the impact if the customer is unable to pay back within the specified period.

4. The company evaluates and does not support loans that are at risk of illegal activities or projects or activities that may cause severe environmental and social impacts. There are no measures to prevent and correct the impacts. and there was no listening to the opinions of stakeholders Projects or activities that encroach and destroy forest areas Human trafficking activities forced labor or use child labor illegally and businesses that have Risk of fraud and corruption, including bribery



After lending approval, there is a process for monitoring the use of the credit limit according to the specified conditions and continuously reviewing the customer's ability to repay debt, as well as having a mechanism to control and monitor operations appropriate to the level of risk by paying special attention to high environmental and social risks and impacts or those that are particularly sensitive. In addition, the Company provides accurate and complete information under the terms and conditions and credit consideration process, presenting products and services to customers fairly (Market Conduct) requiring those involved in the credit consideration and approval process to have knowledge and expertise in policies and practices to ensure that the lending consideration process complies with the regulations of the Bank of Thailand, the requirements of the Anti-Money Laundering Office, and related government regulations, along with implementing the principle of knowing the identity of the customer. This is to ensure that the company does not participate in supporting illegal acts or creating significant negative impacts on the environment and society.



The Company clearly and transparently presents products offered by the Company on its website. The Company also provides information on rights that should be known to customers for making decisions. It provides many channels for accepting product-related complaints, services, impact from services, and exaggerated advertising. This is to protect financial consumers, as well as setting guidelines for solving problems, handling complaints, and remedies that are clear, fast, independent, efficient, and fair. The Company's call center at 1361 is responsible for such roles which include coordinating, problem solving, and tracking progress.

Project to promote sustainable financial knowledge to communities

Promoting knowledge, understanding, and stimulating learning according to the Sustainable Development Goals (SDGs) of in the Goal No. 4: Ensure that everyone has inclusive and equitable quality education and support learning opportunities throughout life.

No.	Projects	Target Group	Results
1.	Use money wisely to create a great life, Year 2.	People in the Pang Mapha Subdistrict area and nearby areas, totaling 280 people.	Describe and create activities to promote understanding about financial discipline, systematic financial planning, recording household income and expenses in a notebook.
2.	Heng Pan Books Project Year 2 + provides financial knowledge	People in the Pang Mapha Subdistrict area and nearby areas, totaling 280 people.	Providing bookcases, books, and learning media + financial literacy activities to students Brother Huk Heng teaches his younger siblings about money.
		<ul style="list-style-type: none"> Heng Leasing, head office employees of 3 people / branch employees of 5 people. 36 students in grades 5-6 of Ban Trok Khae School. Mathayom 1 students at Khon Hat Prachasan School, 40 people. 	Providing bookcases, books, and learning media + financial literacy activities to students. Brother Huk Heng teaches his younger siblings about money.



Heng Ruay Pang Program

Target group

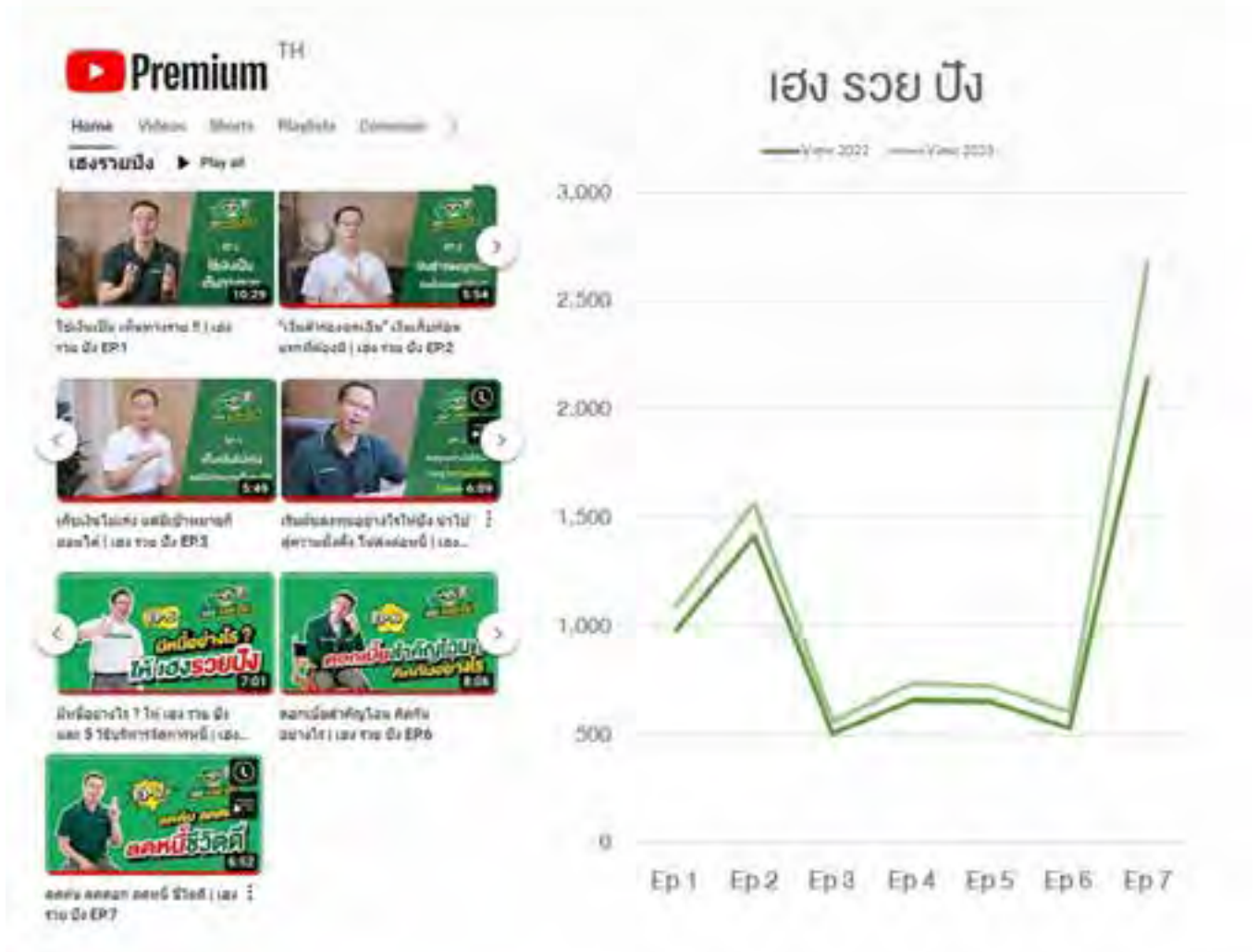
Guests and subscribers of Hengleasing channel on Youtube

Objectives

To provide knowledge about finance that can be used in daily life

Actions

Production of financial knowledge program called “Heng Ruay Pang”. The program has been moderated by a financial expert. There are a total of 7 episodes for the general public to watch. In 2023, total viewer increased by approximately 10 percent from the previous year.





Support World Food Day 2023

Target group

Northern community ,Chiang Mai and nearby areas

objective

Creating equality for those who lack food
SDG Goal 2: End hunger Achieve food security and upgrade Nutrition and the promotion of sustainable agriculture

Operation

Support drinking water 30,000 bottles.



Donation of essential aids to disabled

Target group

Persons with hearing disabilities: Sisaket Province and Surin Province.

Objective

To help and alleviate suffering of disabled and carry out activities to raise the quality of life and develop the potential of hearing disabilities person at all levels.

Actions

Gave a donation to support the activities of the Sisaket and Surin Deaf Association in the amount of Baht 5,000

Regulator

Compliance with relevant rules and laws

The company places importance on strictly complying with relevant laws and regulations, especially the following laws:

1. Personal Data Protection Laws: the Company has prepared for personal data protection by following up and studying laws related to personal data protection. The information technology system has been improved for data storage. There has been dissemination and training for relevant personnel to have knowledge and understanding. In addition, the Company has already appointed a Personal Data Protection Officer (DPO) to perform various duties as required by laws.

2. Management of providing services to customers fairly (Market Conduct) because the Company is licensed to operate the business of regulated personal loans and microfinance loans for occupations under supervision of the Bank of Thailand. In addition to managing other work systems related to providing fair services to customers, the company must also consider customer privacy and have appropriate security measures regarding customer information according to international standards. In 2022, there were 1,381 employees who received training on the management of providing fair services to customers (Market Conduct), 1,381 people took the knowledge test, and 1,368 people passed the knowledge test, accounting for the proportion of 99.06%.



3. The Company has established its Compliance Unit to coordinate with regulatory agencies, follow up on laws, notifications and orders related to the Company's business operations for dissemination to relevant parties for understanding and for supervising business operations correctly as well as the direct reporting to supervisors. In addition, the Company also has a legal department that is responsible for providing legal advice and preparing agreements or legal contracts that are standard and do not violate relevant laws.

In 2023, no actions were found that violated regulations, laws, or guidelines of regulatory agencies that caused the Company to suffer damage and there were no fines for violations, breaches of contracts, or violations of social and environmental laws. In addition, there were no events that affected the security of the information system.

4. The company is aware of the use of inside information and prevention of conflicts of interest among directors, executives, and employees at all levels. Therefore, the Company has established policies and guidelines regarding the use of inside information and prevention of conflicts of interest in business ethics and has established it as the main policy of the Company. The Company requires employees in every sector to study and be informed through the company's communication channels (Intranet) at all times. In addition, for new employees, the Company has a training process and provides knowledge on preventing the use of inside information and preventing conflicts of interest for new employees along with other knowledge training related to performing normal duties as well. In 2022, there were 1,290 employees who accessed inside information and prevented conflicts of interest, 1,290 people took the knowledge test, and 1,281 people passed the knowledge test, representing a proportion of 99.30%.





Debt mediation project in collaboration with the Legal Execution Department

According to the Legal Execution Department requesting cooperation from business operators as creditors to participate in the debt mediation project in order to assist debtors in managing household debt and transferring knowledge in debt management, which the Company has participated in the said project and provided advice on debt management to 232 debtors by successfully negotiating debts in 217 cases. The Company expects that the Company will play a part in assisting debtors to reduce household debt problems that have already occurred and to prevent debts that may arise in the future by being properly managed.

Tax policy

The Company is committed to complying with tax laws and managing tax risks by understanding the importance of being a good taxpayer and being responsible and transparent in paying taxes correctly as required by the laws. This is to demonstrate social responsibility, which is an important part that enables the Company's business to grow steadily and sustainably and promote value creation and risk management for all groups of stakeholders. The Company also has

guidelines for tax planning and operations that are consistent and in the same direction. The Company's tax policy consists of 4 important parts as set out below.

1. Tax supervision
2. Tax risk management
3. Tax transparency
4. Legitimate use of tax benefits, including using the correct tax structure that does not cause tax evasion.

Tax reporting

The Company regularly monitors and assesses the implementation of laws, requirements and regulations related to taxation to ensure that the relevant people are properly informed and comply with the laws. In the year 2022, the Company did not conduct any operations that violated tax laws and regulations which would result in penalties. The Company's profit before tax was Baht 574,963,737 and income tax was Baht 113,839,134 based on an effective tax rate of

19.80 percent, which was different from the effective tax rate of 0.20 percent. There were tax privilege items received within the year, namely Royal Decree No. 437 on employee training expenses.





Management Discussion and Analysis (MD&A)



Overview of Operating Performance Analysis

The Company is a non-financial institution operator who provides: (1) hire purchase loan; (2) regulated personal loan with car registration as collateral (pledge of car registration); (3) mortgage loan; (4) regulated personal loan without car registration as collateral; (5) regulated retail loan for occupation (“Nano Financing”); and (6) non-life and life insurance brokers to general retail customers. As of 31 December 2022, and 2023 the Company’s total receivables were Baht 12,020.1 million and Baht 15,099.5 million respectively. During the year 2022 – 2023, the Company’s main loans included hire purchase loans, which accounted for 56.0% and 30.9% of total receivables respectively, and loans with car registration as collateral, which accounted for 38.6% and 64.5% of total receivables respectively.

In the year 2022 and 2023 the Company’s total receivables increased by Baht 2,839.6 million and Baht 3,079.4 million or 30.9% and 25.6% respectively. Mainly due to the Company’s focus on providing: (1) regulated personal loan with car registration as collateral; (2) mortgage loan; and

(3) unsecured loan according to the Company’s business plan to increase variety of products and services to meet the needs of various customer groups and increase the yield on loan for the Company. In general, regulated personal loans with car registration as collateral and unsecured loans have higher interest rates (Yield on loan) than hire purchase loans. However, due to the uncertainty of the Covid-19 pandemic, the Company is more cautious in considering new loan approvals for customers with certain occupations whose repayment capabilities may be affected by the Covid-19 pandemic and has adjusted the annual loan target. As a result, the Company’s total receivables increase from the end of 2023 which was a significant increase.

Overall, the Covid-19 pandemic has temporarily affected the Company’s operations. The Company has adjusted the work procedures for the safety of employees and customers such as temporary closure of some affected branches for 1-2 days to clean and disinfect when there is a risk, accepting installment payments via QR code to reduce cash exposure, opening car auctions through online channels instead of auctions in the



auction yard, restricting access in and out of office buildings, and planning work anywhere for support employees who can work from home.

As of 31 December 2022 and 2023, the Company's expected credit losses were Baht 538.5 million and Baht 624.6 million or equivalent to 4.5%, and 4.1% of the total receivables respectively.

As of 31 December 2022, and 2023, the Company's expected credit losses were by Baht 230.1 million and Baht 413.0 million or equivalent to 1.9%, and 2.7% mainly due to the fact that the Company had set aside an additional allowance for doubtful accounts in the year 2019 to accommodate the change of Thai Financial Reporting Standard 9 ("TFRS 9"), financial instruments. which was effective on 1 January 2020. The Company has been careful considering various factors which may affect the loan quality in the future. The consideration included the impact of the Covid-19 pandemic that has slowed down the economy and may affect debtors' ability to repay after and/or termination of assistance measures to debtors affected by the Covid-19 pandemic according to the Bank of Thailand's guidelines. In this regard, the Company will review the additional provision (Management Overlay) every quarter if it considers that such event still affects the trend of the Company's loan quality in the future. For the year 2021 and 2022 the Company's expected credit losses mainly due to variation from size of loan portfolio.

For the financial year ending 31 December 2020, 2021 and 2022, the Company's total revenues were Baht 1,590.0 million, Baht 1,644.4 million and Baht 2,124.4 million respectively. The Company's main income is interest income which accounted for 91.2%, 89.5% and 87.6% of total revenues or equivalent to interest rates

of 17.8%, 16.9% and 17.6% respectively. Due to the uncertainty of the Covid-19 pandemic, the Company is more cautious in considering new loan approvals for customers with certain occupations whose repayment capabilities may be affected by the Covid-19 pandemic and has adjusted the annual loan target. Including, the Company has provided assistance to debtors affected by the Covid-19 pandemic in accordance with the Bank of Thailand's guidelines such as extending repayment period, However, the company has channel to increase ability to perform more income from life and non-life insurance commissions.

For the financial year ending 31 December 2020, 2021 and 2022, the Company's total expenses were Baht 1,191.5 million, Baht 1,100.9 million, and Baht 1,549.4 million respectively. The Company's main expenses are service and administrative expenses, which accounted for 59.6%, 65.7% and 64.6% of total expenses or equivalent to operating expenses to total income (Cost to Income) of 51.6%, 54.2% and 52.5% of total revenues respectively.

For the financial year ending 31 December 2020, 2021 and 2022, the Company's net profit were Baht 318.1 million, Baht 353.8 million, and Baht 461.1 million or equivalent to net profit margin of 20.0%, 21.5% and 21.7% respectively. The Company had a return on equity of 9.4%, 8.5% and 9.2%, respectively.

The management discussion and analysis of the Company's operating performance and financial position during the past 3 years referred to information from the financial statements according to the following details:

- The management discussion and analysis for the financial year ending 31 December 2021 referred to information from the financial statements for the year ending 31 December 2022.



Important Accounting Policies

1.1 Revenue recognition

(A) Loan interest income

The Company recognizes interest income from hire purchase contracts. and the loan agreement on an accrual basis under the effective interest method throughout the contract period and calculated from the gross book value of Accounts receivable under hire purchase contracts/loans.

For receivables under hire purchase contracts/loans with subsequent credit impairment, the Company recognizes interest income under the effective rate method, calculated from the net book balance (accrual net of allowance from expected credit loss) of the debtor

Direct income and expenses incurred from hire purchases/loans are recognized by apportionment to be gradually recognized under the effective interest rate method and presented as a deduction from interest income from hire purchase contracts/loans throughout. The term of the contract to reflect the actual rate of return on the contract.

(B) fee and service income

Fees and service income is recognized on an accrual basis, except for fees that are included as part of the effective interest rate, and income from late penalties is recognized on the amount actually received.

1.2 Expense recognition – interest expense

Interest expenses are expensed on an accrual basis.

1.3 Financial Instruments

Classification and measurement of financial assets and financial liabilities

Financial asset

The Company classifies its financial assets - debt instruments, such as hire purchase and loan receivables as subsequently measured at amortised cost or fair value in accordance with the Company' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. All financial

assets of the Company 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 Company classify financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost calculated 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 Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Company, are still recognised as financial assets.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

1.4 Cash and cash equivalents

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



1.5 Hire purchase receivables/Loan receivables

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

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

1.6 Allowance for expected credit losses

The Company applies the General Approach to calculate the expected credit losses on its financial assets, such as deposits at financial institutions and hire purchase and loan receivables.

The Company classifies its financial assets into three stages (three-stage approach) to measure the value of the expected credit losses, with the classification of the financial assets determined on the basis of the change in credit risk since initial recognition as follows :

Stage 1: Financial assets where there has not been a significant increase in credit risk (Performing)

For the financial assets where there has not been a significant increase in credit risk since initial recognition, the Company recognises allowance for expected credit losses at the amount equal to the 12month expected credit losses.

Stage 2 : Financial assets where there has been a significant increase in credit risk (Under-Performing)

For financial assets where there has been a significant increase in credit risk since initial recognition but not credit-impaired, the Company recognises allowance for expected credit losses at on amount equal to the lifetime expected credit losses of the financial assets.

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

For financial assets are assessed as credit-impaired, the Company recognises expected credit losses in an amount equal to the lifetime expected credit losses of the financial assets.

At the end of each reporting period, the Company assesses whether there has been a significant increase in credit risk of financial assets since initial recognition by comparing the risk of default 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 Company may use internal quantitative and qualitative indicators and forecasts information to assess the deterioration in the credit quality of financial assets such as arrears of over 30 days past due. The Company assesses whether the credit risk has increased significantly from the date of initial recognition on an individual or a collective basis.

Hire purchase/loan receivables are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of receivables have occurred. Evidence of credit-impaired receivables includes arrears of over 90 days past due or having 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 from the initial recognition date that was assessed in the previous period no longer applies, the Company will change from recognising expected credit losses over the expected lifetime to recognising the 12month expected credit losses.

Hire purchase and loan receivables that have been renegotiated or changed in terms of the contractual cash flows due to a deterioration in the debtor's condition is usually considered to be significant increase in credit risk or credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Expected credit losses are the probability-weighted estimate of expected credit losses over the lifetime of the financial assets, taking into account the present value of all cash



that are expected not to be recoverable based on historical loss information for a group of assets that the Company considers having shared credit risk characteristics, taking into account type of collateral, months on books, and other relevant factors, adjusted for current observable data, as well as forward-looking information that is supportable and reasonable, provided it can be shown to be statistically related. It also involves the appropriate exercise of judgement to estimate the amount of expected credit losses, using macroeconomic data. The Company determines both current and future economic scenario, and probability-weighted each scenario (base-case scenario, best-case scenario and worst-case scenario) for the purpose of calculating expected credit losses. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit losses. However, the Company has established a process to review and monitor methodologies, assumptions and forward-looking economic scenario on a regular basis. In addition, a management overlay is applied to account for factors that are not captured by the model.

Increase (decrease) in an allowance for expected credit loss is recognised as expenses in profit or loss in the statements of comprehensive income. The Company 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.

1.7 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 debtor is having financial difficulties, the Company assesses whether to derecognise the financial asset and measures the expected credit losses, as follows :

- If the modification of terms does not result in derecognition of the financial asset, the Company calculates the gross book value of the

new 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.

In cases where debt restructuring does not result in derecognition, a debtor is classified as a financial asset with a significant increase in credit risk (Stage 2) until the debtor is able to make payment in accordance with the debt restructuring agreement for the longer of 3 consecutive months or 3 installments, or the debtor is reclassified as credit-impaired (Stage 3). A debtor is classified at the same stage until payment is made in compliance with the debt restructuring agreement for not less than 12 months from the restructuring date, when the debtor is classified as a financial asset without a significant increase in credit risk (Stage 1). If the debt restructuring results in derecognition, the new financial asset is treated as a financial asset where there has not been a significant increase in credit risk (Performing or Stage 1).

In addition, the Company has adopted the accounting guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19, as discussed in Note 3.3 to the financial statements.

1.8 Assets foreclosed

Assets foreclosed are assets seized from hire purchase and loan receivables and stated at the lower of cost or net realisable value net of allowance for loss on impairment (if any).

Gain (loss) on disposal of assets foreclosed are recognised in profit or loss in the statements of comprehensive income upon disposal.



Loss on impairment (if any) is recognised as an expense in the statements of comprehensive income.

1.9 Land, buildings and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for 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 :

Building	10 years
Building improvement	10 years
Furniture	5 years
and office equipment	
Computers and equipment	5 years
Motor vehicles	7 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of land, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is recognised in profit or loss in the statement of comprehensive income when the assets are derecognised.

1.10 Lease liabilities

At inception of contact, the Company 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 Company applies a single recognition and measurement approach of all leases, except for short-term leases and leases of low-value assets. The Company recognise right-of-use assets, which represent the right to use underlying assets and lease liabilities based on lease payment.

Right-of-use assets

At the commencement date of the lease, the Company is measured right-of-use assets at cost, less accumulated depreciation and 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 and less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their useful lives and the lease term as follows:

Buildings	1 - 10 years
Office equipment	4 - 5 years
Vehicles	2 - 5 years

If ownership of the leased asset is transfers to the Company at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Company is to assess the impairment of the right-of-use assets as discussed in the note to the financial statements on impairment of non-financial assets.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the Company'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.

1.11 ntangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

Intangible assets with finite lives are amortised on a systematic basis over the 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 charged to profit or loss.

Company's intangible assets are computer software, that have useful lives of approximately 3 - 5 years.

1.12 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets or 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 statements of comprehensive income (if any).

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

c) Post-employment benefits (Defined benefit plans)

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

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

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

1.14 Income tax

Income tax expense represents the sum 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 Company recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 Company review 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 Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

1.15 Related party transactions

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

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

1.16 Provisions

Provisions are recognised when the Company have 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.

1.17 Fair value measurement

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

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

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company 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.





Management Discussion and Analysis

(1) Revenues

The below table illustrates the Company's revenues.

Revenues	For the financial year ending 31 December			
	2022		2023	
	Million Baht	%	Million Baht	%
Hire purchase interest income	924.0	43.5	863.9	30.0
Loan interest income	937.4	44.1	1,691.7	58.8
Total interest income	1,861.4	87.6	2,555.6	88.8
Fee and service income ⁽¹⁾	197.6	9.3	254.7	8.9
Other income ⁽²⁾	65.4	3.1	67.4	2.3
Total revenues	2,124.4	100.0	2,877.7	100.0

Remarks: ⁽¹⁾ Fee and service income mainly consists of insurance commission, collection fee, late penalty fee, and fee for issuing a termination letter.

⁽²⁾ Other income mainly consists of recovered bad debts.

As of 31 December 2022 and 2023, the Company's total revenues were Baht 2,124.4 million, and Baht 2,877.7 million respectively. The revenues can be explained as set out below.

The Company's revenues consist of interest income, fee and service income and other income the details as follows:

(a) Interest income

The following table illustrates the Company's interest income classified by type of loan service.

Interest income	For the financial year ending 31 December			
	2022		2023	
	Million Baht	%	Million Baht	%
1. Interest income from secured loans	1,710.2	91.9	2,433.5	95.2
• Hire purchase	924.0	49.6	863.9	33.8
• Regulated loan with vehicle registration as collateral	761.1	40.9	1,536.2	60.1
• Mortgage loan	25.1	1.4	33.4	1.3
2. Interest income from unsecured loans	151.2	8.1	122.1	4.8
• Regulated personal loan without vehicle registration as collateral	22.4	1.2	17.0	0.7
• Nano financing	128.8	6.9	105.1	4.1
Total Interest income	1,861.4	100.0	2,555.6	100.0



For the financial year ending December 31, 2022 and 2023, the Company's total interest income were Baht 1,861.4 million and Baht 2,555.6 million. The changes in interest income can be analyzed as follows :

Hire purchase interest income

For the financial year ending December 31, 2022 and 2023, the Company's hire purchase interest income were Baht 924.0 million and Baht 863.9 million or equivalent to 49.6% and 33.8% of the total interest income respectively. This was mainly due to a decrease in the amount of receivables under hire purchase contracts because the Company focused more on regulated personal loan after the receipt of a license to operate regulated personal loan under supervision of the Ministry of Finance in the middle of 2019.

Interest income from regulated personal loan with vehicle registration as collateral

The Company received a license to operate regulated personal loan under supervision of the Ministry of Finance on 13 June 2019. For the financial year ending December 31, 2022 and 2023, the Company's interest income from regulated personal loans with vehicle registration as collateral were Baht 761.1 million and Baht 1,536.2 million or equivalent to 40.9% and 60.1% of the total interest income respectively. This was due to the Company being more focused on regulate personal loans with vehicle registration as collateral to acquire the group of customers with financing needs who have their own vehicles to be used as collateral for borrowing under the programs "Heng changes a car to money" and "Motorcycle loan project" after the receipt of a license to operate regulated personal loan under supervision of the Ministry of Finance.

Interest income from mortgage loan

In the 2020, the Company began to expand its loan products to increase the variety of collaterals and increase the Company's competitiveness. For the financial year ending December 31, 2022 and 2023, the Company had interest income from mortgage loans in the amount of Baht 25.1 million

and Baht 33.4 million or equivalent to 1.4% and 1.3% of total interest income under "Heng's land and house loan program."

Interest income from regulated personal loan without vehicle registration as collateral

For the financial year ending December 31, 2022 and 2023, the Company's interest income from regulated personal loan without vehicle registration as collateral were Baht 22.4 million and 17.0 million or equivalent to 1.2% and 0.7% of total interest income. This type of loan focuses on customers with regular income. The maximum loan limit is 1.5 times of salary and not more than Baht 45,000 per person under "Heng's ready to use personal loan program."

Interest income from nano financing

The Company was granted a license to operate retail loan for occupation under supervision of the Ministry of Finance on 11 March 2019. For the financial year ending December 31, 2022 and 2023, the Company's interest income from nano financing were Baht 128.8 million, and Baht 105.1 million or equivalent to 6.9%, and 4.1% of total interest income respectively because the Company focused on providing retail loan for occupation (non-recurring income). The maximum loan limit is not more than Baht 20,000 per person under "Heng's nano financing program" after the receipt of a license to operate retail loan for occupation under supervision of the Ministry of Finance.

(b) Fee and service income

Important fee and service income includes insurance brokerage, collection fee, late penalty fee, and fees for issuing a termination letter. For the year ending December 31, 2022 and 2023, the Company's fee and service income were Baht 197.6 million, and Baht 254.7 million or equivalent to 9.3% and 8.9% of total revenue. This was mainly due to the provision of assistance to debtors affected by the Covid-19 pandemic situation and the adjustment on the Company's policy for fee collection from customers, which is in accordance with the Company's marketing plan.

**(c) Other income**

Other income mainly consists of recovered bad debts. For the financial year ending December 31, 2022 and 2023, the Company's other income were Baht 37.1 million, Baht 68.1 million and Baht 65.4 million or equivalent to 2.3%, 4.1% and 3.1% of total revenue respectively. This was mainly due to receipt of payment after the Company has written off accounts receivable in accordance with the guidelines of the Ministerial Regulation No. 186 and No. 374 in the Revenue Code such as money received from debtor under a court order etc.

(2) Expenses

The following table illustrates the Company's expenses :

Expense	For the financial year ending 31 December			
	2022		2023	
	Million Baht	%	Million Baht	%
Service and administrative expenses	1,000.5	75.2	1,233.2	64.5
Expected credit losses	230.1	17.3	413.0	21.6
Loss on impairment and disposal of assets	99.9	7.5	265.1	13.9
Total expenses	1,330.5	100.0	1,911.3	100.0

For the financial year ending December 31, 2022 and 2023, the Company's total expenses were Baht 1,330.5 million and Baht 1,911.3 million. The Company's main expenses are service and administrative expenses.

(3) Financial expenses

For the financial year ending December 31, 2022 and 2023, the Company's financial expenses were Baht 218.9 million and Baht 441.4 million or accounting for 10.3% and 15.3% of total revenue respectively. This was mainly due to the management of financial costs, whereby the Company was able to find a source of loans with lower financial costs. In addition, the policy interest rate has decreased.

(4) Net profit

Based on the above operating performance, for the financial year ending December 31, 2022 and 2023, the Company's net profit were Baht 461.1 million and Baht 422.0 million or equivalent to net profit margin of 21.7% and 14.7% respectively. The Company's net profit has increased due to cost management and improved quality of loan portfolio.

Financial Position Analysis**(1) Assets**

As of December 31, 2022 and 2023, the Company's total assets were Baht 12,263.6 million and Baht 15,673.2 million respectively. The main assets of the Company are hire purchase receivables and loan receivables.

(a) Hire purchase receivables and loan receivables

The following table illustrates the Company's hire purchase receivables and loan receivables :

Total receivables – net	As of 31 December			
	2022		2023	
	Million Baht	%	Million Baht	%
Hire purchase receivables – net	6,434.7	56.0	4,407.3	30.4
Loan receivables – net	5,046.9	44.0	10,067.7	69.6
Total receivables – net	11,481.6	100.0	14,475.0	100.0



The following table illustrates the Company's hire purchase receivables and loan receivables classified by type of loan:

Total receivables – net	As of 31 December			
	2022		2023	
	Million Baht	%	Million Baht	%
Secured loans	11,549.1	96.1	14,686.9	97.3
• Hire purchase	6,732.5	56.0	4,666.2	30.9
• Regulated personal loan with vehicle registration as collateral	4,634.5	38.6	9,743.4	64.5
• Mortgage loan	182.1	1.5	277.3	1.8
Unsecured loans	471.0	3.9	412.6	2.7
• Regulated personal loan without vehicle registration as collateral	83.2	0.7	68.9	0.5
• Nano financing	387.8	3.2	343.7	2.3
Total receivables	(12,020.1)	100.0	15,099.5	100.0
Less: Allowance for doubtful accounts / Allowance for expected credit losses	(538.5)	(4.5)	(624.6)	(4.1)
Total receivables – net	11,481.6	95.5	14,474.9	95.9

The following table presents receivables under hire purchase agreements and receivables from loan agreements of the Company classified by type of collateral.

Total receivables – net	As of 31 December			
	2022		2023	
	Million Baht	%	Million Baht	%
pickup truck	5,620.1	46.8	7,107.9	47.1
passenger car	3,933.1	32.7	5,257.9	34.8
agricultural vehicles	557.7	4.6	698.7	4.6
van	398.2	3.3	427.8	2.8
truck	461.4	3.8	559.9	3.7
motorcycle	396.2	3.3	357.2	2.4
Other cars ⁽¹⁾	0.3	0.1	0.3	0.0
house and land	182.1	1.5	277.3	1.8
unsecured	471.0	3.9	412.6	2.7
Total receivables	12,020.1	100.0	15,099.5	100.0
Less: Allowance for doubtful accounts / Allowance for expected credit losses	(538.5)	(4.5)	(624.6)	(4.1)
Total receivables – net	11,481.6	95.5	14,474.9	95.9

Most of the Company's receivables is a secured debtor which accounted for 97.3 of total debtors.



The following table shows the hire purchase receivables and loan receivables of the Company classified by aging of outstanding debts and allowance for doubtful accounts.

Total receivables – net		As of 31 December			
Financial reporting standards for the year 2019	Financial Reporting Standard No. 9	2022		2023	
		Million Baht	%	Million Baht	%
Not yet due	Stage 1	10,435.5	86.8	13,115.8	86.9
Overdue less than 30 days					
Overdue 31 - 90 days	Stage 2	1,222.4	10.2	1,470.2	9.7
Overdue 91 - 180 days	Stage 3	362.2	3.0	513.5	3.4
Overdue 181 - 365 days					
Overdue for more than 365 days					
Debtor transferred by laws					
Total receivables		12,020.1	100.0	15,099.5	100.0
Allowance for doubtful accounts / Allowance for expected credit losses		(538.5)	(4.5)	(624.6)	(4.1)
Allowance for Doubtful Accounts – An increase in the allowance for uncollectible debts.		-	-	-	-
Less: Allowance for doubtful accounts / Allowance for expected credit losses		(538.5)	(4.5)	(624.6)	(4.1)
Total receivables – net		11,481.6	95.5	14,474.9	95.9

As of December 31, 2022 and 2023, the Company has debtors overdue more than 90 days or debtors with credit impairment, non-performing loans or non-performing loans were Baht 362.2 million and Baht 513.5 million or accounted for 3.0% and 3.4% of total debtors respectively.

As of December 31, 2022 and 2023 the company's an allowance for doubtful accounts or allowance for expected credit losses equal to Baht 538.5 million and Baht 624.6 million or accounted for 4.5% and 4.1% of total receivables respectively. In the year 2019 the company's allowance for doubtful accounts increased by Baht 236.3 million or 88.2% in line with the company's loan growth along with the company's increased an allowance for doubtful accounts in the allowance for uncollectible debt (General Reserve) to accommodate the changes in Financial Reporting Standard, No. 9 effective on January 1, 2020. However, the Company has been careful considering various factors that may affect the quality of credit in the future including the impact of the COVID-19 epidemic situation. that causes of the economy's slow down and may affect the debtor's ability to repayment after and/or the end of assistance measures for debtors affected by the COVID-19 epidemic situation according to the Bank of Thailand's guidelines. the will company

review Management Overlay every quarter if it considers that such event still affects the trend of the Company's loan quality in the future.

Currently, the Expected Credit Loss Model that the Company uses to set aside allowance for doubtful accounts for all loan types is based on historical loss experience of secured loans which is hire purchase loans and loans with vehicle registration as collateral (loans that the Company provides services before receiving a letter of approval from the Bank of Thailand) that the company considers that there is sufficient information and is suitable for preparing the model.

In addition, the Company considers other credit information that the Company has just started providing services and considers that there is still limited availability in such modeling. At present, the expected credit loss model of other loans It is based on similar historical loss experience data for hire purchase and vehicle-registered loans. In the future, when there is enough information, the company will review the Expected Credit Loss Model based on the information of each loan type.

**The following table lists the key receivable quality ratios.**

Significant receivable quality ratio	As of 31 December	
	2022	2023
	%	%
Ratio of non-performing loans to total receivables	3.0	3.4
The ratio of allowance for doubtful accounts or allowance for expected credit losses to total receivables	4.5	4.1
Bad debt ratio to total receivables	1.8	1.5
The ratio of allowance for doubtful accounts or allowance for expected credit losses to non-performing loans (Coverage Ratio)	148.7	121.6
Bad debt and doubtful debt ratio or expected credit loss to total receivables (Credit Cost)	1.9	2.7

As of December 31, 2022 and 2023, the Company has amortized bad debt equal to Baht 214.6 million and 225.6 million or accounted for 1.8 % and 1.5% of total receivables, respectively under the policy to write off accounting receivables in accordance with the guidelines of the Ministerial Regulation No. 186 and No. 374 in the Revenue Code.

As of December 31, 2022 and 2023, the Company has allowance for doubtful accounts or allowance for expected credit losses of 148.7% and 121.6% of non-performing loans, respectively. Generate income according to the Company's accounting policy. In addition, as of December 31, 2023, the Company recorded a management overlay to accommodate the impact of the COVID-19 situation.

As of December 31, 2022 and 2023, the Company had bad debt expenses and doubtful accounts or expected credit losses of 1.9% and 2.7% of total receivables, respectively by reducing down due to the quality of the company's debtor management more efficient.

Property foreclosed**The following table shows the value and amount of the Company's properties foreclosed.**

Property foreclosed - net	As of 31 December			
	2022		2023	
	Baht Million	Vehicles	Baht Million	Vehicles
pickup truck	30.8	330	30.0	427
passenger car	19.4	314	28.9	551
motorcycle	1.8	71	1.0	36
Other Vehicles ⁽¹⁾	2.8	20	5.5	35
Property foreclosed - net	54.8	735	65.4	1,049

Note : ⁽¹⁾ Other vehicles such as vans, trucks, and agricultural vehicles, etc.

As of December 31, 2022 and 2023, the Company's assets foreclosed were Baht 54.8 million and Baht 65.4 million or equivalent to 0.4% and 0.4% of total assets.



Land, buildings and equipment

As of December 31, 2022 and 2023, the Company has land, plant and equipment equal to Baht 142.9 million and Baht 158.5 million or equivalent to 1.2% and 1.0% of total assets, respectively, mainly consisting of Leasehold buildings and improvements, furniture and office equipment, computers.

Right-of-use assets

The Company has adopted Financial Reporting Standard No. 16 Re : Lease Agreement for the first time since January 1, 2020. However, the change in accounting policy has no effect on retained earnings as of January 1, 2020 of the Company. As of December 31, 2022 and 2023, the Company recorded rights-to-use assets equal to Baht 147.1million and Baht 205.7million or equal to 1.2% and 1.3% of total assets, respectively, which consisted of buildings, office equipment and vehicles that the Company rented for use as a head office and a branch including renting vehicles for use in the Company's business operations

(2) Liabilities

The following table shows the Company's liabilities

Liabilities	As of 31 December			
	2022		2023	
	Baht Million	%	Baht Million	%
long term loan	5,693.2	81.1	9,291.3	90.6
Short-term loans from financial institutions	910.1	13.0	473.3	4.6
Total loans from financial institutions	6,603.3	94.1	9,764.6	95.2
lease liabilities	140.6	2.0	204.0	2.0
other liabilities	275.4	3.9	288.5	2.8
total liabilities	7,019.3	100.0	10,257.1	100.0

As of December 31, 2022 and 2023, the Company has total liabilities of Baht 7,019.3 million and Baht 10,257.1 million, respectively. The main liabilities of the Company are loans from financial institutions.

Loans from financial institutions

The following table shows the Company's loans from financial institutions.

Loans from financial institutions	As of 31 December			
	2022		2023	
	Baht Million	%	Baht Million	%
short term loan	910.1	13.8	473.3	4.8
Long-term loans - due within one year	2,208.1	33.4	3,730.4	38.2
Total	3,118.2	47.2	4,203.7	43.1
Long-term loans - net of portion due within one year	3,485.1	52.8	5,560.9	56.9
Total loans from financial institutions	6,603.3	100.0	9,764.6	100.0



Most of the Company's loans are from various financial institutions divided into long-term loans, overdrafts and promissory notes from commercial banks. As of December 31, 2022 and 2023, the Company has short-term loans and long-term loans due within one year equal to Baht 3,118.2 million and Baht 4,203.7 million or equivalent to 47.2% and 43.1% of loans from financial institutions, respectively, and the Company's net long-term loans due within one year equal to Baht 3,485.1 million and Baht 5,560.9 million or equivalent to 52.8% and 56.9% of loans from financial institutions, respectively, which are in line with the contractual installments of the Company's debtors. The Company uses loans from financial institutions as aforementioned to support loan expansion according to the Company's business growth plan.

Liabilities under lease agreements

The Company has adopted the Financial Reporting Standard No. 16 Lease Agreements for the first time since January 1, 2020. The Company recorded liabilities under lease agreements, as at December 31, 2022 and 2023 equal to Baht 140.6 million and Baht 204.0 million or equivalent to 2.0% and 2.0% of total liabilities, respectively.

(3) Shareholders' equity

Shareholders' equity	As of 31 December			
	2022		2023	
	Baht Million	%	Baht Million	%
Issued and paid-up capital	3,810.0	72.7	3,810.0	70.3
Premium	715.3	13.6	715.3	13.2
Retained earnings	719.0	13.7	890.7	16.4
Total shareholders' equity	5,244.3	100.0	5,416.1	100.0

As of December 31, 2022, and 2023, the Company's shareholders' equity were Baht 5,244.3 million and Baht 5,416.1 million respectively.

Analysis of liquidity and sources of funds

The following table shows the Company's cash flows.

cash flow	As of 31 December	
	2022	2023
	Baht Million	Baht Million
Net cash provided by (used in) operating activities	(2,021.5)	(2,000.5)
Net cash provided by (used in) investing activities	(46.6)	(60.1)
Net cash provided by (used in) financing activities	1,717.2	2,380.4
Cash and cash equivalents net increase (decrease)	(350.9)	319.9

**(1) Net cash received from (used in) operating activities**

For the fiscal year ended December 31, 2022, the Company had net cash used in operating activities equal to Baht 2,021.5 million, mainly due to cash received interest of Baht 1,680.4 million, partially net of increased loans to customers of Baht 3,194.74 million.

For the fiscal year ended December 31, 2023, the Company had net cash used in operating activities equal to Baht 2,000.5 million, mainly due to cash received interest of Baht 2,344.4 million, partially net of increased loans to customers of Baht 3,744.1million.

(2) Net cash received from (used in) investing activities

For the fiscal year ended 31 December 2022, the Company had net cash used in investing activities equal to Baht 46.6 million, mainly due to net cash paid for building improvements and equipment netting of Baht 43.7 million for 149 branches and cash paid for intangible assets of Baht 4.8 million to invest in computer software and network software to support branch expansion.

For the fiscal year ended December 31, 2023, the Company had net cash used in investing activities equal to Baht 60.1 million, mainly due to cash paid for purchases of building improvements and equipment, netting of Baht 55.8 million and cash paid for intangible assets of Baht 4.5 million.

(3) Net cash received from (used in) financing activities

For the fiscal year ended December 31, 2022, the Company had net cash used in financing activities equal to Baht 1,717.2 million, mainly due to cash payment of interest Baht 201.4 million and cash dividend payment of Baht 38.1 million, partially net of cash received from long-term borrowings of Baht 2,177.5 million.

For the fiscal year ended December 31, 2023, the Company had net cash used in financing activities equal to Baht 2,380.4 million, due to loans from financial institutions for portfolio expansion Baht 3,171.0 million ,partially net of cash received from long-term borrowings of Baht 408.9 million and cash dividend payment of Baht 253.7 million.

4.3 Presentation of information from the financial statements and key financial ratios that reflect the financial position and operating results of the Company's core business and its subsidiaries, with comparative data for the past 3 years.

Significant financial ratios

The following table presents the Company's key financial ratios

significant financial ratios	As of 31 December	
	2022	2023
	%	%
interest earned ratio	17.6	18.8
interest expense ratio	3.8	5.3
interest margin ratio	13.7	13.6
net profit margin	21.7	14.7
Return on Equity	9.2	7.9
Debt to Equity Ratio (times)	1.3	1.9



For the fiscal year ended December 31, 2022 and 2023, the Company has interest income equal to 17.6% and 18.8% of average net receivables since in the middle of 2019, the Company has received a letter of approval to operate a personal loan under supervision from the Ministry of Finance, the Company focuses on providing more loans with vehicle registration as collateral. The interest rate is charged as prescribed by the Bank of Thailand, and in the year 2020 onwards, the Company's interest rate has decreased compare to the year 2018 - 2019 due to supporting debtors who affected by the situation of COVID-19 in 2020 and 2021.

For the fiscal year ended December 31, 2022 and 2023, the Company has interest expenses equal to 3.8% and 5.3% of average interest-bearing debt, respectively. In 2020 onwards, the Company's interest expense has decreased compare to the year 2019 - 2021 due to the management of financial costs by the Company and the Company can procure a loan source with lower financial costs.

For the fiscal years ended December 31, 2022 and 2023, the Company's net profit margin were 21.7% and 14.7% respectively. In 2022, the Company's net profit margin has decreased when compare to the years 2023. This was mainly due to a decrease in expected credit losses in accordance with the Financial Reporting Standard No. 9.

For the fiscal years ended December 31, 2022 and 2023, the Company's return on equity equals to 9.2% and 7.9% respectively. the Company's return on equity has increased compare to the year 2022. For the previous year because of the Company's profitability has decreased from the previous year based on net profit margins of 21.7% and 14.7%, respectively.

For the fiscal years ended December 31, 2022 and 2023, the Company's debt to equity ratios were 1.3 times, and 1.9 times respectively, reflecting the Company's strong capital structure which is lower than the debt to equity ratio that the Company's lender financial institutions determined at 3.50 times, causing the Company to believe that the debt to equity ratio will be reduced which can support borrowing from financial institutions including other debt instruments funding sources as well as expanding credits to the Company's debtors in the future.

Sustainable development operations

The Company operates on the basis of sustainability that balances business growth with the well-being of society and the environment, including giving importance to good corporate governance (Environment – Social – Governance: ESG). The Company has established its Corporate Governance and Sustainable Development Committee to demonstrate its commitment to accurately, completely, and transparently disclose important information to stakeholders. The Company has therefore included the topic of sustainable development operations as part of the quarterly financial status and operating results explanation and analysis report. In the third quarter, the Company made important operational progress as follows :

Environmental (E: Environment)

The Company focuses on efficient use of resources and systematic waste management, with a campaign to reduce electricity use, a campaign to reduce water use, and a collaboration to inspect damaged plumbing equipment and a campaign to reduce pollution from using cars, including separating garbage. In this regard, various processes create effective resource management, causing the Company to receive an annual green office project evaluation in 2023 at the level of "Very Good" from the Ministry of Natural Resources and Environment.

Social (S: Social)

The Company has provided financial knowledge to people in the community through financial knowledge promotion projects and provided knowledge through online channels in the program "Heng Ruay Pang" via YouTube and the Company's Facebook.

Corporate governance (G: Governance)

The Company focuses on giving importance to good corporate governance. The Company has operated in accordance with the Personal Data Protection Act and has operated in accordance with the Anti-Money Laundering Act B.E. 2542 and the Prevention and Suppression of the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction Act, B.E. 2016. We have improved the policy and carried out various related activities, including educating employees so that they can use them as guidelines for working and providing fair customer service.



General Information and Other Important Information

5.1 Other Important Information

1. Heng Leasing and Capital Public Company Limited

Company name	: Heng Leasing and Capital Public Company Limited
Type of business	: Non-bank financial institution which provides: (1) hire purchase; (2) regulated personal loan with motor vehicle registration collateral; (3) mortgage loan; (4) personal loan which is not loan with motor vehicle registration as collateral; (5) regulated retail loan for occupation; (6) non-life and life insurance brokers for retails customers under the service mark “Heng Leasing
Company registration number	: 0107564000120
Head office address	: 69 Moo 7, San Sai Noi Sub-district, San Sai District, Chiangmai Province 50210
Website	: https://www.hengleasing.com/
Telephone	: 1361 or 02-153-9587
Fax	: 053-350-490
Par value	: 1.0 Baht
Registered capital As of December 31, 2022 Paid-up capital	: 3,810.0 Million Baht
As of December 31, 2022	: 3,810.0 Million Baht

2. Securities Registrar

Company name	: Thailand Securities Depository Co., Ltd.
Head office address	: The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400
Telephone	: 02-009-9999
Fax	: 02-009-9991

3. Auditor

Company name	: EY Office Company Limited
Head office address	: 33 rd Floor, Lake Rajada Office Complex, Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	: 02-264-9090
Fax	: 02-264-0789



4. Internal Auditor

Company name : KPMG Phoomchai Business Advisory co., Ltd.
Head office address : 48th Floor, Empire Tower, South Sathorn Road, Yannawa, Sathorn,
Bangkok 10120
Telephone : 02-677-2000
Fax : 02-677-2222

5. Law Firm

Company name : Charin & Associates co., Ltd.
Head office address : 57 Park Ventures Ecoplex Building, floor 16, Room No. 1609-1610,
Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Telephone : 02-108-2344
Fax : 02-108-2303

5.2 Other important information

5.2.1 Other information that may have a significant impact on investors' decision-making

- None -

5.2.2 Restriction on foreign shareholders in the event that the Company has a policy to ask for a resolution of the shareholders' meeting for offering of newly issued shares or transferable share subscription rights

- None -

5.3 Legal disputes

The Company is not a party to the following cases :

1. Cases that may have a negative impact on the Company's assets (cases under which the dispute amount is higher than 5% of the Company's shareholders' equity, as the case may be, as of the end of the latest financial year);
2. Cases that significantly affect business operations but unable to assess the impact in numbers;
3. Cases that are not arising from normal business operations.

5.4 Secondary market

- None -

5.5 Financial institutions that are in regular contact (only if the Company has issued debt securities)

- None -



Part 2 Corporate Governance



6. Corporate Governance Policy

6.1 Overview on Corporate Governance and Guidelines

6.1.1 Policy and Guidelines for the Board

The Company has prepared a corporate governance policy in writing to propose to the Board of Directors' meeting for approval. The Corporate Governance Manual is intended to serve as guidelines for directors, executives, and employees to comply with such policy. The Company shall arrange to review such policy on a yearly basis. Details are shown in the management and governance policy as an efficient and socially responsible company and business ethics.



6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders

The Company has set important policies and guidelines concerning shareholders and stakeholders. for proper treatment of shareholders and stakeholders covering from the promotion of the exercise of shareholders' rights Equitable treatment of shareholders Responsibilities to Stakeholders Oversight of the Use of Insider Information, prevention of conflicts of interest Anti-Corruption Reporting information, complaints, or clues, details of which appear in the management and governance policies as an efficient and socially responsible company.

Rights of shareholders

The Company realizes and places importance on the rights of all groups of shareholders without taking any action that violates or deprives the rights of shareholders. The Company gives basic rights to shareholders equally, including receiving accurate and timely information, attending shareholders' meetings or providing proxy to exercise the right to vote in the appointment or removal of director, appointment of auditor, and matters affecting the Company.



The Company does not have a pyramid-shaped shareholding structure and no cross shareholding. The Company treats all groups of shareholders equally and conducts business with honesty, transparency, and responsibility towards shareholders, and does not seek benefits for oneself and related parties. It has a policy to facilitate and encourage all shareholders, including shareholders who are institutional investors, in attending the Company's shareholders' meetings with supervision and compliance with the policies to conduct the shareholders' meetings in accordance with the laws and guidelines on shareholders' meeting. In the year 2023, the rights granted to shareholders were as follows:

1. The Company gives shareholders the opportunity to propose agenda items and nominate any person for appointment as the Company's director and propose questions in advance for a period of 2 months from 10 November 2022 to 10 January 2023 and provides shareholders to submit questions in advance regarding the agenda before the Annual General Meeting of Shareholders from 10 November 2022 to 31 March 2023 at the end of the period, there were no shareholder proposing any agenda item or nominating any person including advance questions.

2. In the year 2023, the Company held the annual general meeting of shareholders on 21 April 2023 at 2.00 p.m. through hybrid meeting (Physical Meeting and Electronic Meeting). However, shareholders can attend the meeting at the location or can attend the meeting via electronic media in accordance with the Emergency Decree on Electronic Conferencing B.E. 2563 (2020) and the Notification of the Ministry of Information and Communication Technology re: Standards for Electronic Conferencing B.E. 2557 (2014) and other related announcements. This is to provide the opportunity for all shareholders to attend the meeting and reduce the risk of the spread of Covid-19.

3. Thailand Securities Depository Co., Ltd., the Company's registrar, delivered the meeting invitation to the shareholders. The invitation letters were delivered and published on the Company's website in both Thai and English versions for acknowledgement by the shareholders on 20 March 2023, which was 32 days in advance and

within the period specified by the laws. Each agenda item sets out principles and reasons, as well as opinions of the Board of Directors.

4. The Company published the resolutions of the meeting and voting results of each agenda item on the meeting date. The Company also published the minutes of the 2023 Annual General Meeting of Shareholders through the news system of the Stock Exchange of Thailand on 3 May 2023.

5. The Company received a score of 100 points for the quality assessment of the 2023 Annual General Meeting of Shareholders by the Thai Investors Association.

Equitable Treatment of Shareholders

The Company adheres to the principle of equitable treatment of all shareholders, whether major shareholder, minority shareholder, institutional investor, or foreign shareholder without discrimination. We have established policies and guidelines for supervising the use of inside information, conflicts of interest, and reporting of directors' conflict of interest.

Role of Stakeholders

The Company has given importance to the rights of all groups of stakeholders, whether internal stakeholders such as the Company's shareholders and employees or external stakeholders such as business partners and customers. The Company will identify and evaluate the importance of stakeholders. The Company understands the participation of stakeholders who have been or may be affected by the Company's operations will be beneficial to the operations and development of the Company's business. Therefore, the Company will comply with relevant laws and regulations, including establishing a policy to treat each group of stakeholders by taking into account the rights of such stakeholders according to the laws or agreements made with the Company. The Company shall not take any action that violates the rights of such stakeholders. The Company takes into account the rights of all stakeholders by working together to create synergy in accordance with the following guidelines.

Shareholders : The Company will conduct business with transparency and efficiency in order to create value for sustainable business by striving to create good performance and stable growth and maximize the long-term benefits to shareholders,



including the disclosure of information with transparency and credibility to shareholders.

Employees : The Company will treat all employees equally and fairly and will provide appropriate compensation. The Company also places importance on the development of skills, knowledge, competency and capabilities of employees on a regular basis, including organizing training and seminars. Such opportunities are given to all employees and the Company motivates employees with knowledge and capabilities to remain with the Company to grow the organization. We have set guidelines for anti-corruption, including instructing and encouraging all employees to strictly comply with the relevant laws and regulations such as prohibiting the use of inside information etc.

Trade partners : The Company has a process for selecting trade partners by having trade partners bid for works based on similar information. The Company selects trade partners with fairness according to the Company's criteria for assessment and selection of trade partners. In addition, the Company has prepared appropriate and fair contract forms for all parties and has established a monitoring system to ensure that the terms and conditions of the contract have been fully complied with, preventing fraud and misconduct in every step of the procurement process. The Company purchases products from trade partners according to trade conditions, as well as strictly complying with the contracts made with trade partners, including promoting capabilities in conducting sustainable business with trade partners such as development of product, service, and innovation etc.

Customers : The Company is responsible for customers by maintaining the quality and standards of its products and services, including responding to customers' needs as completely and comprehensively as possible to achieve long-term customer satisfaction. In addition, the Company considers the speed and convenience of customers in accessing the Company's products and services and provides accurate and complete information on products and services to customers. The Company also provides a channel for customers to report problems with inappropriate products and services to prevent and expeditiously solve problems with

the Company's products and services. In addition, we maintain customer confidentiality and do not use such information for our own benefit or for those involved in a wrongful way.

Creditors : The Company will strictly comply with the terms and conditions of the contracts with its creditors, including guarantee conditions, capital management and measures to prevent default on repayment of principal and interest, collateral maintenance under relevant contracts, and strict compliance with conditions of the contracts. The Company also treats creditors with fairness, including timely repayment, maintenance of collaterals, and compliance with other conditions according to the contract accurately and completely and in accordance with the principles of good corporate governance.

Competitors : The Company's conducts are within a framework of good competition. The Company has ethics and acts within the framework of the laws. We support and promote the free and fair competition policy by not seeking competitors' confidential information by dishonest means and not making agreements with competitors or other business operators that are a monopoly or reduce competition in the market.

In 2023, the company has no disputes with commercial competitors.

Society and public : The Company cares and gives importance to social safety, environment and quality. public: The lives of people involved in the operations of the Company, and we promote the awareness and responsibility of the Company's employees to the environment and society as well as to provide for strict compliance with relevant laws and regulations. In addition, the Company strives to participate in activities that create and maintain the environment and society as well as promote the local culture in which the Company operates.

Moreover, stakeholders can request for details, complaints or clues about illegal acts, inaccuracy of financial reports, defective internal control systems, or violations of the Company's business ethics through independent directors or Audit Committees. of the Company. However, complaints and clues reported to the Company will be kept confidential. The independent director or the Audit Committee will verify the information



and find solutions (if any) and will report to the Board of Directors.

Disclosure and Transparency

The Board of Directors oversees the disclosure of important information of the Company, both financial and non-financial information, with accuracy, completeness, timeliness, and transparency in accordance with the requirements of the Securities and Exchange Commission (SEC) and the regulations of the Stock Exchange of Thailand on rules, conditions and procedures relating to disclosure of information and any operations of listed companies, including guidelines for information disclosure of listed companies of the Stock Exchange of Thailand and other regulatory bodies so that investors and all stakeholders have reliable and sufficient information for making decisions through the information system of the Stock Exchange of Thailand and the Company's website.

Board's Responsibilities

The Board of Directors plays an important role in corporate governance by requiring regular monitoring of compliance with various policies, including all employees are informed about management and governance policies as an efficient and socially responsible company and business ethics through information systems and publicly displayed through the Company's website.

From operating business in accordance with the corporate governance policy, the Company has been assessed on corporate governance of listed companies for the year 2023 at an "excellent" level, organized by the Thai Institute of Directors (IOD) in conjunction with the Stock Exchange of Thailand and the Office of the SEC.

In the past year, the Company has not been subjected to fines, accusations, or civil actions from regulators regarding unequal treatment of

shareholders and preventing shareholders from communicating with each other and failing to disclose any agreements between shareholders that have a material effect on the Company or other shareholders.

6.2 Code of Conduct

The Company has the intention to operate the Company's business with transparency, ethics and responsibility to stakeholders, as well as society and the environment. The company has prepared a business ethics manual which has been approved by the Board of Directors and requiring directors, executives, and employees to strictly comply with as well as public relations to be understood throughout the organization in order to promote compliance with the Company's business ethics as follows :

- (1) Code of conduct relating to responsibilities to shareholders
- (2) Code of conduct relating to responsibilities to customers
- (3) Code of conduct relating to responsibilities to competitors
- (4) Code of conduct relating to responsibilities to trade partners and account payable
- (5) Code of conduct relating to responsibilities to employees
- (6) Code of conduct relating to responsibilities to social
- (7) Code of conduct relating to responsibilities to environment
- (8) Ethics on the exercise of social and political rights

Statistics of misconduct relating to ethics and code of conduct of the organization

In the past year, the company has not violation of the code of conduct.





6.3 Significant changes and development in policies, practices and corporate governance system in the past year

6.3.1 Information on significant changes and development relating to the review of policies, practices and corporate governance system or the charter of the Board of Directors in the past year

- The Company has complied with the Corporate Governance Code 2017 and the Board of Directors has a process to review implementation of the Corporate Governance Code 2017 and apply them to suit the business context at least once a year. The company has management and governance policies as an efficient and socially responsible company, code of conduct and the charter of the Board and sub- committees.
- Certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC).
- The Company encourages shareholders to exercise their right to propose agenda or question for the annual general meeting of shareholders and nominate candidate for the position of director in advance.
- The 2023 corporate governance assessment results of listed companies are at “Excellent” level, organized by the Thai Institute of Directors Association (IOD) in collaboration with the Stock Exchange of Thailand (SET) and The Securities and Exchange Commission (SEC).
- The 2023 annual general meeting of shareholders quality assessment result by the Thai Investors Association with a score of 100 points.
- The company received the SET ESG Rating at the level “A” which reflects the company’s business practices that adheres to the principles of fair service. Emphasis is placed on transparency and consideration of the highest benefits for all groups of stakeholders.

6.3.2 In the case that the Company has not yet implemented any principles of Corporate Governance Code 2017, the reasons shall be recorded as part of the Board of Directors’ consideration and review without the need to disclose the review results under this report form.

Voting for appointment of directors by cumulative voting

The Company appoints directors by majority vote and shareholders have votes equal to the number of shares held. In addition, the Company has set other methods in taking care of the rights of shareholders such as encouraging shareholders to use the right to propose meeting agenda or nominate a person to be appointed as director in advance.

Preparation of integrated report by the Company

The Company has prepared Form 56-1 One Report according to the regulations of the Stock Exchange of Thailand. Therefore, users can access detailed information, both financial and non-financial information through submission by the Company to shareholders prior to the date of the shareholders’ meeting and users can download the information from the Company’s website.

6.3.3 The Company may disclose information regarding practices on other matters in accordance with the principles of good corporate governance to support various assessments

The Company has adopted the guidelines in accordance with the principles of good corporate governance to ensure that it has created sustainable values to the business.

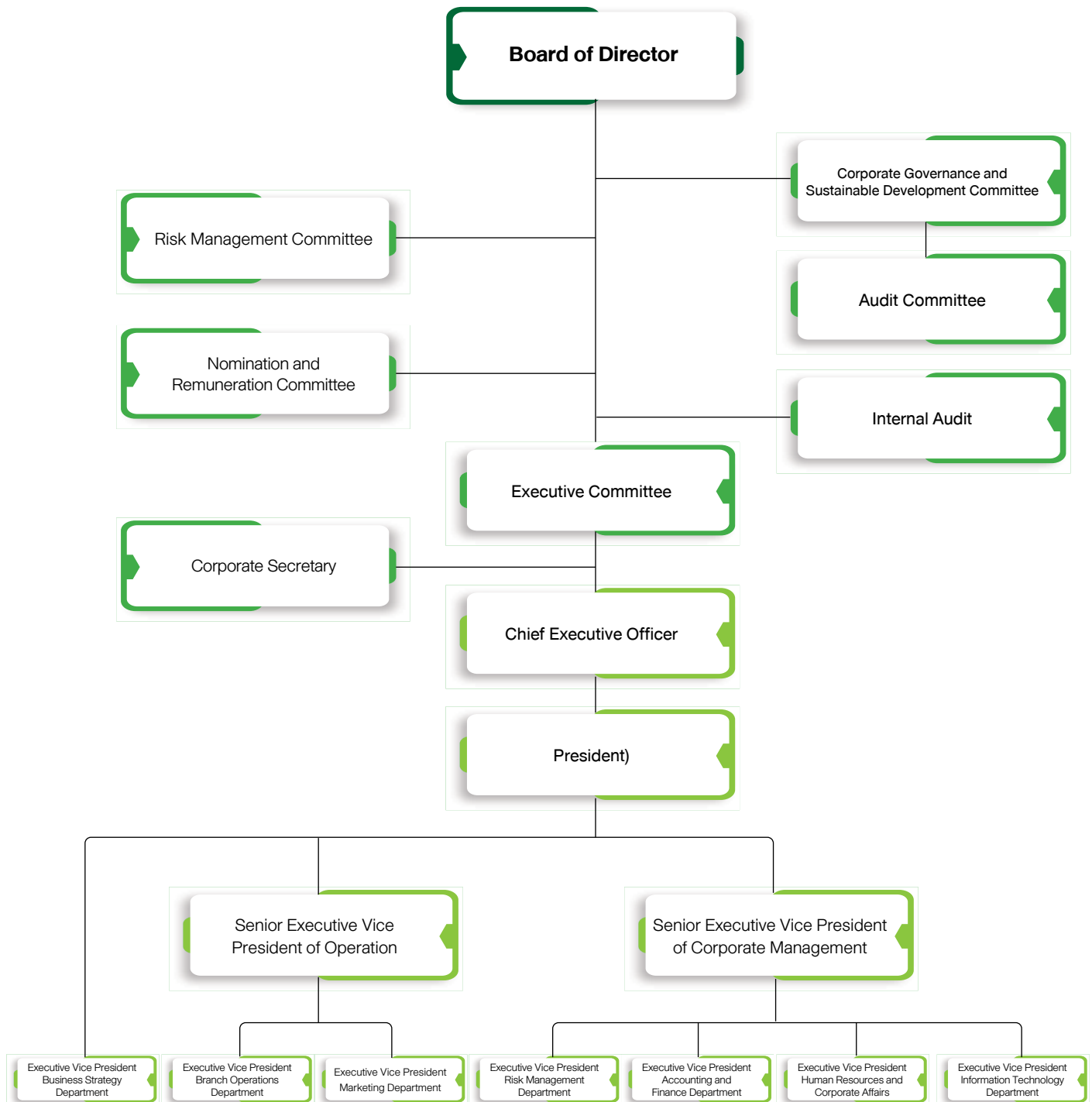




7. Corporate Governance Structure and Important Information Concerning Sub-Committee, Executives, Employees and Others

7.1 Governance Structure

Company management structure as approved by the Board of Directors Meeting No. 6/2022 held on November 9, 2022 with details as follows :





7.2 Information on the Board of Directors

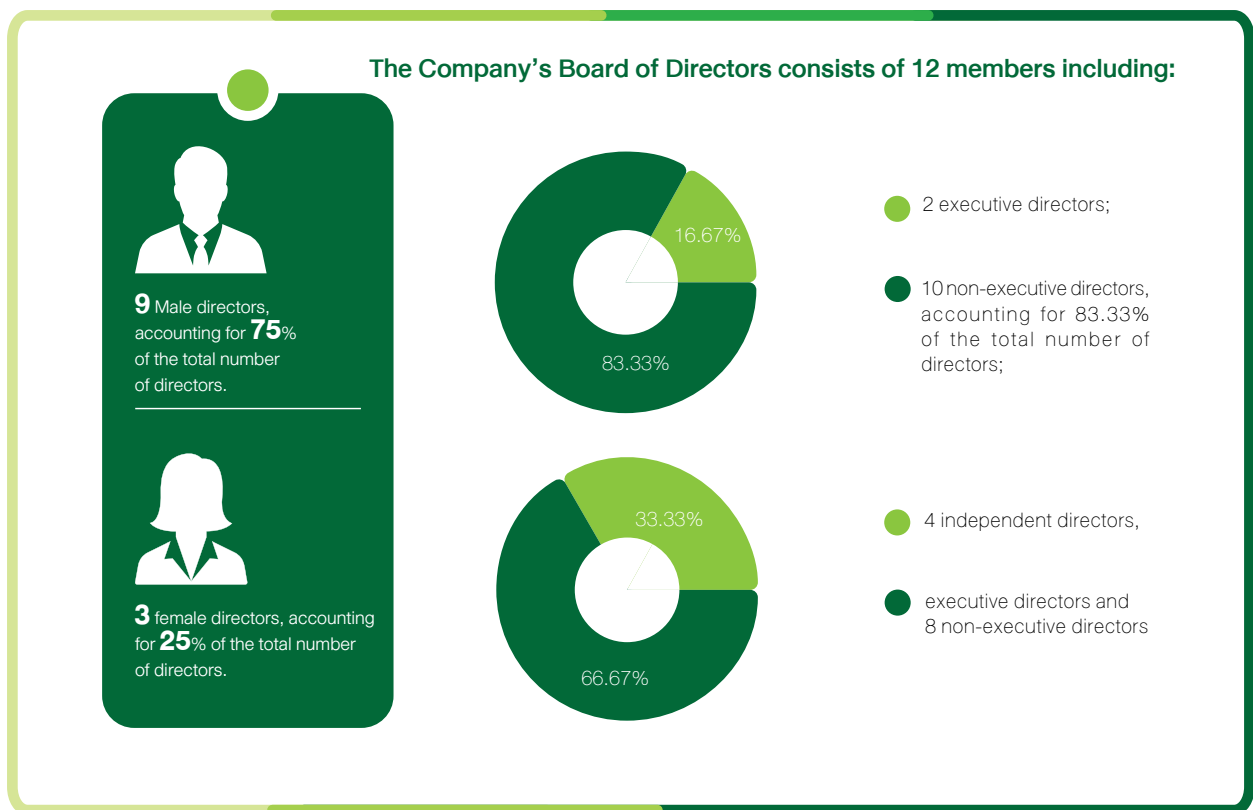
Structure of the Company's directors

The structure of the Company's directors consists of the Board of Directors and 5 sub-committees, namely 1) the Audit Committee; 2) the Risk Management Committee; 3) the Nomination and Remuneration Committee; 4) the Corporate Governance and Sustainable Development Committee and 5) the Executive Committee.

7.2.1 Composition of the Board of Directors

According to the Company's Articles of Association, the Board of Directors shall :

1. consist of at least 5 directors, but no more than 12 directors;
2. consist of at least 3 independent directors (good corporate governance principles of the Company require the number of independent directors to be at least one-third of the total number of directors);
3. have at least half of the total number of directors residing in Thailand.



Nomination and appointment of directors

The Nomination and Remuneration Committee considers selecting and recruiting individuals who have appropriate qualifications in terms of experience, knowledge, and abilities that will be beneficial to the Company and should be nominated as Company's Directors, Independent Directors, Audit Committee members, or sub-committee members in order to propose to

the Board of Directors and/or the shareholders' meeting for consideration.

In recruiting directors, the Company will consider the composition of directors according to the Board Skill Matrix to consider the necessary qualifications, knowledge, skills, and experience of the directors so that the composition of the Board of Directors is consistent with the business strategy.



The Company has given shareholders the right to nominate individuals they deem qualified to be elected as directors of the Company by publishing announcements on the Company's website.

The Company's Board of Directors has diversity and skills that are aligned with the Company's business strategy through the preparation of the Board Skills Matrix such as the proportion of independent directors and female directors (Gender Diversity), race and nationality diversity including a variety of skills, knowledge, competence, experience, and specific expertise, which are in line with business strategies and industries related to the Company's business. It consists of at least 3 people knowledgeable in the company's business, at least 1 person in accounting and finance.

No.	Name	Position	Required Knowledge Skill and Experience for director										ESG
			Business	Legal and related rules	Duties and responsibilities of director	Strategic planning	Risk management	IT Governance	Accounting and finance	Financing and investing	Business code of conduct		
1	Professor Dr.Surapon Nitikraipot	Independent Director / Chairman of The board of directors	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	
2	Mr.Nutchdhwattana Silpavittayakul	Independent Director /Director	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	
3	Assistant Professor Dr.Chaiwuth Tangsomchai	Independent Director /Director	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	
4	Mr.Natthirutt Wanwimonphong	Independent Director /Director	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	
5	Mrs.Sutharntip Phisitbuntoon	Director	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	
6	Mr.Wichai Suphasathitkul	Director	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	
7	Mr.Patpong Patong	Director	✓	✓	✓	✗	✓	✗	✓	✓	✓	✓	
8	Mr.Bunthid Supasatitkul	Director	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓	
9	Mr.Parinya Supasatitkul	Director	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	
10	Ms.Thapanattsamon Paisanteerakorn	Director	✓	✓	✓	✗	✗	✓	✗	✗	✓	✓	
11	Mr.Thanassorn Ratanasirisap	Director	✓	✓	✓	✗	✓	✓	✗	✗	✓	✓	
12	Miss Varita Laothamatas	Director	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	
Total			12 ท่าน	12 ท่าน	12 ท่าน	8 ท่าน	10 ท่าน	4 ท่าน	8 ท่าน	9 ท่าน	12 ท่าน	12 ท่าน	

✓ Remark to : Required Knowledge Skill and Experience for position Refer to

× Remarkss to : Irrelevant

Note : The assessment results of knowledges, expertise has been considered by the Nomination and Remuneration Committee meeting No. 5/2023 held on November 7, 2023 and propose to the Board of Directors for acknowledgment in the Board of Directors meeting No. 6/2023 held on November 8, 2023

7.2.2 Information on the Board of Directors and each controlling person of the Company

As of December 31, 2023 the Board of Directors of the Company consists of 12 members, the details of which are as set out below.

Name	Position	Appointment date
1. Professor Dr.Surapon Nitikraipot	Independent Director / Chairman of The Board of Directors / Chairman of Corporate Governance and Sustainable Development Committee	April 21, 2021(1 st Time)
2. Mr.Nutchdhwattana Silpavittayakul	Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee	April 21, 2021(1 st Time)
3. Assistant Professor Dr.Chaiwuth Tangsomchai	Independent Director / Chairman of the Risk Management Committee / Member of the Audit Committee	April 21, 2021(1 st Time) April 20, 2022(2 nd Time)
4. Mr.Natthirutt Wanwimonphong	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Member of the Risk Management Committee	April 21, 2021(1 st Time) April 21, 2023(2 nd Time)
5. Mrs.Sutharntip Phisitbuntoon	Director / Member of the Risk Management Committee	April 21, 2021(1 st Time)
6. Mr.Wichai Suphasathitkul	Director / Chairman of the Executive Committee (Chief Executive Officer) Director	April 21, 2021(1 st Time) April 20, 2022(2 nd Time)
7. Mr.Patpong Patong	Director / Executive Director / Member of the Risk Management Committee / Vice Chairman of Executive Director (President)	April 21, 2021(1 st Time) April 20, 2022(2 nd Time)
8. Mr.Bunthid Supasatitkul	Director / Executive Director / Member of the Nomination and Remuneration Committee	April 21, 2021(1 st Time)
9. Mr.Parinya Supasatitkul	Director / Executive Director	April 21, 2021(1 st Time) April 20, 2022(2 nd Time)
10. Ms.Thapanattsamon Paisanteerakorn	Director / Executive Director / Member of Corporate Governance and Sustainable Development Committee	April 21, 2021(1 st Time) April 21, 2023(2 nd Time)
11. Mr.Thanassorn Ratanasirisap	Director / Executive Director / Member of Corporate Governance and Sustainable Development Committee	April 21, 2021(1 st Time) April 20, 2022(2 nd Time)
12. Miss.Varita Laothamatas	Director / Executive Director / Member of Corporate Governance and Sustainable Development Committee	August 14, 2021(1 st Time) April 20, 2022(2 nd Time)



7.2.3 Authorities, Duties and Responsibilities of the Board

Authorities, Duties and Responsibilities of the Board of Directors Set out by reference to the Public Limited Companies Act B.E. 2535, the Securities and Exchange Act B.E. 2535, the regulations of the Stock Exchange of Thailand and the Company's Articles of Association.

The Board of Directors Meeting No. 4/2023 held on August 8, 2023 resolved to approve the scope, powers, duties and responsibilities of the Board of Directors as follows:

1. The Board of Directors has the authorities, duties, and responsibilities in managing and operating the Company's business in accordance with the laws, objectives, and Articles of Association of the Company as well as the resolutions of the shareholders' meeting with honesty, due care, and for the interests of the Company.

2. To determine or change the signing conditions to sign and bind the Company, including the names of authorized directors who have the authority to sign and bind the Company.

3. To consider and approve appointment and determination of roles and duties of various sub-committees as appropriate and necessary to support the operations of the Board of Directors.

4. To set organizational structure and determine the positions (Organization Chart) of the Company, including improvements as deem appropriate.

5. To appoint the Company Secretary to assist the Board of Directors in performing various tasks in order to comply with the relevant laws, announcements, and regulations.

6. To review, examine and approve directions, strategies, business plans, and major business policies of the Company proposed by the management.

7. To determine goals, guidelines, policies, business plans, and budgets of the Company, including monitoring and supervision and administration and management of the Company and its subsidiaries (if any) to be in accordance with policies, visions, missions, plans, budgets, and the relevant laws, including other relevant announcements, regulations, and rules of the Capital Market Supervisory Board, SEC Office, and SET, such as connected transactions, acquisition or disposal of important assets, to the extent that it

is not contrary to or inconsistent with other laws, as well as establishing an internal control system and internal audit that is sufficient and appropriate.

8. To prepare balance sheets and income statements of the Company at the end of the accounting period which has been audited by the auditor and presented to the shareholders' meeting for consideration and approval.

9. To continuously monitor operations in accordance with plans and budgets.

10. To ensure that the Company has an appropriate and efficient accounting system and provides reliable financial reporting and auditing, as well as providing an internal control system and an internal audit system that is sufficient and appropriate.

11. To establish framework and policies for determination of salary, salary increase, determination of bonus, compensation, and rewards for the Company's employees.

12. To consider and approve acquisition or disposal of assets, investment in new business, and any other acts to be in accordance with the applicable laws, notifications, rules, and regulations.

13. To consider and/or provide opinion on connected transactions and/or entry into connected transactions (in case the transaction size does not need to be approved by the shareholders' meetings) of the Company and its subsidiaries (if any) to be in accordance with the relevant laws, notifications, rules, and regulations.

14. To consider and approve interim dividend payment to the Company's shareholders and report to the next shareholders' meeting for acknowledgment.

15. To ensure that there is no conflict of interest between stakeholders and the Company.

16. To review processes and policies for risk management and performance monitoring.

17. To establish a mechanism for receiving complaints and taking action in case of reasonable evidence.

18. To determine policies relating to corporate governance, social responsibility, anti-corruption, and effective implementation of such policies.

19. To consider and review policies relating to the management of market conduct to ensure fair treatment to customers at least once a year.



20.To arrange a shareholders' meeting as an annual general meeting within 4months from the end of the Company's fiscal year.

21.To consider setting a risk management policy to cover the entire organization and supervise that there is a system or process for risk management with supporting measures and control methods to appropriately reduce the impact on the Company's business.

22.To prepare the annual report of the Board of Directors and be responsible for preparation and disclosure of financial statements to represent the financial positions and operating results in the past year and present to the shareholders' meeting for consideration and approval.

23.To consider and approve other important matters related to the Company or matters deemed appropriate for taking such action for optimal benefits to the Company and all groups of stakeholders are treated fairly.

24.To assign one or more directors or any other person to perform any act on behalf of the Board of Directors. However, the authorization of such power shall not be a delegate or sub-authorization that enables the director or the person who is authorized by the director, to approve transactions of his/hers or any person who may have conflicts of interest or have a stake; or there may be a conflict of interest in any other manner with the Company or its subsidiaries (if any).

25.To appoint a person to be a director or management of the subsidiary or associated company at least in the number proportionate to the shareholding in a subsidiary or associated company in order to control the management in accordance with the Company's policy and conduct transactions according to the laws, including complete and accurate disclosure of information on financial positions, operating

performance, connected transactions, and acquisition or disposal of significant assets.

Duties and Responsibilities of the Chairman of the Board of Directors

1. To act as the chairman of the Board of Directors' meetings and shareholders' meetings, as well as to determine the meeting agenda together with the directors, the management team and the Company Secretary by ensuring that issues related to such agendas shall be considered by the Board of Directors.

2 To support and encourage the Board of Directors to perform their duties efficiently according to the scope of duties and responsibilities with duty of cares in accordance with the applicable laws, rules and regulations and in accordance with the Good Corporate Governance Principle and the Company's business ethics as well as being responsible to shareholders and stakeholders, including those involved for the utmost benefit of the organization.

3 To supervise the implementation of policies and strategic guidelines of the management as well as to provide advice and support to the management's operations in accordance with the business plans and goals.

4 Being a leader and to act as a role model in accordance with the Company's business ethics as well as to promote, supervise the management based on sustainability principles, social responsibility and to comply with anti-corruption measures and practices.

5 To acknowledge necessary business's information which will be beneficial to the Company from top executives and to advise and support the Chief Executive Officer in developing the Company's strategy.

In addition, the Chairman of the Board of Directors is also responsible for promoting a good relationship between executive directors, non-executive directors, and the management.





7.3 Information on sub-committees

7.3.1 Audit Committee

The Company's Audit Committee consists of 3 independent directors who were appointed by the Board of Directors' Meeting No. 1/2021 held on April 24, 2021 the details of which are as set out below. As of December 31, 2023 consists of 3 directors as follows :

Name	Position	Appointment date
1. Mr.Nutchdhawattana Silpavittayakul	Chairman of the Audit Committee / Independent Director	April 24, 2021(1 st Time)
2. Assistant Professor Dr. Chaiwuth Tangsomchai	Member of the Audit Committee / Independent Director	April 24, 2021(1 st Time) May 12, 2022(2 nd Time)
3. Mr.Natthirutt Wanwimonphong	Member of the Audit Committee / Independent Director	April 24, 2021(1 st Time) April 21, 2023(2 nd Time)

Mr. Nutchdhawattana Silpavittayakul and Mr. Nutthirutt Wanwimonphong are members of the Audit Committee with sufficient knowledge and experience to review the reliability of the Company's financial statements.

Miss Natthanan Kittiphonsombun was appointed as the Secretary of the Audit Committee by the Audit Committee's Meeting No. 4/2021 held on August 14, 2021.

Authorities, Duties and Responsibilities of the Audit Committee

The Board of Directors Meeting No. 1/2023 held on February 17, 2023 resolved to approve the duties and responsibilities of the Audit Committee as follows :

1. Review and ensure that the Company has accurate financial reporting and sufficiency of disclosure, accurate, and complete information.
2. Review and ensure that the Company has an appropriate and efficient internal control system and an internal audit system.
3. Review the audit report on the internal control system and risk assessment on corruption as proposed by internal audit company to ensure that such system has the least risks of occurrence of corruptions that would affect the financial positions and the operating performance of the Company and is suitable for the Company's business model.
4. Consider the independence of the Internal Audit Department and approve appointment,

transfer, and dismissal of the Head of the Internal Audit Department or any other agency responsible for internal audit.

5. Review the Company's compliance with the laws relating to securities and exchange, notifications, rules and regulations of the SEC Office and the SET, and the laws applicable to the Company's business.

6. Consider, select, nominate and dismissal an independent person to act as the Company's auditor and offer compensation for such person, including attending meetings with the auditor without the management being present at least once a year.

7. Review connected transactions or transactions that may have a conflict of interest to be in accordance with the laws and regulations of the SET and ensure that such transactions are reasonable and for the optimal benefits to the Company.

8. Prepare report of the Audit Committee for submission to the Board of Directors, which shall be disclosed under the Company's annual report. The report must be signed by the chairman of the Audit Committee and must contain at least the following information:

- (a) Opinion on correctness, completeness, and reliability of the Company's financial reports;
- (b) Opinion on the adequacy of the Company's risk management system and internal control system;



(c) Opinion on compliance with the laws on securities and exchange, SET regulations or other laws related to the Company's business;

(d) Opinion on the suitability of the auditor;

(e) Opinion on transactions that may have a conflict of interest;

(f) The number of Audit Committee's meetings and attendance of each member of the Audit Committee;

(g) Opinion or observation received by the Audit Committee during the performance of duties in accordance with the Charter of the Audit Committee;

(h) Other items that shareholders and investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.

9. Report activities performed on a regular basis to enable the Board of Directors to be aware of the activities of the Audit Committee:

(a) Minutes of the Audit Committee's meeting which clearly states the opinion of the Audit Committee on various matters;

(b) Report in relation to opinion on financial reports, internal audit, and internal audit process;

(c) Any other reports that the Board of Directors should be aware of.

10. In the performance of duties by the Audit Committee, if any of the following items or actions are found or suspected, which may have a material impact on the financial positions and the operating performance of the Company, the Audit Committee shall report to the Board of Directors for improvement and rectification within the period of time as the Audit Committee deems appropriate.

(a) Transaction with conflict of interest;

(b) Suspicion or presumption of fraud, abnormality, or significant deficit in the internal control system;

(c) Suspicion of a possible violation of the laws on securities and exchange, SET regulations, or laws relating to the Company's business. If the Audit Committee has reported to the Board of Directors matter that has a significant impact on the financial positions and the operating performance and has discussed with the Board of Directors and executives that improvements are required, at

the end of the mutually specified period, if the Audit Committee finds that such remedial action has been neglected without justifiable reason, any member of the Audit Committee may report the findings to the SEC Office or the SET.

11. In the event that the auditor finds suspicious behavior where director, manager, or person responsible for the Company's operations has committed an offense as specified under the laws and has informed facts of such behavior to the Audit Committee to investigate the matter without delay, the Audit Committee shall report the preliminary results of the audit to the SEC Office, the SET, and the auditor within 30 days from the date of being notified by the auditor. Such suspicious behavior that should be reported and the methods in obtaining facts about the offense shall be in accordance with the notifications of the Capital Market Supervisory Board.

12. Consider and comments an annual budget, annual investment budget, manpower, and resources necessary performance of duties by the Internal Audit Department, approving annual audit plan. Including consider and approve a review of significant changes in the audit plan and supervise the operations of the Internal Audit Department to be in accordance with the approved annual audit plan and international standards for internal audit and assess the quality of performance by the internal audit on an annual basis. Attend meetings with the Head of the Internal Audit Department to discuss important issues at least once a year without the management being present.

13. Have the authority to invite the director, executive, head of department, or employee of the Company to discuss or answer the Audit Committee's questions.

14. The Audit Committee has the authority to seek an independent opinion from any other professional advisors as deemed necessary at the expense of the Company.

15. Participate in considering the results of the meeting of the Risk Management Committee prior to Presenting them to the Board of Directors on a quarterly basis.



16. Perform any other acts assigned by the Board of Directors and agreed by the Audit Committee such as reviewing financial and risk management policies, reviewing compliance with the Code of Conduct by the management, and jointly reviewing with the management important reports that must be presented to the public as required by the laws e.g. management discussion and analysis, etc.

17. Acknowledge complaints and whistleblowing of fraud or corruption, whether internally or externally, verify facts as informed by the investigation committee, and present the complaints to the Board of Directors to jointly consider penalties or solutions to such problems according to the anti-corruption policy.

2) Risk Management Committee

The Risk Management Committee of the Company consists of 3 directors appointed by the Board of Directors Meeting No. 1/2021, held on April 24, 2021. As of December 31, 2023, consists of 3 directors as follows :

Name	Position	Appointment date
1. Assistant Professor Dr.Chaiwuth Tangsomchai	Chairman of the Risk Management Committee / Independent Director	April 24, 2021 (1 st Time) May 12, 2022 (2 nd Time)
2. Mr.Natthirutt Wanwimonphong	Member of the Risk Management Committee / Independent Director	April 24, 2021 (1 st Time) April 21, 2023 (2 nd Time)
3. Mrs.Suthamtip Phisitbuntoon	Member of the Risk Management Committee	August 8, 2023 (Replaces Mr.Patpong Phathong, who resigned from the position.)

Mr. Benjarong Khammanid as secretary of the Risk Management Committee Appointed by the Risk Management Committee Meeting No. 2/2021 on August 6, 2021

Scope of Duties and Responsibilities of the Risk Management Committee

The Board of Directors Meeting No. 1/2023 held on February 17,2023 resolved to approve the scope, powers, duties and responsibilities of the Risk Management Committee as follows :

1. Determine policy and framework for risk management, acceptable risk level (Risk Appetite), and the highest level of risk acceptable for the organization (Risk Tolerance) and propose the risk management policy to the Board of Directors for approval. This must cover important types of internal and external risks. It must cover at least 5 risks as follows :

- Financial Risk
- Operational Risk
- Strategic Risk
- Compliance Risk
- Risk from Business Environment

2. Establish risk management strategies and action plans in accordance with the risk management policy, including the risk of corruption, which can be used to assess, monitor and supervise the risk management system or procedures to manage overall risks to be at an appropriate and acceptable level.

3. Control, monitor, review, audit, assess risk management results, and supervise the Company to manage and operate in accordance with the risk management policy determined by the Company and comply with the prescribed regulations.

4. Review the risk management report and take steps to ensure that the Company is managing risks appropriately and there is adequate risk management policy and system, including the efficiency of the system and compliance with the policy.



5. Consider, improvement, rectification, and comments on policy, plans, and procedures for risk management and present them to the Board of Directors for approval.

6. Report the Company's risk status, guidelines for improvement, and results of operations to the Board of Directors on a quarterly basis.

7. Supervise, support, and promote cooperation in the Company's risk management. Review adequacy of the policy and continuity of the risk management system for effective risk management.

8. Having the authority to set up a working group to perform risk management duties and report to the Audit Committee.

9. Provide recommendations on risk management to the Board of Directors and the management.

10. Report to the Board of Directors' meeting important risk items, risk status assessment, risk management and impact of risk on operations, including methods of prevention and requisite improvement. Any important matter that significantly affects the Company must be reported to the Board of Directors soonest possible.

11. Perform any other tasks assigned by the Board of Directors.

3) The Nomination and Remuneration Committee

The Nomination and Remuneration Committee Consisting of 3 directors, appointed by the Board of Director meeting No.1/2021 held on April 24, 2022. As of December 31, 2023, consists of 3 directors as follows :

Name	Position	Appointment date
1. Mr.Natthirutt Wanwimonphong	Chairman of the Nomination and Remuneration Committee/ Independent Director	April 24, 2021(1 st Time) April 21, 2022(2 nd Time)
2. Mr.Nutchdhawattana Silpavittayakul	Member of the Nomination and Remuneration Committee/ Independent Director	April 24, 2021(1 st Time)
3. Mr.Bunthid Supasatitkul	Member of the Nomination and Remuneration Committee	August 14, 2021 (1 st Time Inplaces ofMr. Somrit Pantharat, who pass away August 2, 2021.)

Miss Sarinya Krissanakupata as the secretary of the Nomination and Remuneration Committee. Appointed by the Nomination and Remuneration Committee Meeting No. 2/2022 on May 11, 2022

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

The Board of Directors Meeting No. 1/2023 held on February 17, 2023 resolved to approve the scope, powers, duties and responsibilities of the Nomination and Remuneration Committee as follows :

Recruitment

1. Prescribe rules and procedures for nominating a person to take the position of the Company's director, member of subcommittees, and the Chief Executive Officer that are suitable to the specific nature of the Company, such as criteria for considering whether former director shall continue to hold the position for another term, criteria for recruitment announcement relating to the position of the Company's director, criteria for giving an opportunity to shareholders to nominate the Company's director, criteria for engaging recruitment companies, criteria for considering persons from the list of professional directors or criteria for nomination of a suitable candidate by each of the Company's directors, etc., and disclose such policies, criteria, and methods for transparency.



2. Determine qualifications of the Company's director, member of sub-committees, and the Chief Executive Officer to be recruited in accordance with the structure, size, type, and suitability of the Company in terms of skills, experience, and capabilities relating to the core business or industry in which the Company operates.

3. Select and nominate persons with suitable qualifications and in accordance with the criteria and procedures prescribed for holding the positions of the Company's director, member of sub-committees, and the Chief Executive Officer and propose such persons to the Board of Directors' meeting and/or the shareholders' meeting for the appointment.

4. Prepare, review, and summarize the results of preparation of succession plan and continuity of management suitable for the positions of the Chief Executive Officer and senior management on an annual basis and report such results to the Board of Directors for acknowledgement.

Remuneration

1. Consider the structure, amount, form, and criteria for payment of remuneration and all types of benefits, whether monetary or non-monetary, as appropriate for the chairman of the Board of Directors, members of the Board of Directors and sub-committees, and the Chief Executive Officer with fairness and reasonableness in accordance with their responsibilities and the Company's operating performance. Such remuneration shall be comparable to payment of remuneration of other companies in the same industry and the Nomination and Remuneration Committee shall propose such remuneration to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval.

2. Be responsible for the Board of Directors with a duty to provide an explanation, answer questions regarding the remuneration of directors, members of sub-committees, and the Chief Executive Officer at the shareholders' meeting.

3. Review the appropriateness of rules and procedures for nomination and remuneration of the Company's directors, members of sub-committees, and the Chief Executive Officer according to the changing environment and circumstances of the Company.

4. Determine guidelines for performance assessment of the Board of Directors and sub-committees.

5. Be responsible for considering and approving guidelines for the assessment of the Chief Executive Officer's performance and the managing director on an annual basis, taking into consideration their duties and responsibilities and risks incurred.

6. Be responsible for providing an opinion on performance assessment results of the Chief Executive Officer and the managing director and report such assessment results to the Board of Directors for consideration.

7. Supervise the disclosure of principles and rationale for determination of remuneration for the Company's directors and the Chief Executive Officer according to the SET regulations under the Company's annual report.

8. Determine remuneration of the Company's directors, members of sub-committees, executive directors, and the Chief Executive Officer. The management and departments must report or present relevant information and documents to the Nomination and Remuneration Committee to support the performance of assigned duties by the Nomination and Remuneration Committee.

9. Perform any other tasks relating to nomination and remuneration of the Company's directors, members of sub-committees, and the Chief Executive Officer as assigned by the Board of Directors and/ or the shareholders' meeting.

10. Perform any other tasks assigned by the Board of Directors.





4) The Corporate Governance and Sustainable Development Committee

The Corporate Governance and Sustainable Development Committee Consisting of 4 directors. Appointed by the Board of Directors Meeting No. 5/2022 on August 10, 2022. As of December 31, 2023 , consists of 4 directors as follows:

Name	Position	Appointment date
1. Professor Dr. Surapon Nitikraipot	Chairman of Corporate Governance and Sustainable Development Committee / Independent Director	August 10, 2022(1 st Time)
2. Mr.Thanassorn Ratanasirisap	Member of Corporate Governance and Sustainable Development Committee	August 10, 2022(1 st Time) April 21, 2023(2 nd Time)
3. Ms.Thapanattsamon Paisanteerakorn	Member of Corporate Governance and Sustainable Development Committee	August 10, 2022(1 st Time) April 21, 2023(2 nd Time))
4. MissVarita Laothamatas	Member of Corporate Governance and Sustainable Development Committee	August 10, 2022(1 st Time) April 21, 2023(2 nd Time)

Miss Natthanan Kittiphonsombun as the secretary of the Corporate Governance and Sustainable Development Committee. Appointed by the Board of Directors Meeting No. 5/2022 on August 10, 2022

Scope of Duties and Responsibilities of the Corporate Governance and Sustainable Development Committee

The Board of Directors Meeting No.1/2023 held on February 17, 2023 resolved to approve the scope, powers, duties and Responsibilities of the Corporate Governance and Sustainable Development Committee as follows :

To determine policies, strategies, and operational plans in line with the policies, including to determine corporate governance and sustainable development goals of the Company, and to determine the Company's regulations to meet standards and in accordance with the Company's objectives and the creation of sustainable development for all groups of stakeholders.

2 To consult, supervise and review corporate governance and sustainable development operations in order to lead to implementation and creation of participation in various projects

under corporate governance and sustainable development of related agencies both internally and externally to meet the international standards.

3 To promote and support resources and personnel to disseminate strategies and guidelines for corporate governance and sustainable development in order to be understood by executives and employees at all levels and effective throughout the company in the same direction.

4 To report on the status of the Company's corporate governance and sustainable development operations, including guidelines for improvement and results of actions to the Board of Directors.

5 To consider improving, revising and giving opinions on the business ethics policy, charter of the Board of Directors and sub-committees, plans and processes for corporate governance and sustainable development in various areas in order to propose to the Board of Directors for approval.

6 To coordinate with sub-committees, management and various working groups to consider issues related to corporate governance, anti-corruption, social and environmental responsibility, sustainability management and to make recommendations as necessary and appropriate.



5) The Executive Committee

As of December 31, 2023, Executive Committee Consisting of 9 directors appointed by the Board of Director meeting No.3/2023 held on May 8, 2023, details are as follows :

Name	Position	Appointment Date		
1. Mr.Wichai Suphasathitkul	Chairman of the Executive Committee	August 24, 2021 (1 st Time)	May 12, 2022 (2 nd Time)	April 21, 2023 (3 rd Time)
2. Mr.Patpong Patong	Vice Chairman of Executive Director	August 24, 2021 (1 st Time)	May 12, 2022 (2 nd Time)	April 21, 2023 (3 rd Time)
3. Mr.Bunthid Supasatitkul	Executive Director	August 24, 2021 (1 st Time)	May 12, 2022 (2 nd Time)	April 21, 2023 (3 rd Time)
4. Mr.Parinya Supasatitkul	Executive Director	August 24, 2021 (1 st Time)	May 12, 2022 (2 nd Time)	April 21, 2023 (3 rd Time)
5. Mr.Thanassorn Ratanasirisap	Executive Director	August 24, 2021 (1 st Time)	May 12, 2022 (2 nd Time)	April 21, 2023 (3 rd Time)
6. Ms.Thapanattsamon Paisanteerakorn	Executive Director	August 24, 2021 (1 st Time)	May 12, 2022 (2 nd Time)	April 21, 2023 (3 rd Time)
7. Ms.Chonchissa Ratanasirisap	Executive Director	August 24, 2021 (1 st Time)	May 12, 2022 (2 nd Time)	April 21, 2023 (3 rd Time)
8. Mr.Punsongpol Paisanterakorn	Executive Director	August 24, 2021 (1 st Time)	May 12, 2022 (2 nd Time)	April 21, 2023 (3 rd Time)
9. Miss.Varita Laothamatas	Executive Director	August 24, 2021 (1 st Time)	May 12, 2022 (2 nd Time)	April 21, 2023 (3 rd Time)

Miss Natthanan Kittiphonsombun as the secretary of the Executive Committee appointed by the Executive Committee Meeting No. 8/2021 on August 18, 2021

Scope of Duties and Responsibilities of the Executive Committee

The Board of Directors Meeting No. 1/2023 held on February 17,2023 resolved to approve the scope, powers, duties and responsibilities of the Executive Committee as follows:

The Executive Committee has the authorities and duties to manage the Company's business in accordance with its objectives, Articles of Association, policies, rules, regulations, orders, and laws, including the laws on securities and exchange, notifications of the Securities and Exchange Commission, notifications of the Capital Market Supervisory Board, notifications of the Board of Governors of the Stock Exchange of Thailand, any other relevant notifications, rules, and/or regulations, and the resolutions of the Board of Directors' meeting and/or shareholders' meeting. In addition, the Executive Committee has duties to consider and scrutinize various considerations that will be presented to the Board of Directors for approval and/or consideration as stipulated in the

Articles of Association or the orders of the Board of Directors and carry out orders of the Board of Directors from time to time. In addition, it shall have duties to carry out as follows:

1. Plan, prepare and present policies, directions, goals, business strategies, and annual plan of the Company to be in line with economic conditions and competition in the market, including other important policies such as anti-corruption policy for approval to the Board of Directors and operate and manage the Company's business in accordance with the objectives, articles of association, policies, regulations and resolutions of the Board of Directors' meetings and/or the resolutions of the shareholders' meetings.

2. Determine a business plan, annual budget, management structure, and authorizations of the Company for approval by the Board of Directors.



3. Control, supervise and monitor the Company's performance in accordance with policies, goals, business plans, business strategies, and appropriation budget and management powers as approved by the Board of Directors.

4. Have the authority to consider and approve expenditures for investment, procurement, borrowing from financial institutions, and other operations which are for the benefits of operating the Company according to its objectives within limits or authorization determined by the Board of Directors. Have the authority to provide recommendations or opinions on matters that exceed its limits or authorization determined by the Board of Directors regarding investment, procurement, and borrowing from financial institutions, and other operations for the benefits of operating the Company according to its objectives. Such actions must be subject to the notifications of the Board of Governors of the Stock Exchange of Thailand, the SEC Office, the Capital Market Supervisory Board, or any other applicable laws.

5. Consider and approve changes in work regulations, orders, requirements, criteria relating to operations, control, and management in all lines so that operations can be carried out efficiently and in accordance with the situation. In this regard, the Managing Director is authorized to consider and approve on his behalf by presenting such actions to the Executive Committee for acknowledgment every quarter.

6. Consider and scrutinize the management's proposals and present goals, policies, business plans, and annual budgets of the Company to the Board of Directors for consideration and approval. This includes considering and approve changes in the annual budget expense during the absence of the Board of Directors' meeting and present it to the next Board of Directors' meeting for acknowledgement.

7. Consider and approve normal business operations of the Company according to investment budget or budget approved by the Board of Directors. The limit for each transaction shall be in accordance with the authorization manual approved by the Board of Directors.

8. Consider and report various matters to the Board of Directors within the specified period as follows:

a) Quarterly and annual operating performance of the Company within the timeframe stipulated by relevant laws;

b) In respect of fraud, violation of the laws, and other unusual actions, the Executive Committee will immediately report to the Board of Directors when detected or suspected;

c) Other reports as the Executive Committee or the Board of Directors deems appropriate.

9. Review authorization matrix annually to propose to the Board of Directors for consideration and approval of amendments (if any).

10. Establish guidelines for annual performance assessment of the Chief Executive Officer and the President on an annual basis, taking into account duties and responsibilities and risks incurred, and present such guidelines to the Nomination and Remuneration Committee for approval.

11. Be responsible for performance assessment of the Chief Executive Officer and the President and report the assessment results to the Nomination and Remuneration Committee for approval.

12. Be responsible for considering and approving guidelines for annual performance assessment of the President and Vice president of departments on an annual basis, taking into account duties and responsibilities and risks incurred.

13. Be responsible for considering and approving the performance assessment results of the Vice President and Assistant President of departments.

14. Perform any other duties as assigned by the Board of Directors.

15. Delegate authorities and duties to the Chairman of the Executive Committee and/or senior management of the Company according to the scope of authorities, duties, responsibilities as prescribed by the Executive Committee under the supervision of the Executive Committee.

16. Have the authority to authorize one or more persons to perform any particular action under the supervision of the Executive Committee or may authorize such person to have authorities as the Executive Committee deems appropriate and within the time period as the Executive Committee deems appropriate. The Executive Committee may



cancel, revoke, change or amend the authorized person or the authorization as deemed appropriate.

17. Assist the Audit Committee in finding facts or tasks assigned by the Audit Committee regarding fraud and corruption investigation, including review of the appropriateness of various systems and measures to be consistent with changes in business, rules, regulations and legal requirements.

In this regard, granting of authorities, duties, and responsibilities of the Executive Committee does not constitute an authorization or sub-authorization which allows delegate of the Executive Committee to approve items that he/she or person who may have a conflict of interest

(according to the definition under the notifications of the Capital Market Supervisory Board and/or the SET and/or the relevant agencies), having interest or may have any other conflict of interest with the Company or its subsidiaries and/or related companies. The Executive Committee has no authority to approve such actions. Such matters must be proposed to the Board of Directors' meeting and/or the shareholders' meeting (as the case may be) for further approval, except for approval of transactions in the normal business operations and with normal trading conditions according to the notifications of the Capital Market Supervisory Board and/or the SET and/or relevant agencies

7.4 Management

7.4.1 Name and Position of the Executives

As of December 31, 2023 the Executive Consisting of 9 members, details are as follows:

Name	Position
1. Mr.Wichai Suphasathitkul	Chief Executive Officer
2. Mr.Patpong Patong	President / Acting Senior Executive Vice President of Corporate Management
3. Mr.Rapee Pruenglampoo	Executive Vice President – Operation / Acting Senior Executive Vice President - Operation
4. Mr.Benjarong Kammanid	Executive Vice President Risk Management
5. Dr.Theerawat Thawanratphokin	Executive Vice President Accounting & Financial
6. Ms.Sarinya Krissanakupata	Executive Vice President Human Resources & Corporate Service
7. Mr.Suphot Phuthong	Executive Vice President Information Technology
8. Mr.Sompop Pundrikabha	Executive Vice President Marketing
9. Ms.Natthanan Kittiphonsombun	Corporate Secretary / Executive Vice President Head of Governance and Investor Relations

Criteria and process for selecting the Chief Executive Officer are as follows :

1. Have knowledge and ability to run a business, people with skills, experience, profession, specific qualifications in various areas that are extremely necessary. and is the most beneficial to the company's business
2. Have experience in related businesses
3. Have high leadership
4. Be accepted by relevant business organizations
5. Approved by the Board of Directors.

Scope Of Duties And Responsibilities Of The Chief Executive Officer

The Board of Directors Meeting No. 1/2023 held on February 17, 2023 resolved to approve the scope, powers, duties and responsibilities of the Chief Executive Officer as follows :

1. Manage the Company's business includes supervising and controlling overall operations to ensure compliance with objectives, regulations, policies, regulations, requirements, orders, business strategies, goals and action plans, financial goals, budgets and resolutions of the Board of Directors' meeting and/or the resolutions of the shareholders' meeting of the Company



2. Acting Representative of the Company in business negotiations

3. Negotiate funding sources with financial institutions or various fund managers

4. Create a good image for the company and accepted in the stock exchange

5. Seek business opportunities to create growth and sustainability for the company

6. Carry out the preparation and delivery of the Company's business policy. Including business plans and budgets to submit to the Board of Directors for approval, and to report progress according to the approved plans and budget to the Company's directors and sub-committees regularly.

7. Follow up and assess the performance of the management and report on the management performance. Progress of operations to the Board of Directors and sub-committees regularly.

8. Operate or assign management powers in order to effectively and efficiently perform operations in accordance with the policies, plans and budgets approved by the Board of Directors, based on the principle of systematic internal control and has regular risk management.

9. Follow up and report on the condition of the company's position and suggest options and strategies that are in line with the policy and market conditions.

10. Ensuring that there is good corporate governance

11. Be a leader and act according to the ethics and business ethics of the Company, including promoting, directing and monitoring management based on sustainability principles, social responsibility and comply with anti-corruption measures and practices

12. Have any powers, duties and responsibilities as assigned or according to the policy assigned by the Board of Directors and/or sub-committees

13. Chief Executive Officer can hold directorship in other companies, but must not be

an obstacle to the performance of the Company's duties and that business must not be the same type of business or is it competing with the company's business and must receive approved by the Board of Directors before taking a director position in other companies

7.4.2 Policy and method for determining remuneration of directors and executives

The Nomination and Remuneration Committee's Meeting No. 1/2023 held on February 16, 2023 and the Board of Directors' Meeting No. 1/2023 held on February 17, 2023 considered the remuneration and welfare of the Company's directors, sub-committees, and executives for the year 2023 which consisted of meeting allowance, monthly compensation, salary and other benefits. The meetings thoroughly considered appropriateness of the remuneration to duties and responsibilities of each director, operating results of the Company, and compared the remuneration with the rates of remuneration of directors, sub-committees, and other executives in the same industry and other listed companies in the same industry and was of the view that the remuneration of the Company's directors, sub-committees, and executives was at a competitive rate in order to attract qualified candidates to become the Company's directors in the future.

In addition, the Company has determined remuneration of the Chief Executive Officer and executives in accordance with performance of individual executives, which is also linked to the Company's performance, both short-term and long-term, reflecting good practices and guidelines and adherence to the standards of leading companies. Such remuneration must be competitive compared to other organizations in order to attract and retain executives, who are important to short-term and long-term success of the Company. The Board of Directors has a duty to consider and approve such remuneration.



7.4.3 Management compensation

(1) Monetary compensation

In 2023, executives at the first of 4 level of executives (according to the SEC definition) has received from their performance of duties, a total of 9 people received compensation for performing their duties in the forms of salary, living expense, special pension, and bonus in the aggregate amount of Baht 33,133,736 The management compensation has already complied with the terms of the Company's employment contracts.

(2) Other compensations

In 2022, executives at the first of 4 level of executives (according to the SEC definition) has received from their performance of duties, a total of 9 people received contributions to the Company's provident fund with the total amount of Baht 879,779.

In addition, the Company's executives receive other benefits and welfare according to the Company's regulations with the same as employees, such as healthcare benefits, health check-up benefits or other benefits related to medical treatment and health check of which the total amount is Baht 1,067,162.

7.5 Employees

Employees

As of December 31, 2023, the Company has a total of 2,548 employees, which can be classified into different lines of work as follows :

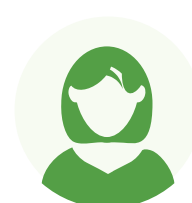
Department	Employees classified by lines of work (Person)	
	As of December 31, 2023	
	2565	2566
1. Credit Operations Department and Storge Operations Department	1,835	2,191
2. Branch Operations Department (Headquarters)	18	21
3. Credit Control and Approval Department	52	58
4. Property Auction Department	22	8
5. Information Technology Department	65	68
6. Marketing Department	28	29
7. Accounting and Finance Department	46	55
8. Risk Management Department and registration and agreement	40	39
9. Administration and Purchasing	28	28
10. Human Resources Department	25	28
11. Legal Department	14	14
12. Company Secretary Office	7	6
13. Management	2	3
Total	2,182	2,548

The number of employees has increased in the year 2023 due to the business expansion, the Company expanded 214 branches in the year 2023 and hired additional employees during October - December 2023 to prepare for branch expansion in the year 2024.

Classified by gender : Overview



Male : 52%
(1,319 Person)



Female : 48%
(1,229 Person)



The Company has a policy to pay fair remuneration which can compete with companies in the same industry, including creating career stability, and fair career advancement opportunities. The Company provides employee compensation (excluding executives) in the forms of salaries, wages, bonuses, contributions to the provident fund, and contributions to the social security fund etc. The details of which are as follows :

Unit: Thai Baht

Type of Employee Compensation	Year 2022	Year 2023
1. Salary	392,917,240	486,444,955
2. Bonus	34,553,117	35,259,073
3. Other types of compensation	131,975,933	160,041,517

Remark : Other types of compensation include Other income, Incentive, provident fund contributions, social security contributions, and accident insurance (group).

The Company paid out the remuneration for the employees totaling Bath 559.45 million and Bath 681.75 million for the year 2022 and 2023 respectively in terms of salary, bonus, overtime pay, contributions to provident funds and other compensation which includes gratuities and provident funds for employees as follow:

Person

Details	Number of Employees Classified by Department			
	As Dcember 31,2023			
	Unit	Female	Male	Total
Total employees	% of total employees	48.23	51.77	100
	Person	1,229	1,319	2,548
Middle Management and Top Management	% of total employees	49.15	50.85	100
	Person	1,185	1,226	2,411
Middle Management	% of total employees	32.81	67.19	100
	Person	42	86	128
Top Management	% of total employees	22.22	77.78	100
	Person	2	7	9
Management positions in revenue generating functions e.g. Sales, Marketing, Operation	% of total employees	46.62	53.38	100
	Person	1,041	1,192	2,233
Ratio of basic salary and remuneration of women to men	% of total employees	48.05	51.95	100
Total		1,229	1,319	2,548



Human Resource Development Policy

The Company recognizes the importance of human resources as the most important asset in business operations and it is a successful part that will make the company achieve its goals. The company has sets a policy to focus on skill and potential development of employees to increase progress continuing to increase productivity in every aspect of employees at all levels. That will result in creative ideas to add innovative value to the company which one of the important strategies of the company. The company has established policies and guidelines as follows :

Recruiting/Employment

The company gives importance to the recruiting process. Based on the principle that the recruitment and selection process of employees must be transparent, operate with equality and fairness, equality without limitation or discrimination in terms of gender, race, religion and culture. The characteristics of employees determined by job characteristics along with specifying educational qualifications, experience, expertise and other requirements of each position clearly. By selecting the qualified persons according to the specified methods in order to acquire employees who are suitable for the positions.

Human Resource Development

The Company has a policy of developing personnel on a regular basis. The objective is to increase knowledge, skills, and expertise as well as efficiency in the performance of employees at all levels. In this regard, the Company has established policies and guidelines as set out below.

1. The Company encourages personnel to develop knowledge and expertise from actual operations by providing a supervisor for each line who performs coaching duties in such line.

2. The Company continuously encourages and conducts seminars and training from both internal and external the company. To personnel of the Company at all levels from the executive level to the operational level to develop competency and work potential along with bringing the knowledge gained from the training to improve the operations in the Company.

Internal Training means the Company's training by the human resource development department as necessary in the business operation of the Company by setting up a development plan and annual curriculum to develop employees to have knowledge and skills which are necessary for working both now and in the future. It may be held in a place within the Company or a place outside the Company.

External Training means the training of the Company by the human resource development department and arranged according to the internal departments of the company notifying the Company as necessary for the operation of that line in order to develop the knowledge of employees and the skills necessary for current and future jobs. External Training is a training course organized by a government or private agency.

3. The Company arranges for an assessment of the needs and necessity of personnel development of the Company at all levels, from the executive level to the operational level, and formulates the Company's human resource development plan in accordance with the Company's development plan and prepares personnel for increased responsibilities, career advancement and the ability to fill vacancies.

The Company has 2 categories of personnel development methods as follows :

(a) The development provided by the company is the case where the Company or the head of the department plays an important role in providing development in all aspects for employees as deemed appropriate and in accordance with the goals. development plan of the department and of the Company

(b) Self-development is where the employee plays a key role in managing self-development in order to achieve the Company's goals and/or the employee's career advancement plan.

4. The Company will arrange various activities to create intimacy, familiarity, and good relationship between executives and employees in all positions in order to increase work quality to reflect professional work resulting in customer satisfaction.



Development plan and annual curriculum

In 2023, the COVID-19 outbreak situation has eased the company therefore has adjusted the policy regarding personnel development continuous to focus primarily on On-Site training, but still maintaining Online training (Conference) and in the e-Learning System to ensure that employees of the Company will still be filled with knowledge and fully develop their potential.

In the year 2023, there are a total of employees who have undergone training 2,248 employees out of 2,548 employees (employee information as of December 2023), representing 88.23 % of the total number of employees.

The Company determines an annual personnel development plan and personnel development course. In 2023, the Company organized employee training courses to increase work skills and potential for employees with an average number of training hours or knowledge development activities for employees of up to 19.72 hours per person per year, including organizing training for employees to have knowledge and understanding of the environment from executive level to general employees as follows:

1. Mandatory Program

- (1) New employee orientation course
- (2) Corporate value driving Course
 - Code of Conduct
 - Private Sector Collective Action against Corruption
 - Personal Data Protection Act B.E. 2562 (2019) (PDPA)
 - Market Conduct
 - Risk Management

(3) Basic firefighting course and fire evacuation drills

2. Management & Leadership Program

- (1) Leadership Development Program: Cultivating Leaders Transformational Coaching for Success
- (2) Leadership Program: Mindset for Great Leader
- (3) Lego Serious Play Workshop
- (4) Organization Transformation and Changes
- (5) Supervisory Skills and Coaching

- (6) Design Thinking
- (7) Better Work with Winning Mindset
- (8) Balancing Your Life with Time Management

3. Operation Program

- (1) Credit knowledge review course
- (2) Know Your Customer (KYC) Verifying Course and Vehicle condition assessment and registration book course
- (3) Knowledge and expertise in debt collection course
- (4) Knowledge on the Debt Collection Act course
- (5) Finance and branch accounting course
- (6) Life insurance and non-life insurance broker preparation course
- (7) NCB knowledge course
- (8) The Anti-Money Laundering Law for person responsible for reporting course

In addition, the Company has formulated a personnel development plan with the objective of developing the potential of personnel, which is considered an important part in driving the company to grow, divided into levels as follows :

4. Executive personnel (L.5 - L.8)

The Company has established personnel development in the management level to be in line with the competence for executives (Leadership Competency), consisting of :

- (1) C : Create Vision (broad-minded, far-sighted, visionary)

A person who has principles and concepts farther than others, and is aware of problems, obstacles, and opportunities in various dimensions of concepts, and can formulate and adjust his vision for the future accordingly.

- (2) H: Harmonize Stakeholder (Build relationships, build alliances, support the organization)

A person who has the skills and attitude to build positive relationships both within and outside the organization and can use those relationships to create opportunities and strengthen teams and organizations.



(3) A: Accountability (dedicated, sense of responsibility, commitment to success)

A person who is responsible for himself, the company, society and is committed to devoting himself to the organization in order to make the organization successful and mature.

(4) M: Managerial Excellent (skilled in management, precise in principle, put into practice)

A person who is skilled, knowledgeable, has a good attitude in management and has the skills and knowledge to analyze problems and make decisions in a variety of dimensions clearly and to apply the concepts into practice with the goal of sustainable success in mind.

5. Management personnel (L.3 - L.4)

The Company has set up personnel development at the management level to be in line with the competencies for managers (Managerial Competency), consisting of :

(1) Planning

Systematically setting plans and activities and prioritizing them under existing environmental conditions, as well as determining the time period to be carried out resources to be used as well as designating responsible persons effectively and must be able to actually implement the plan

(2) Organization (Organizing)

Organizing the organizational structure, organizing the work system, allocating personnel, allocating various resources to be ready to follow the action plan.

(3) Leading the team (Leading / Directing)

Expression of understanding of different abilities by trying to bring the potential or operational level personnel, the ability of subordinates to use for maximum benefit.

(4) Controlling and monitoring work (Controlling)

Awareness of the status, problems and obstacles that occur in the work assigned to others by using various tools or methods to monitor the progress of the work, including finding ways to motivate others to complete the work accordingly

6. Operational personnel (L.1 - L.2)

The Company has developed personnel at the operational level by focusing on the operation according to the operational process so that the

employees have a standard in performance enough to deliver work to for both internal and external customers, as well as develop the knowledge necessary to operate.

7. All personnel

The Company has determined personnel development at all levels by emphasizing on understanding and behaving in the same direction throughout the organization as follows :

(1) Core Values

(2) Work Rules

(3) Company's policies

Employee Compensation and Welfare Policy

The company determines the compensation of employees. consistent with the Company's performance It is assured that such compensation can be an incentive for employees to stay with the Company in a highly competitive labor environment. Employees will be offered reasonable compensation. To create continuous results and make the company sustainable growth. It also provides various welfare benefits for employees of the company as required by law, such as social security and other than those required by law, such as employee group accident insurance, annual health check-ups, as well as various types of allowances such as travel expenses, accommodation expenses, fuel expenses and financial assistance in case of death of parents or employees, etc.

The company has regulations to manage the performance of personnel. By defining corporate KPIs, which consider a comprehensive perspective on operational dimensions from all parts of the organization. and summarized by the management. The indicators have been set from the Chief Executive Officer level. President, Assistant President, Director of department, Manager of department and all employees respectively, each employee has own indicators which are consistent with the department and organization's indicators. The supervisor or supervisor provides advice and recommendations to the subordinates to improve their performance as well as to encourage, support and encourage. For dedication to work in connection with compensation and rewards from performance to employees



The Company has adjusted the rate of compensation to be close to other companies in the same industry fairly. The Board of Directors attaches great importance to employment considering the ability of employees in various positions without discrimination and equal opportunities which considers the principles of fairness, equality, suitable qualifications. To promote career advancement and grow together with the Company in a sustainable manner by setting a policy for both short-term and long-term employee compensation that is consistent with the performance of the organization and linking the performance of employees according to the Balanced Scorecard as follows:

1. Short-term compensation: The Company has determined compensation that is comparable to the general pay rate of other organizations in the same business to enhance human resource competitiveness. In addition, the Company has set annual bonus payments based on performance based on the evaluation of the Company's performance and individual KPI.

2. Long-term compensation: The Company has determined the performance and potential of the employees and the Company will pay appropriate compensation to employees with high competence including providing career growth to be in line with the succession plan of the Company. In addition to paying compensation, the company has regularly reviewed various compensation to be in line with economic conditions, such as travel expenses to work, etc.

Fair labor treatment

The Company is committed to conducting business in accordance with human rights principles and strictly complying with labor laws. The Company recognizes and gives importance to its personnel and provides employment processes and fair employment conditions. Including determining compensation and welfare for employees according to the rules and conditions set by the Company fairly and equally. In order to comply with the current economic situation as well as encouraging employees to develop their knowledge and abilities in order to raise the level of professionalism in an appropriate working environment.

The Company has established a welfare committee in the workplace to jointly negotiate with employers to provide welfare and benefits to employees, including monitoring, controlling, and supervising the welfare arrangements that employers provide to employees, as well as giving advice and suggestions including opinions to employer on welfare arrangements for employees.

Promoting disadvantaged groups

The Company gives an importance to and encourages underprivileged groups to have the opportunity to show their abilities which generates income, self-reliance, reduces the burden of family and society that needs to be taken care as well as strengthens important forces in driving the economy. According to the Empowerment Of Persons With Disabilities Act B.E. 2550 which contains provisions to prescribe important measures related to occupational promotion and employment protection of persons with disabilities.

In 2022, the Company has complied with the Empowerment Of Persons With Disabilities Act B.E. 2550, Section 33 and Section 35, a total of 11 persons with disabilities, 7 males and 4 females, with disabilities being accepted to work more than the ratio between normal people and disabled people at 1 disabled person per 100 normal persons as required by law.

Safety, Health and Environment

The Company places an importance on the safety and health of employees working at the head office and various branches of the Company throughout Thailand and surrounding communities. In addition, the Company encourages the efficient use of resources and reduces the use of unnecessary resources that cause environmental impacts, promoting a good working environment that is safe and free from harm to life and health along with an appropriate environment in the workplace. Including training in such matters, such as fire drill training, etc.



Statistics of occupational illness/disease in the year 2023 are calculated as a ratio to the total number of employees in the following scenarios:

Description	Unit	Period from Jan – Dec 2023				
		By Gender		By Area		Total
		Male	Female	Head Office	Provincia Branch	
Occupational disease rate (ODR)	persons	0	0	0	0	0
Number of days of sick leave	days	4,058	3,887	1,164	6,781	7,945
Number of hours of cessation of work due to illness that is not related to work	days days* (8 hours)	32,464	31,096	9,312	54,248	63,560
LTIFR/LTIR target	persons	0	0	0	0	0
Injuries/accidents from work	persons	0	0	0	0	0

Remarks :

- 1) The calculated numerical values referred to International Labor Organization Standards (ILO-OSH 2001).
- 2) Lost time injury is an injury that causes absence from work for more than 1 day (start counting the absence from the date of the accident).
- 3) Injury severity rate, formerly known as loss day rate.
- 4) The calculation of working hours is data from the employee self-service system of regular employees and contract employees from January to December 2023. Working time information includes data of overtime working and data of employees resigned during the year. It will take only the actual working time during the employment period for calculation.
- 5) Only accidents that occur within the workplace.

Human Rights Policy

The Company places importance on respecting human rights with a desire to create equality and equality both within and outside the organization. The Company regularly monitors and ensures that its business is not involved in direct and indirect violations of rights and liberties of individuals, such as not supporting forced labor, anti-child labor, respecting and treat all stakeholders with fairness based on human dignity and non-discrimination, which includes treating all Company's personnel equally. There is no discrimination or discrimination on the basis of race, gender, language or religion. The Company has established a process for identifying human rights risks and a mechanism for complaints about human rights violations.

In 2023, the Company has not been risked and complained about human rights violations. However, the company has prepared remedial measures for those who may be affected by human rights, both in the form of monetary assistance and

that are not monetary. To relieve suffering for those affected by human rights from the Company's operations by considering the impacts that occur on a case-by-case basis.

Welfare arrangements for employees

The company promotes the welfare and well-being of its employees by covering the employees' families. to be healthy strong health Welfare can be divided into 3 types as follows :

1. Employee welfare benefits such as merit-making benefits welfare to make merit for the new house Marriage subsidy benefits Welfare for receiving maternity gifts Welfare for the funeral of direct relatives Welfare in the event of employee death
2. Funds such as provident funds Social Security Compensation Fund
3. Health and life insurance such as group accident insurance, Annual health check-up



In addition, the Company promotes and has created values to employees such as eagerness to learn and self-development. This is consistent with the organizational values that adhere to the general practice (HENG) in relation to G-Growth or passion to continuously learn and develop with an intention to produce results in a better way in order to expand and grow the business rapidly and has increasing and sustainable profits every year.

The important courses include corporate governance, environmental management, orientation for new employees, being an anti-corruption organization, provision of fair services to customers (Market Conduct), Personal Data Protection Act (PDPA), and risk management etc.



Provident Fund

The Company established a provident fund under the management of Kasikorn Asset Management Company Limited In the year 2023, the Company paid compensation for such personnel (excluding executives) in the total amount of Baht 14.15 million.

As of 31 December 2023, the proportion of employees participating in the provident fund there were 2,505 employees out of 2,548 employees was 98.31 percent of the total employees.

Labour Disputes

In 2023, the Company did not have any major labor dispute which had a significant impact on the Company's business, financial positions, and operating performance.

7.6 Other important information

7.6.1 Person assigned to be directly responsible for supervision of accounts preparation, company secretary, outsourced internal auditor, head of compliance

1) Person responsible for supervision of accounts preparation

Mr.Thakoon Wuttioponpong, Director of Accounting, is the person who is directly responsible for supervision of accounts preparation and overseeing the Company's transactions and payments to be efficient and in accordance with the Company's rules and regulations and accounting standards. Profile of the person assigned to be directly responsible for supervision of accounts preparation are as set out under Attachment 1.

2) Company Secretary

Miss Natthanan Kittiphonsombun, Assistant Managing Director - Corporate Governance and Investor Relations Department, was appointed by the Board of Directors' Meeting No. 1/2021 held on April 24, 2021 as the Company Secretary. The duties and responsibilities of the Company Secretary are as prescribed under the Securities and Exchange Act B.E. 2535 (1992). Profile of the Company Secretary are as set out under Attachment 1.



3) Head of Internal Audit

The Company has engaged KPMG Phoomchai Business Advisory Ltd. (“KPMG”) as internal auditor whereby Mr. Supachate Kunaluckkul acts as head of internal audit who reports to the Company’s Audit Committee. Profile of the head of internal audit are as set out under Attachment 3.

4) Head of Compliance

Miss Natthanan Kittiphonsombun, Assistant Managing Director - Corporate Governance and Investor Relations Department, acts as the head of compliance. Profile of the head of compliance are as set out under Attachment 1.

7.6.2 Information on head of investor relations and contact details

To ensure that the disclosure of important information is accurate, timely, transparent and verifiable, the Company has established the Investor Relations Department and Miss Natthanan Kittiphonsombun, Assistant Managing Director - Corporate Governance and Investor Relations Department, as a center for disclosure of important information to local and foreign shareholders and investors. Such information includes financial information such as operating performance and quarterly financial statements, quarterly management discussion and analysis (MD&A), and the Company’s strategy and future trends. The Company’s shareholders and investors shall be kept informed equally and on a regularly basis and the disclosure shall be complete and accurate.

Shareholder and investors may contact the Company for information via telephone, email, and by mail or access the information via the Company’s website at <https://investor.hengleasing.com/th/home> which contains important information for shareholders and investors in Thai and English languages or contact the Investor Relations Department.

Telephone number 02-153-9587 Ext. 9 or 1361 Ext 9

Fax 053-350-490

Email IR_Heng@hengleasing.co.th

Letter Heng Leasing and Capital Public Company Limited Investor Relations No. 69, Moo 7, San Sai Noi Sub-district, San Sai District, Chiang Mai Province 50210

Office hours Monday through Friday at 8 a.m. - 6 p.m.

Investor Relations Activities

The management of rights and interests of shareholders to be in accordance with the laws, as well as strengthening good relationship with shareholders, will enhance the Company’s good image and credibility to sustainably create higher values for its shareholders in a long term. Therefore, the Company has assigned the Office of the Company Secretary and the Investor Relations Department to disclose the organization’s information, particularly financial and general information to shareholders, investors, analysts, investment rating agency, and regulators through various channels, including reporting to the Stock Exchange of Thailand, the Securities and Exchange Commission, and the Company’s website under the subject “Investor Relations” so that any person who is of interest can study the information conveniently. In addition, the Company also organizes various activities to disclose, clarify information and provide participants with an opportunity to ask questions. The Company also requires its high-level executives to participate in clarifying information. Such activities include providing information to investors and analysts and preparing press release which presents the Company’s operating performance, the details of which can be summarized as follows:

1. Participating once in SET Opportunity Day organized by the Stock Exchange of Thailand 4 Times. There were an approximate of 50 analysts and investors attending the event.

2. Providing information to analysts. Due to the Covid-19 outbreak, the Company implemented social distancing measures. There was a total of 3 events organized by securities company with an approximate of 20 participants per event.

3. Preparing 10 press releases presenting the Company’s operating performance.



7.6.3 Audit fee

The Company pays the audit fee to EY Office Company Limited, which is the audit firm of the auditors for the year 2023, including any person or business related to the auditor and the audit firm, in the total amount Baht 3,300,000.

The audit firm and the auditors do not have any relation or interest with the Company, its executives, major shareholders or related persons of executives and major shareholders. The auditors are independent and qualified as the Company's auditors. The auditors are in the approved list of the Securities and Exchange Commission. The 2023 Annual General Meeting of Shareholders resolved to approve the appointment of auditors and fix the audit fee for the year 2023 with details as set out below.

• Auditors

1. Ms.Somjai Khunapasut Certified Public Accountant (Thailand) No. 4499 and/or
2. Ms Wanwilai Phetsang Certified Public Accountant (Thailand) No. 5315 and/or
3. Ms.Saranya Pludsri Certified Public Accountant (Thailand) No. 6768

• Audit fee for the year 2023

1. Annual and quarterly audit fee of Baht 3,300,000

• Service fees other than audit fee

- None -





Report on key performance in respect of corporate governance



8.1 Report on performance of duties by the Board of Directors in the past year

In the year 2023, the Board of Directors reviewed the Company's policies and directions and supervised management and operations of the Company to be in accordance with goals, objectives, visions, strategies and directions of business operations. The management reported the operating results to the Board of Directors every quarter and the Board of Directors carefully reviewed such results for benefits of the shareholders under the framework of laws and Code of Conduct.

8.1.1 Nomination, Development and Performance Assessment of the Board

Nomination Directors

The Board of Directors has considered and appointed the Nomination and Remuneration Committee

to nominate and select persons with knowledge, abilities and experiences that are beneficial to the long-term business operations, diversity (Board Diversity) has skills that are in line

with the company's business strategy. Including knowledge, ability, experience, and expertise in specific fields and in line with business directions and strategies and sustainable development to hold the position of the Company's director

(1) Qualifications of independent directors

(a) Holding no more than 1% of the total number of shares with voting rights in the Company, parent company, subsidiary, associated company, major shareholder, or controlling person of the Company, including shares held by related persons of such independent director.

(b) Not being or used to be a director who participates in management, employee, staff, advisor who receives a regular salary or controlling person of the Company, parent company, subsidiary, associated company, subsidiary of the same level, major shareholder, or controlling person of the Company, unless having been discharged from the aforementioned characteristics for at least 2 years before taking office as an independent director. Such prohibited characteristics do not include having been a government employee or advisor of a government agency, which is a major shareholder or a controlling person of the Company.



(c) Not having a business relationship with the Company, parent company, subsidiary, associated company, major shareholder, or controlling person of the Company in a manner that may impede the exercise of one's independent judgment, including not being or having been a significant shareholder or a controlling person of a person having a business relationship with the Company, parent company, subsidiary, associated company, major shareholder or controlling person of the company, unless having been discharged from the aforementioned nature for at least 2 years and having no direct or indirect benefit or conflict of interest in terms of finance and management of the Company, its affiliates, associated companies, or individuals who may have a conflict of interest in a manner that would deprive them of their independence.

Such business relationship includes making transactions in the normal business operations, including renting or renting out property, items related to assets or services or providing or receiving financial assistance by accepting or lending, guaranteeing, and placing assets as collateral for liabilities and any other similar behavior in the same manner, which results in the Company or the contracting party having an obligation to pay the other party in the value of 3% of the Company's net tangible assets or from twenty million baht and above, whichever is lower. Calculation of such indebtedness shall be in accordance with the method for calculating the value of connected transactions under the notification of the Capital Market Supervisory Board regarding rules on connected transactions mutatis mutandis. Such consideration shall include debt incurred during a period of 1 year prior to the date of business relationship with the same person.

(d) Having no blood relationship or by legal registration in the form of parent, spouse, sibling and child, including spouse of child of other director, executive, major shareholder or controlling person who will be nominated as director, executive or controlling person of the Company or its subsidiary.

(e) Not being a director who has been appointed to represent and protect the interests of the Company's director, major shareholder, or

shareholder who is related to a major shareholder. Independent directors must also be able to express their opinion or report independently in accordance with the tasks assigned without consideration of any interests and not being under influence of any person or group of persons, including not being under any circumstance that may coerce them into not being able to express a straightforward opinion.

(f) Not being or having been an auditor of the Company, parent company, subsidiary, associated company, major shareholder or controlling person of the Company and is not a significant shareholder, controlling person, or partner of audit firm ("partner" means a person designated by the audit firm to sign audit reports on behalf of such juristic person) which has the auditor of the Company, parent company, subsidiary, associated company, major shareholder or controlling person, unless such nature has been terminated for at least 2 years before taking the position as an independent director.

(g) Not being or having been a professional service provider of any kind, including legal or financial advisory services who receive service fees of more than 2 millions baht per year from the Company, parent company, subsidiary, associated company, major shareholder, or controlling person and is not a significant shareholder, controlling person or a partner of that professional service provider ("partner" means a person designated by the professional service provider to sign professional service reports on behalf of such juristic person), unless such nature has been terminated for at least 2 years before taking the position as an independent director.

(h) Do not conduct similar business and is not in significant competition with the business of the Company or its subsidiaries. Not being a significant partner in a partnership or being a director who takes part in the management, employee, staff, or an advisor who receives a regular salary or holding more than 1% of the total number of shares with voting rights of other companies which conduct similar business and being in significant competition with the business of the Company or its subsidiaries.



(i) There is no other characteristic that prevents a person from expressing an independent opinion on the Company's operations. However, after being appointed as an independent director with the characteristics as specified above, independent directors may be assigned by the Board of Directors to make decisions about the business operations of the Company, parent company, subsidiary, associated company, same level subsidiary by having a decision in the form of a collective decision.

(2) Nomination of Directors and senior management

The Board of Directors selects directors by considering persons with various qualifications. both in terms of knowledge, ability and experience that can benefit the company which takes into account the elements of Board Diversity Policy including the proportion of independent directors and female directors (gender diversity) Racial and national diversity. including a variety of skills Knowledge, competence, experience and expertise in accordance with the Company's business strategy and related industries according to the Board Skills Matrix, without limitation or discrimination by gender, race, nationality, color, ethnicity or religion.

For the selection of executives, the Company considers those who have skills, knowledge, abilities, experience necessary and beneficial to the Company's business operations. and the performance of those who qualify Including having outstanding vision that can lead the organization to success. The selection process is considered by the Nomination and Remuneration Committee meeting before presenting to the Board of Directors' meeting to consider and approve the appointment.

(3) Directorship

The Board of Directors has a term of office of not more than 3 years per relevant law. Independent directors will hold office for a continuous term of not more than 9 years unless there are reasons and necessities as the Board of Directors deems appropriate. In 2023, the Company does not have an independent director who holds the position of director for more than 9 years. In addition, the Company's directors and executives can take the position of directors or executives of affiliated companies or other companies, but must comply with the regulations of the SEC, the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand, including other relevant rules, regulations and laws. This must be notified to the meeting of the Board of Directors for acknowledgment. However, each director can hold the position of director in no more than 5 listed companies.

Development of the Board of Directors

The Board of Directors and senior management attach importance to regularly attending trainings, seminars, and courses relating to improvement of knowledge and capabilities in performing the duties as a director (please refer to details of trainings of each director under Attachment 1). Most of the Company's directors (more than 75%) have a history of attending training with the Thai Institute of Directors (IOD) and other leading organizations/institutions. They have attended various seminars on related topics. The Company provides support to all directors as a channel to receive news and increase knowledge that can be applied in the position of director. In the year 2023, directors attended the following trainings/seminars.

Item	First Name - Lastname	Training Courses/Seminars in the Year 2022
1	Assistant Prof. Dr. Chaiwuth Tansomchai	• Director Certification Program (DCP) English Residential DCP, Thai Institute of Directors (IOD), Class of 338/2023
2	Mrs.Sutharntip Phisitbuntoon	• Director Leadership Certification Program (DLCP), Thai Institute of Directors (IOD) Class of 9/2023 • Audit Committee Forum 2023: Detection of Accounting Irregularities in Fast Growing Business: The Role of Audit Committee, Thai Institute of Directors (IOD) Class of 26/2022
3	Mr.Thanassorn Ratanasirisap	• Attend seminar topic Hot issue for Director: Climate Governance Class 3 The Stock Exchange of Thailand (SET) in collaboration with the Thai Institute of Directors Association (IOD)
4	Miss Thapanattsamon Paisanteerakorn	• Attend seminar topic Hot issue for Director: Climate Governance Class 3 The Stock Exchange of Thailand (SET) in collaboration with the Thai Institute of Directors Association (IOD)



As of December 31, 2023 Directors participated in training course related to director function as Director Certification Program (DCP) 13 person (93%) and Director Accreditation Program (DAP) 1 person (7%) from 14 directors as in attachment 1.

The Self-Assessment of the Board of Directors

In order to comply with the good corporate governance principles, the Company has a policy for the Board of Directors to conduct self-assessment at least once a year to assist the Board of Directors to review the performance, issues and obstacles during the past year and to increase work efficiency of the Board of Directors.

The Company has assessed the performance of the Board of Directors for the year 2022 at the Board of Directors Meeting No. 1/2023 held on 17 February 2023. The evaluation criteria will be calculated as a percentage of the full score in each item. If the score is greater than 85% = excellent, the range of 75-85% = good, the range of 65-75% = fairly good, the range of 50-65% = fair, and less than 50% = should be improved in summary as follows :

1. Performance assessment form for the whole committee assessed in various fields as follows:

- 1.1 Structure and Qualifications of the Board of Directors
- 1.2 Board of Directors' meeting
- 1.3 Roles, duties and responsibilities of the Board of Directors
- 1.4 Other matters such as relationship with management, director's self-development and executive's development

In summary, the results of the assessment of the entire committee in the picture, including 4 items, were of the opinion that most of the actions were excellent and appropriate with an excellent average score equal to 93.76%

2. The individual director performance assessment form (self-assessment) by assessing various aspects as follows:

- 2.1 Structure and Qualifications of the Board of Directors
- 2.2 Board of Directors' meeting
- 2.3 Roles, duties and responsibilities of the Board of Directors

2.4 Responsibilities of the Board of Directors for the implementation of anti-corruption or corruption policies in the Company's supervision

In summary, the evaluation results of individual directors (self-assessment) in the 4 items, it found that most of the operations were excellent, appropriate, with an excellent average score of 95.99%.

3. Sub-committee Assessment form (assessment as the committee), this is a self-assessment with the same assessment criteria as the Board of Directors' assessment, to be used as a framework for reviewing the performance during the past year by presenting the results of the assessment to the meeting. The sub-committees consisted of 4 committees, totaling 4 topics, which were considered effective and strongly agreed with the following details:

3.1 The Nomination and Remuneration Committee has an excellent average score equal to 94.64%

3.2 The Risk Management Committee has an excellent average score equal to 98.33%

3.3 The Audit Committee has an excellent average score equal to 98.28%

3.4 The Executive Committee has an excellent average score equal to 93.20%

3.5 The Executive Committee has an excellent average score equal to 91.78%.

4. Sub-committee Assessment Form (Self-assessment) details are as follows.

4.1 The Nomination and Remuneration Committee has an excellent average score. equal to 98.06%

4.2 The Risk Management Committee has an excellent average score of 98.89%.

4.3 The Audit Committee has an excellent average score of 98.75%.

4.4 The Corporate Governance and Sustainable Development Committee has an excellent average score equal to 97.50%

4.5 The Executive Committee with an excellent average score of 90.83%

5. Chief Executive Officer's Assessment Form

She has an excellent average score equal to 94.52%

6. The Managing Director's Assessment Form

He has an excellent average score equal to 93.77%



Performance Assessment of the Board of Directors

The performance assessment of the Board of Directors shall be held at least once a year. The performance assessment shall be conducted on the Board of Directors and each individual director as follows:

1. Evaluation of the performance of the Board of Directors by covering issues in various fields according to the assessment form of the Stock Exchange of Thailand, as follows :

(1) The structure and qualifications of the Board of Directors in the following matters are appropriate. make the work of the board efficient

(2) Roles, duties and responsibilities of the Board of Directors has given importance take time to consider Review and follow adequately the following matters.

(3) Board meetings on the following matters: in order for the Board of Directors to perform their duties in meetings effectively.

(4) Other matters such as the relationship between the Board of Directors and the management and self-development of directors and executive's development.

2. Assessment of individual directors' performance (self-assessment) covering various issues according to the assessment form of the Stock Exchange of Thailand, as follows:

(1) Structure and qualifications of the Board of Directors

(2) Meeting of the Board of Directors

(3) Roles, duties and responsibilities of the Company's directors

(4) Responsibilities of the Board of Directors for implementing anti-corruption or corruption policies in dealing with with business care

The scores and opinions of the Company Directors will be used to improve the performance of the Board of Directors each year. and to make the work of the Board of Directors more effective. Including the use of the assessment results as information to support the opinions of the Board of Directors in proposing to shareholders to consider the election of company directors to replace directors who retire by rotation

In addition, the Board of Directors is responsible for considering the results of the performance appraisal of the Audit Committee. Nomination and Remuneration Committee Board of Directors Risk Management Committee and Chief Executive Officer

Succession plans for senior management positions

Nomination and Remuneration Committee has considered the succession plan of senior executives such as the Chief Executive Officer Managing Director and senior management In order for the organization to have successors in senior management or important leaders to maintain competitiveness to drive the organization today and sustain business growth in the future which is to manage human resource risks and retain high potential personnel to co-create success with the organization. Including the development of personnel who have potential within the organization to grow and advance to be higher-level executives through a systematic and continuous development process to propose to the Board of Directors for consideration and approval on an annual basis.





8.1.2 Meeting attendance and individual directors' compensation

The Board of Directors has predetermined the meeting schedule of the Board of Directors and sub-committees each year. The Company Secretary will inform the meeting schedule so that the directors are aware of the date and time of the meeting and can attend the meeting. In case there is a special agenda, there may be additional meetings of the Board of Directors as appropriate. The Board of Directors has assigned the Company Secretary to be responsible for organizing the meeting and delivering the meeting invitation letter together with the agenda and supporting documents specifying the date, time, place and business to be held to the Board of Directors at least 7 days prior to the date of the meeting so that the directors have sufficient time to study the information except in urgent cases To protect the

rights or benefits of the Company, the Chairman of the Board of Directors or a person assigned by him may notify the meeting by other means or set an earlier meeting date.

In the Board of Directors meeting There must be no less than half of the total number of directors present at the meeting to constitute a quorum. In case the Chairman of the Board of Directors is absent from the meeting or unable to perform duties. If there is a Vice Chairman of the Board of Directors, the Vice Chairman of the Board of Directors shall preside over the meeting. If there is no Vice Chairman of the Board of Directors or they are unable to perform their duties The directors present at the meeting shall elect one director to be the chairman of the meeting, while voting at the Board of Directors' meeting must be at least two-thirds of the total number of directors attending the meeting.

(1) Board meetings

Attendance of the Board of Directors Meeting are as follows :

Name	Total Meetings attended / Total of meetings	
	1 Jan 2022 – 31 Dec 2022 (7 meetings in total)	1 Jan 2023– 31 Dec 2023 (7 meetings in total)
(1) Professor Dr. Surapon Nitikraipot ⁽¹⁾	7/7 100% (Physical 5/ Online 2)	7/7 100% (Physical 5/ Online 2)
(2) Mr.Nutchdhawattana Silpavittayakul ⁽¹⁾	7/7 100% (Physical 2/ Online 5)	7/7 100% (Physical 1/ Online 6)
(3) Assistant Professor Dr.Chaiwuth Tangsomchai ⁽¹⁾	7/7 100% (Physical 2/ Online 5)	7/7 100% (Physical 2/ Online 5)
(4) Mr.Natthirutt Wanwimonphong ⁽¹⁾	7/7 100% (Physical 4/ Online 3)	7/7 100% (Physical 2/ Online 5)
(5) Mrs.Sutharntip Phisitbuntoon ⁽¹⁾	7/7 100% (Physical 4/ Online 3)	7/7 100% (Physical 5/ Online 2)
(6) Mr.Wichai Suphasathitkul ⁽¹⁾	7/7 100% (Physical 6/ Online 1)	7/7 100% (Physical 7/ Online 0)



Name	Total Meetings attended / Total of meetings	
	1 Jan 2022 – 31 Dec 2022 (7 meetings in total)	1 Jan 2023– 31 Dec 2023 (7 meetings in total)
(7) Mr.Patpong Patong ⁽¹⁾	7/7 100% (Physical 5/ Online 2)	7/7 100% (Physical 6/ Online 1)
(8) Mr. Bunthid Supasatitkul ⁽¹⁾	7/7 100% (Physical 5/ Online 2)	7/7 100% (Physical 5/ Online 2)
(9) Mr.Parinya Supasatitkul ⁽¹⁾	7/7 100% (Physical 5/ Online 2)	7/7 100% (Physical 6/ Online 1)
(10) Ms.Thapanattsamon Paisanteerakorn ⁽¹⁾	7/7 100% (Physical 4/ Online 3)	7/7 100% (Physical 6/ Online 1)
(11) Mr.Thanassorn Ratanasirisap ⁽¹⁾	7/7 100% (Physical 3/ Online 4)	7/7 100% (Physical 5/ Online 2)
(12) Miss Varita Laothamatas ⁽²⁾	7/7 100% (Physical 5/ Online 2)	7/7 100% (Physical 3/ Online 4)
Total Attendances (percentage)	100%	100%

Remark :

- (1) Appointed by the Annual General Meeting of Shareholders of the Company No. 1/2021 held on Apr, 2021 to be the Company's director.
- (2) Appointed by the Board of Directors Meeting No. 4/21, dated August 14, 2021 to take the position of the Company's director in place of Mr. Somrit Puntharat, who passed away on August 2, 2021.

(2) Sub-committees Meetings

Attendance of sub-committees Meetings are as follows :

Name	Total Meetings attended / Total of meetings	
	1 Jan 2022 – 31 Dec 2022	1 Jan 2023– 31 Dec 2023
Audit Committee	(Total number of meeting are 4 times)	(Total number of meeting are 5 times)
(1) Mr.Nutchdhawattana Silpavittayakul	4/4 100%	5/5 100%
(2) Assistant Professor Dr.Chaiwuth Tangsomchai	4/4 100%	5/5 100%
(3) Mr.Natthirutt Wanwimonphong	4/4 100%	5/5 100%
Total	100%	100%



Name	Total Meetings attended / Total of meetings	
	1 Jan 2022 – 31 Dec 2022	1 Jan 2023– 31 Dec 2023
Nomination and Remuneration Committee	(Total number of meeting are 4 times)	(Total number of meeting are 5 times)
(1) Mr.Natthirutt Wanwimonphong	4/4 100%	5/5 100%
(2) Mr.Nutchdhawattana Silpavittayakul	4/4 100%	5/5 100%
(3) Mr.Bunthid Supasatitkul ⁽²⁾	4/4 100%	5/5 100%
Total	100%	100%
Risk Management Committee	(Total number of meeting are 4 times)	(Total number of meeting are 5 times)
(1) Assistant Professor Dr.Chaiwuth Tangsomchai	4/4 100%	4/4 100%
(2) Mr.Natthirutt Wanwimonphong	4/4 100%	4/4 100%
(3) Mrs.Sutharntip Phisitbuntoon ⁽³⁾	-	1/1 100%
(4) Mr.Patpong Patong ⁽¹⁾	4/4 100%	3/3 100%
Total	75%	100%
The Corporate Governance and Sustainable Development Committee	(Total number of meeting are 1 time)	(Total number of meeting are 1 time)
(1) Professor Dr. Surapon Nitikraipot	1/1 100%	2/2 100%
(2) Mr.Thanassorn Ratanasirisap	1/1 100%	2/2 100%
(3) Ms.Thapanattsamon Paisanteerakorn	1/1 100%	2/2 100%
(4) Miss.Varita Laothamatas	1/1 100%	2/2 100%
Total	100%	100%
Executive Committee	(Total number of meeting are 21 times)	(Total number of meeting are 20 times)
(1) Mrs.Sutharntip Phisitbuntoon	19/20 95%	11/11 100%
(2) Mr.Wichai Suphasathitkul	20/20 100%	22/22 100%
(3) Mr.Patpong Patong	18/20 90%	20/22 90%
(4) Mr.Bunthid Supasatitkul	20/20 100%	22/22 100%
(5) Mr.Parinya Supasatitkul	20/20 100%	21/22 95%



Name	Total Meetings attended / Total of meetings	
	1 Jan 2022 – 31 Dec 2022	1 Jan 2023– 31 Dec 2023
(6) Ms.Thapanattsamon Paisanteerakorn	20/20 100%	22/22 100%
(7) Mr.Thanassorn Ratanasirisap	20/20 100%	22/22 100%
(8) Ms.Chonchissa Ratanasirisap	20/20 100%	22/22 100%
(9) Mr.Punsongpol Paisanterakorn	20/20 100%	21/22 95%
(10) Miss.Varita Laothamatas	20/20 100%	22/22 100%
Total	98.5%	98%

(3) Meetings of the non-executive members of the Board of Directors

The Board of Directors requires non-executive directors to hold meeting among themselves as appropriate without any executive directors or executives participating in the meeting to provide an opportunity to discuss any issues relating to the Company's business or other matters of interest. In this year 2023 the non-executive had a meeting on November 1, 2023. Details of the meeting attendance of the non-executive members of the Board of Directors are summarized as set out below.

Name	Total Meetings attended / Total of meetings	
	1 Jan 2022 – 31 Dec 2022	1 Jan 2023– 31 Dec 2023
(1) Professor Dr. Surapon Nitikraipot	1/1 100%	1/1 100%
(2) Mr.Nutchdhawattana Silpavittayakul	1/1 100%	1/1 100%
(3) Assistant Professor Dr.Chaiwuth Tangsomchai	1/1 100%	1/1 100%
(4) Mr.Natthirutt Wanwimonphong	1/1 100%	1/1 100%
(5) Mrs.Sutharntip Phisitbuntoon	1/1 100%	1/1 100%
(6) Mr.Bunthid Supasatitkul	1/1 100%	1/1 100%
(7) Mr.Parinya Supasatitkul	1/1 100%	1/1 100%
(8) Mr.Thanassorn Ratanasirisap	1/1 100%	1/1 100%
(9) Ms.Thapanattsamon Paisanteerakorn	1/1 100%	1/1 100%
(10) Miss.Varita Laothamatas	1/1 100%	1/1 100%
Total	100%	100%



Directors' remuneration

(1) Monetary remuneration

The 2023 Annual General Meeting of Shareholders held on April 21, 2023 resolved to approve the directors' remuneration for the year 2023 with details as set out below.

Board of Directors and Sub-committees	Monthly Remuneration (Baht/person)	Meeting Fee (Baht/time/person) ⁽³⁾
Board of Directors⁽¹⁾		
• Chairman of the Board of Directors	-	60,000
• Member of the Board of Directors	-	40,000
Sub-committees		
1. Audit Committee⁽¹⁾		
• Chairman of the Audit Committee	-	35,000
• Member of the Audit Committee	-	25,000
2. Risk Management Committee⁽¹⁾		
• Chairman of the Risk Management Committee	-	35,000
• Member of the Risk Management Committee	-	25,000
3. Nomination and Remuneration Committee⁽¹⁾		
• Chairman of the Nomination and Remuneration Committee	-	35,000
• Member of the Nomination and Remuneration Committee	-	25,000
4. Corporate Governance and Sustainable Development Committee⁽¹⁾		
• Chairman of Corporate Governance and Sustainable Development Committee	-	35,000
• Member of Corporate Governance and Sustainable Development Committee	-	25,000
5. Executive Committee^{(2) (3)}		
• Chairman of the Executive Committee	165,000	-
• Member of the Executive Committee who holds a position as the Company's director and/or member of the sub-committee	125,000	-
• Member of the Executive Committee who does not hold a position as the Company's director and/or member of the sub-committee	105,000	-
6. Non-executive directors⁽¹⁾		
• Chairman of the Board of Directors	-	60,000
• Member of the Board of Directors	-	40,000

Remarks :

- (1) Only directors attending the meeting will receive meeting allowance.
- (2) Member of the Executive Committee who holds a position as the Company's director and/or member of the sub-committee will receive only monthly remuneration as the Member of the Executive Committee.
- (3) Member of the Executive Committee who holds an executive position will not receive meeting allowance and monthly remuneration as a Member of the Executive Committee.



(2) Other remuneration

At December 31, 2023, the Company has paid other remunerations to Non-Executive member of Board of Directors and sub-committees including bonuses totaling approximately Baht 9,000,000 and health insurance premiums in the total amount of Baht 1,406,999.

Remuneration during the period from 1 January – 31 December 2023

Name	Remuneration from 1 January – 31 December 2023								Total
	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Corporate Governance and Sustainable Development Committee	Executive Committee	Non-executive Directors	The Annual General Meeting of s	
1. Prof. Dr.Surapon Nitikraipot	420,000	-	-	-	70,000	-	60,000	60,000	610,000
2. Mr.Nutchdhwattana Silpavittayakul	280,000	175,000	-	125,000	-	-	40,000	40,000	660,000
3. Prof. Dr.Chaiwuth Tangsomchai	280,000	125,000	140,000	-	-	-	40,000	40,000	625,000
4. Mr.Nutthirut Wanwimonphong	280,000	125,000	100,000	175,000	-	-	40,000	40,000	760,000
5. Mrs.Sutharntip Phisitbuntoon ⁽¹⁾	160,000	-	25,000	-	-	-	40,000	-	225,000
6. Mr.Wichai Suphasathikul ⁽¹⁾	-	-	-	-	-	-	-	-	-
7. Mr.Patpong Patong	-	-	-	-	-	791,666.67	-	-	791,666.67
8. Mr.Bunthid Supasatitkul	-	-	-	-	-	1,500,000	-	-	1,500,000
9. Mr.Parinya Supasatitkul	-	-	-	-	-	1,500,000	-	-	1,500,000
10. Miss.Thapanattsamon Paisanteerakorn	-	-	-	-	-	1,500,000	-	-	1,500,000
11. Mr.Thanassorn Ratanasirisap	-	-	-	-	-	1,500,000	-	-	1,500,000
12. Miss.Varita Laothamatas ⁽⁶⁾	-	-	-	-	-	1,500,000	-	-	1,500,000
13. Miss.Chonchissa Ratanasirisap	-	-	-	-	-	1,260,000	-	-	1,260,000
14. Mr.Punsongpol Paisanterakorn	-	-	-	-	-	1,260,000	-	-	1,260,000
Total									13,691,666.67

Remarks :

(2) Not receiving remuneration as member of the Executive Committee as they hold a position as the Company's executive and have received remuneration as an executive.

8.1.3 Supervision of subsidiaries and associated companies

The Company does not have any subsidiary or associated company.

8.1.4 Monitoring on compliance with good corporate governance policies and guidelines

In the past, the Board has complied with the laws, objectives, Articles of Association, and shareholders' resolutions of the Company. The Company also complied with the Principles of Good Corporate Governance of Listed Companies 2012 as prescribed by the Stock Exchange of Thailand ("SET") and Corporate Governance Code for Listed Companies 2017 as prescribed by the Securities and Exchange Commission ("SEC") as guidelines for its business operations to create work efficiency and transparency to investors, which shall create confidence in the Company's business operations from third party.

The Company has provided the Company's corporate governance policy and guidelines in writing for submission to the Board of Directors' meeting for approval of the corporate governance policy and the corporate governance handbook, with the objective of being guidelines for compliance with the corporate governance policy for directors, executives and employees. The Company will arrange to review the corporate governance policy annually in order to create transparency to investors, shareholders and stakeholders, which will create confidence in the company's business operations.



(1) Prevention of conflicts of interest

To prevent conflicts of interest, the Company has obviously established a policy for monitoring transactions that may cause conflicts of interest. The process for approving related party transactions between companies or persons that may have conflicts is specified in writing.

In the case that there is a director who has a vested interest in any agenda, that director will not have the right to vote on that agenda. The Board of Directors has also established policies and procedures to ensure that executives and related parties do not use the Company's inside information for their personal interest.

In approving related party transactions, the responsible department will initially evaluate such transactions by providing information and analyzing whether such transactions are reasonable, for the benefit of the Company, and have a fair price or not, such as renting a building requires the parties involved to analyze the price and reasonableness, purchasing property will be analyzed the return on investment and will be required the hiring of external experts to provide additional opinions prior to proposing such transactions in accordance with the steps and approval process for the consideration of the executives or directors who have no conflict of interests. In addition, the Audit Committee will jointly monitor such related party transactions whether the transaction is necessary and being entered into at a fair price.

The Company, by the Board of Directors has established a policy in relation to the prevention of conflicts of interest on the principles that any decision in conducting business activities must be made only in the best interests of the Company and acts that cause conflicts of interest must be avoided by requiring those who are involved or have a conflict of interest in the transactions being considered must inform the Company of their relationships or interests in such transactions. The main principles are as follows :

(1) The Company's directors and executives shall notify the Company of their relationship or stake in such transactions and shall not participate in decision-making including having no authority to approve such transactions.

(2) To avoid making connected transactions with connected persons or juristic persons or persons or juristic persons that may have conflicts of interest or have interests in the event that such transactions need to be presented to the Audit Committee for consideration and opinion before proposing to the Executive Committee or the Board of Directors or the Shareholders' Meeting (as the case may be) in accordance with the Good Corporate Governance Principles for listed companies and other relevant laws including ensuring the compliance with the rules determined by the SET and the SEC.

(3) The executives and employees shall comply with the Company's regulations and the Company's business ethics, which are important matters that shall be strictly adhered to in order for the Company to be reliable and trustworthy among all stakeholders including disseminating understanding information for employees to adhere to throughout the Company.

The Company adheres to the conflicts of interest policy as an important policy and regularly reviews it in order to set up a standardized control system with transparency in management in accordance with the Good Corporate Governance Principles.

In the past year, the Company did not find any actions that violate the conflicts of interest policy and did not enter into any connected transactions that required the approval from the shareholders' meeting and it also did not violate the rules and regulations on connected transactions and acquisition of assets.

(2) Seek benefits

After the Company has listed its securities on the Stock Exchange of Thailand, directors, executives, employees and employees of the Company, including those who are presumed to know or possess inside information under the Securities and Exchange Act B.E. 2535 (as amended) (the "Securities Act") who know material inside information that may affect the change in the price of securities, trade securities or enter into derivatives contracts related to securities of the Company for at least 1 month before the disclosure of such financial statements or information to the



Reporting of Securities Holding of Directors as of December 31, 2023

No.	Name	Shares			Remark
		As of January 1, 2023	Increase (decrease) during the year (shares)	As of December 31, 2023	
1.	Professor Dr.Surapon Nitikraipot	5,000,000.00		5,000,000.00	
	Spouse and underage children	650,000.00		650,000.00	
2.	Mr.Nutchdhawattana Silpavittayakul	-		-	
	Spouse and underage children	-		-	
3.	Mrs.Sutharntip Phisitbuntoon	3,025,000.00		3,025,000.00	
	Spouse and underage children	-		-	
4.	Mr.Natthirutt Wanwimonphong	-		-	
	Spouse and underage children	-		-	
5.	Assistant Professor Dr.Chaiwuth Tangsomchai	600,000.00		600,000.00	
	Spouse and underage children	50,000.00		50,000.00	
6.	Mr.Wichai Suphasathitkul	331,883,525.00		331,883,525.00	
	Spouse and underage children	-		-	
7.	Mr.Patpong Patong	125,893,145.00		125,893,145.00	
	Spouse and underage children	500,000.00		500,000.00	
8.	Mr.Bunthid Supasatitkul	148,344,820.00		148,344,820.00	
	Spouse and underage children	-		-	
9.	Mr.Parinya Supasatitkul	197,790,430.00		197,790,430.00	
	Spouse and underage children	-		-	
10.	Mr.Thanassorn Ratanasirisap	60,000,000.00		60,000,000.00	
	Spouse and underage children	500,000	(500,000)	-	
11.	Miss.Thapanattsamon Paisanteerakorn	44,776,200.00		44,776,200.00	
	Spouse and underage children	-		-	
12.	Miss.Chonchissa	73,910,000.00		73,910,000.00	
	Ratanasirisap Spouse and underage children	-		-	
13.	Mr.Punsongpol Paisanterakorn	44,776,200.00		44,776,200.00	
	Spouse and underage children	-		-	
14.	Miss.Varita Laothamatas	10,000,000.00		10,000,000.00	
	Spouse and underage children	-		-	

**Reporting of Management's Securities Holding as of December 31, 2023**

No.	Name	Shares			Remark
		As of January 1, 2023	Increase (decrease) during the year (shares)	As of December 31, 2023	
1.	Mr.Rapee Pruenglampoo	660,000.00	33,500.00	693,500.00	
	Spouse and underage children	-	-	-	
2.	Mr.Benjarong Kammanid	360,000.00		360,000.00	
	Spouse and underage children	-		-	
3.	Dr.Theerawat Thawanratphokin	100,000.00		100,000.00	
	Spouse and underage children	-		-	
4.	Miss.Sarinya Krissanakupata	-		-	
	Spouse and underage children	-		-	
5.	Mr.Chulavudh Kasetsuwan	-		-	
	Spouse and underage children	-		-	
6.	Mr.Sompop Pundrikabha	80,000.00		80,000.00	
	Spouse and underage children	-		-	
7.	Miss.Natthanan Kittiphonsombun	550,000.00		550,000.00	
	Spouse and underage children	-		-	

**(3) Anti-corruption
Anti-corruption policy**

The Company has an anti-corruption policy that recognizes the importance of anti-corruption and adheres to morals and ethics and management with transparency and responsibilities to all stakeholders. In this regard, the Company has established guidelines for proper conduct of the Board of Directors, the management and employees in the good corporate governance policy. and business ethics which is part of "Corporate Governance" of the Company. The Board of Directors, executives, staff, and employees of the Company must not demand, accept or act in connection with any form of corruption, either directly or indirectly for the benefit of oneself, family, friends, and acquaintances, whether they are giver, receiver or offerer of bribe and whether monetary or non-monetary, to government agencies or private agencies of which the Company has conducted business or dealt with. The Company will strictly comply with the anti-corruption policy as well as arrange to crosscheck and regularly review the implementation of this anti-corruption policy in compliance with changes in business, rules, regulations, and relevant laws.

**Guidelines for Disclosure of Information on
Anti-Corruption Performance**

The company has established a risk management policy on fraud and corruption for the Board of Directors, executives and employees to use as a guideline for monitoring and assessing the risks of fraud and corruption in their operations and establishing an appropriate internal control process.

In addition, the Company provides communication of guidelines in by disseminating to the board of directors, executives and employees through the company's intranet channel and posting such guidelines at the company's office By specifying guidelines for monitoring and evaluating compliance with anti-corruption guidelines as follows:

1. Set the Board of Directors, executives and employees Self-assessment of the Company's compliance with the Anti-Corruption Policy.
2. Set up an internal audit department. Serves to audit the internal control system. risk management corporate governance and provide continuous feedback The audit is carried out in accordance with the annual audit plan that has been reviewed by the Audit Committee. and report significant audit results and recommendations to the Audit Committee.



3. Set the risk management department Responsible for continually testing and assessing the risks of corruption. to ensure effective implementation of anti-corruption measures, as well as to regularly monitor, review and improve anti-corruption measures The assessment results are presented to the Risk Management Committee and reported to the Board of Directors.

4. When the facts were investigated, it turned out that information from the audit There is evidence that there are reasonable grounds to believe that there are items. or actions that may have a significant impact on the financial position and the Company's performance including the violation Illegal acts or the company's anti-corruption policy or doubts about financial reports or internal control system The investigation committee will make corrections according to the results of the consideration within the period approved by the Audit Committee.

In 2022, the Board of Directors did not commit any fraud offenses which caused the Board of Directors to be fined or accused by regulators.

(4) whistleblowing

whistleblowing, complaints, or witnessing actions that cause suspicion that it is corruption

The Company provides opportunities for its directors, executives, employees, and stakeholders, both inside and outside the Company, who witness an act that leads to suspicion of corruption to the Company, whether directly or indirectly through the whistleblowing channels as specified in this policy. The whistleblower must specify details of the matter to be reported, clues or complaints, together with evidence or information sufficient for investigation, and name, address, and reachable telephone number and clearly specify that it is a confidential document, through the following channels :

1. Comment box
2. Post : Audit Committee or Company Secretary
Heng Leasing and Capital Public Company Limited
No. 69, Moo 7, San Sai Noi Sub-district,
San Sai District Chiang Mai Province 50210
3. E-mail : whistleblower@hengleasing.co.th
4. Telephone : 02-153-9582 ext. 8010
5. Website : www.hengleasing.com

The Company has a preliminary screening process to categorize the type of complaint. This process is to collect evidence and make decisions on that matter.

In respect of complaints or whistleblowing by employees, the Company has a procedure for dealing with complaints to build confidence in the protection and confidentiality measures of the whistleblowers.

Measures to protect and maintain the confidentiality of whistleblowers

To protect and maintain the confidentiality of whistleblowers and informants who act in good faith, the Company will conceal the name, address or any information that can be used to identify the whistleblowers or the informants and keep the information of the whistleblowers and the informants confidential. Only those responsible for investigating complaints will have access to such information. The responsible persons shall have the duty to keep information confidential and shall not disclose information to other people who do not have relevant responsibilities, unless disclosure of such information is required by the laws.





In 2023, the Company found that there were whistleblowing complaints through complaint channels as follow :

Reports and whistle blowing	Quantity	Required Actions
Fraud/Corruption	35*	According to the Company's regulations
Conflict of interest	None	-
Human Rights/Operational Safety	None	-
Disclosure of information within the organization	None	-
Security of information technology systems and personal information	None	-
Inaccurate financial reports / Defective internal control system / Preparation of false financial documents	None	-
Other misconducts such as violating rules and regulations or the Company's Articles of Association, violation of duty, policy, and code of conduct etc.	**	According to the Company's regulations

* Corruption matters

** Regarding violation of the rules and regulations of the company

8.2 Report of the Audit Committee

8.2.1 Audit Committee Meeting

Details of the topic are reported under section 8.1.2 Meeting attendance and individual directors' compensation

8.2.2 The performance of The Audit Committee

The Audit Committee Performance are reported under section attachment No. 6 Report of the Audit Committee

8.3 Summary of the performance of other sub-committees

8.3.1 Sub-committee meeting

Summary of the performance of other sub-committees are reported under section attachment No. 6 - The Audit Committee Report

8.3.2 The performance of the sub-committees

Performance of the Risk Management Committee is reported under section attachment No. 6 – The Risk Management Committee Report

Performance of the Nomination and Remuneration Committee is reported under section attachment No 6 The Nomination and Remuneration Committee Report

Performance of the Executive Committee Shown in Attachment 6 Executive Committee Report



Internal Control and Connected Transactions



9.1 Internal control

The Company manages its internal control according to an international standard, namely The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in order to achieve objectives of internal control in all three aspects, including operation, reporting, and compliance with applicable laws and regulations (Compliance Unit). In the Board of Directors' Meeting No. 1/2023 held on February 17, 2023 which was attended by independent directors and the Audit Committee, the Board of Directors assessed sufficiency of the Company's internal control system according to Internal Control Sufficiency Evaluation Form of the SEC prepared by KPMG Phoomchai Business Advisory Limited ("KPMG") through enquiries from the management of KPMG and the Company's relevant departments to compare the internal control approach under the concept of COSO. The Company has improved the procedures and systems to promote internal control and assist the audit process in identifying problems or risks faster and more efficiently. The management of the Company's internal control system can be summarized by components of internal control

according to the international COSO standard, with details as follows :

(1) Control Environment

The Board of Directors and the management give importance to control environment and organizational cultures by determining policies, internal control, risk management, good corporate governance and anti-corruption policy, supervision, compliance with the laws and the Company's regulations relating to accepting and giving gift, asset or other benefit and such policies have been announced to all employees for acknowledgement and compliance. The Company also organizes trainings, internal/external public relations, and monitoring and assessment on a regular basis.

(2) Risk Assessment

The Company has identified and analyzed risks that may have an impact on achieving its objectives, covering organizational risks of the Company, departments, and responsibilities. The Company has established a unit which is responsible for risk management and has clearly determined the risk management policy.



(3) Control Activities

The Company defines control activities as part of the operating procedures and arranges an appropriate control structure in all departments by separating duties between operators and those who monitor and make assessment in order to create an appropriate check and balance. Any activities that may cause conflicts of interest will be identified and handled to meet the Company's applicable rules and regulations.

(4) Information and Communication

The Company's information systems including financial information system, operating system, and compliance with rules and regulations used to support internal control, has continuously been developed to operate as required and to ensure that useful information is accurate, complete and up-to-date to support decision-making by the Board of Directors and the management. In addition, the Company has arranged effective communication to ensure that all executives and employees understand policies and procedures that are truly relevant to their responsibilities and external stakeholders such as customers, trade partners and supervisory agencies have channels for communicating recommendations and information that are useful to the Company's business operations.

(5) Monitoring Activities

The Company requires that internal control be monitored and evaluated. This ensures that the internal control system continues to operate in its entirety and appropriate as designed and is able to deal with changing risks over time. The Company requires monitoring and evaluation during performance of duties and monitoring and evaluation on a case by case basis. Any defect in the internal control will be reported to the responsible person and the significant defect will be reported to the Board of Directors, the Audit Committee and/or the senior management within a reasonable time period.

The Board of Directors is of the view that the Company has an internal control system and a

risk management system that are appropriate and sufficient for the business size. The systems can prevent loss or unauthorized use of the Company's assets and assist in preparing accurate and reliable financial reports of the Company.

Internal Control System

The Company has appointed KPMG Phoomchai Business Advisory Limited ("KPMG") as the Company's internal auditor. The internal auditor's duties include reviewing and assessing efficiency and effectiveness of the Company's internal control system. The internal audit office (KPMG) is an independent agency, which reports directly to the Audit Committee. KPMG's responsibilities include to create assurance and provide advice so that there are good corporate governance over the Company's internal procedures, risk management, internal control and compliance with regulations in order to achieve the Company's objectives. The internal audit office prepares an internal audit plan on a yearly basis. The internal audit plan is prepared in line with business strategic directions and key risks that affect the Company's operations are identified (Risk-Based Approach). The internal audit plan cover the Company's work procedures and the audit results are reported to the Audit Committee for consideration. The audit results are also reported to the Board of Directors and supervisory agency on a quarterly basis. There is a regular monitoring on implementation of recommendations from review and audit. The internal audit office (KPMG) does not have any limitation on expressing opinion nor conflict of interest with the review unit. The company has appointed Mr. Benjarong Khamanid, Executive Vice President Risk Management Department. The person is responsible and coordinates with the Internal Audit Office (KPMG).

Head of Internal Audit Department

According to the resolution of the meeting of the Audit Committee No. 4/2022 held on 9 November 2022, the Audit Committee has assigned KPMG Phoomchai Business Advisory Limited ("KPMG") by Mr. Supachate Kunaluckkul as Head of Internal Audit who shall be mainly responsible for performance of duties by the Company's internal auditor for the year 2022 according to the internal



audit plan agreed between the internal auditor and the Company. The internal auditor shall prepare a report with recommendations for improvement according to the Company's internal audit plan and policy.

Please refer to additional details regarding the Company's Head of Internal Audit under Attachment 3 (Details on head of internal audit)).

The Audit Committee has reviewed the qualifications of KPMG by Mr. Supachate Kunaluckkul as Head of Internal Audit and is of the view that he is suitable to perform such duties due to qualifications, educational background, work experience and has received suitable and adequate trainings to be a supervisor of such operations. In this regard, the appointment, removal and transfer of the Company's internal auditor must be approved by the Audit Committee.

Compliance Unit

The Company understands the importance and is aware of the aforementioned risks. Therefore, the Company has established the Compliance Unit with specialized knowledge to supervise and control that operations of departments within the Company comply with the laws. The Compliance Unit is assigned to analyze impacts, plan and assess key risks associated with compliance with the applicable laws, including setting guidelines for control measures, recommendations and prevention methods to reduce risks to an acceptable level, and to continuously develop the organization's risk management system to be effective. In addition, the Compliance Unit has a duty to keep up-to-date with amendments to the laws, regulations and announcements relating to the Company's business operations. If necessary, the Company may engage an external legal advisor to provide legal advice and opinion which would allow the Company to continue its business operations as required by law on an ongoing basis.

Roles, Duties and Responsibilities of the Company's Compliance Unit

1. To provide advice to directors, executives and employees in order to control the Company's operations in accordance with various laws.
2. To provide assistance as a consultant and to provide guidelines for legal compliance to directors, executives and employees.
3. To propose improvements in any procedures to the agency for compliance with the laws.
4. To supervise the operations of various departments to be in compliance with the laws and to immediately report to the directors or executives if there is an important issue.
5. To coordinate with organizations that supervise the Company, namely the Bank of Thailand, the Consumer Protection Office, the Office of Insurance Commission (OIC) and other related organizations including having roles and responsibilities as specified by the specific laws, such as the law on money laundering, etc.
6. To analyze impacts, plan and to propose policies along with setting guidelines for prevention and remediation in order to supervise operations in accordance with rules, regulations, criteria, and other relevant laws.
7. To manage risks related to rules, regulations, criteria, and other laws to ensure business continuity of the Company.
8. To review the compliance with laws, rules and regulations according to the Company's operations and to regularly update them by reviewing the Company's operations at least once a year.
9. To define a process in case of a change in the laws and rules and regulations that the Company will be required to comply with it.
10. To communicate to relevant employees about changes in laws and regulations.



9.2 Related Party Transaction

Persons who may have the conflict of interest with the Company

The Company has transactions between each other and persons who may have conflicts that can summarize the relationship as follows :

Persons who may have conflicts	Relationship Style
1. Tawee Heng Leasing Limited Partnership (“Tawee Heng LLP”)	<ul style="list-style-type: none"> • Mr.Wichai Suphasathitkul, the director, executive and major shareholder of the Company holds shares in Tawee Heng LLP of 18.0% as of the date of the transaction. • Mr.Parinya Supasatitkul, the director holds shares in Tawee Heng LLP is 9.0% and he is a managing partner of Tawee Heng LLP. • Mr.Wichai Suphasathitkul, the director, executive and major shareholder has brothers and sisters, including Mr. Wichian Suphasathitkul, who holds shares in Tawee Heng LLP of 17.3%.
2. Tawee Heng Automotive Limited Partnership (“Tawee Heng Automotive LLP”)	<ul style="list-style-type: none"> • Mr.Wichai Suphasathitkul, the director, executive and major shareholder holds 20.2% shares in Tawee Heng Automotive LLP as of the date of the transaction, and he is a managing partner of Tawee Heng Automotive LLP. • (1) Mr.Bunthid Supasatitkul, the director of the Company and he is a managing partner of Tawee Heng Automotive LLP and (2) Mr. Parinya Supasatitkul, the directors hold 10.1% shares in Tawee Heng Automotive LLP. • Mr.Wichai Suphasathitkul, the director, executive and major shareholder has brothers and sisters, including Mr. Wichian Suphasathitkul, who holds 19.4% of the shares in Tawee Heng Automotive LLP
3. Thawee Heng Co., Ltd. (“Thawee Heng Co., Ltd.”)	<ul style="list-style-type: none"> • (1) Mr.Wichai Suphasathitkul, the director, executive and major shareholder of the Company Holds 20.2% shares in Thawee Heng Co., Ltd. and he is a director of Thawee Heng Co., Ltd. on the date of the transaction. • (1) Mr.Bundit Supasatitkul, the director of the Company and (2) Mr. Parinya Supasatitkul, a director of the Company Each of them holds 10.1 percent of the shares in Thawee Heng Co., Ltd. Mr. Parinya Supasatitkul is a director of Thawee Heng Co., Ltd. • Mr.Wichai Suphasathitkul, the director, executive and major shareholder of the Company, has siblings namely Mr. Wichian Suphasathitkul, holding 19.4% in Thawee Heng Co., Ltd.
4. Tawee Heng Limited Auto Center Lees Co., Ltd. (“Taweeheng Auto Center Lees Co., Ltd.”)	<ul style="list-style-type: none"> • (1) Mr.Wichai Suphasathitkul, the director, executive and major shareholders of the Company holds 20.2% shares in Taweeheng Auto Center Lees Co., Ltd. and he is a director of Taweeheng Auto Center Lees Co., Ltd. on the date of the transaction. • (1) Mr.Bunthid Supasatitkul, director of the Company and (2) Mr. Parinya Supasatitkul Each of the Company’s directors holds shares in Taweeheng Auto Center Lees Co., Ltd. 10.1% • Mr.Wichai Suphasathitkul, director The Company’s executives and major shareholders have brothers and sisters, including Mr. Wichain Suphasathitkul, who holds shares in Taweeheng Auto Center Lees Co., Ltd. 19.4%
5. Thawee Heng Auto Leasing Co., Ltd. (“Thawee Heng Auto leasing Co., Ltd.”)	<ul style="list-style-type: none"> • Mr.Bundit Supasatitkul, the Company’s directors hold shares in Thawee Heng Auto Leasing Co., Ltd. of 91.6% on the date of the transaction and he is a director of Thawee Heng Auto Leasing Co., Ltd. • Mr.Wichai Suphasathitkul, the director, executive and major shareholders of the Company holds shares in Tawee Heng Auto leasing Co., Ltd. 1.80% and he is a director of Thawee Heng Auto leasing Co., Ltd.
6. Thawee Heng Motor Co., Ltd. (“Thawee Heng Co., Ltd. Motor”)	<ul style="list-style-type: none"> • Mr. Wichai Suphasathitkul the director, executive and major shareholders of the Company holds shares in Thawee Heng Co., Ltd. Motor 9.0 as of the date of the transaction and he is a director of Thawee Heng Co., Ltd. motor • Mr. Bunthid Supasatitkul, the Company’s directors hold shares in Thawee Heng Co., Ltd. Motor 51.0% and he is a director of Taweeheng Co., Ltd. Motor.



Persons who may have conflicts	Relationship Style
7. Choice Carentol Co., Ltd. ("Choice Co., Ltd.")	<ul style="list-style-type: none"> Mr.Patpong Patong, the Company's directors hold 24.8% of the shares in Choice Co., Ltd. and serve as directors of Choice Co., Ltd. Mr.Patpong Patong, the Company's directors have brothers and sisters, including (1) Ms. Nantida Patong (2), Mr. Thanarat Patong and (3) Mr.Alonkorn Patong, each of them holding 24.8% of the shares in Choice Co., Ltd.
8. Thepwoong Co., Ltd. ("Thepwoong Co., Ltd.")	<ul style="list-style-type: none"> Mr.Patpong Patong, the Company's directors have brothers and sisters, including Mr. Alonkorn Patong, who holds 4.3% of the shares in Thepwoong Co., Ltd. and serves as a director of Thepwoong Co., Ltd.
9. Pattanasin Leasing Co., Ltd. (CPL) ("Pattanasin Leasing Co., Ltd. (CPL)")	<ul style="list-style-type: none"> Mr.Patpong Patong, the Company's directors hold 25.0% of the shares in Pattanasin Leasing Co., Ltd. (CPL) and serve as directors of Pattanasin Leasing Co., Ltd. (CPL). Mr.Patpong Patong The Company's directors have brothers and sisters, including (1) Ms. Nantida Patong (2), Mr. Thanarat Patong and (3) Mr.Alonkorn Patong, each of them holding 25.0% of pattanasin leasing co., Ltd. (CPL). Ms. Nantida Patong and Mr. Alonkorn Patong are a director of Pattanasin Leasing Co., Ltd. (CPL).
10. Mr. Anan and his ordinary partnership ("Mr. Anan and his associates")	<ul style="list-style-type: none"> Ms.Varita Laothamatas, the Company's directors have fathers, including Mr. Anan Laothamatas, who hold shares in Mr. Anand and his associates who holds 25%.
11. Mr. Wichai Suphasathitkul	<ul style="list-style-type: none"> To hold a position Directors and Executives of the Company Major shareholder of the Company holds 18.1% of the shares.
12. Mr.Bunthid Supasatitkul	<ul style="list-style-type: none"> To hold a position Directors of the Company
13. Mr.Pariya Supasatitkul	<ul style="list-style-type: none"> To hold a position Directors of the Company
14. Mr.Wichian Suphasathitkul	<ul style="list-style-type: none"> Mr.Wichian Suphasathitkul is a sibling of Mr. Wichai Suphasathitkul, who is a Directors and Executives of the Company
15. Mr.Patpong Patong	<ul style="list-style-type: none"> To hold a position Directors of the Company
16. Mrs.Nattinan Patong	<ul style="list-style-type: none"> Mrs.Nattinan Patong is the spouse of Mr. Patpong Patong, who is a director of the Company.
17. Miss.Nanthida Patong	<ul style="list-style-type: none"> Miss.Nanthida Patong is the sibling of Mr. Patpong Patong, who is a director of the Company.
18. Mr.Banyong Paisanteerakorn	<ul style="list-style-type: none"> Mr.Banyong Paisanteerakorn is the father of Ms. Thapanattsamon Paisanteerakorn, a director of the Company.
19. Mrs.Inthurat Paisantheerakorn	<ul style="list-style-type: none"> Mrs.Inthurat Paisanteerakorn is the mother of Ms. Thapanattsamon Paisanteerakorn, a director of the Company.
20. Ms.Thapanattsamon Paisanteerakorn	<ul style="list-style-type: none"> To hold a position Directors of the Company
21. Ms.Supakarn Paisanteerakorn	<ul style="list-style-type: none"> Ms.Supakarn Paisanteerakorn is a siblings of Ms. Thapanattsamon Paisanteerakorn, who is a director of the Company.



Persons who may have conflicts	Relationship Style
22. Ms.Varita Laothamatas	<ul style="list-style-type: none"> To hold a position Directors of the Company
23. Mr.Anan Laothamatas	<ul style="list-style-type: none"> Mr.Anan Laothamatas I is a father of Ms. Varita Laothamatas, who is a director of the Company.
24. Mr.Thanassorn Ratanasirisap	<ul style="list-style-type: none"> To hold a position Directors of the Company
25. Mr.Rapee Pruenglampoo	<ul style="list-style-type: none"> To hold a position Executives of the Company
26. Mr.Theerawat Thawanratphokin	<ul style="list-style-type: none"> To hold a position Executives of the Company
27. Ms.Tanyanan Thawanratphokin	<ul style="list-style-type: none"> Ms.Tanyanan Thawanratphokin is the spouse of Mr. Theerawat Thawanratphokin, who is the company's executive.
28. Mr.Benjarong Kammanid	<ul style="list-style-type: none"> To hold a position Executives of the Company
29. Mr.Chulavudh Kasetsuwan	<ul style="list-style-type: none"> To hold a position Executives of the Company
30. Ms.Natthanan Kittiphonsombun	<ul style="list-style-type: none"> To hold a position Executives of the Company
31. Mr.Piyawat Kittiphonsombun	<ul style="list-style-type: none"> Mr. Piyawat Kittiphonsombun is a siblings of Ms. Natthanan Kittiphonsombun, who is the company's executive.
32. Mr.Sompop Pundharikapa	<ul style="list-style-type: none"> To hold a position Executives of the Company
33. Mr.SomChok Pundharikapa	<ul style="list-style-type: none"> Mr.Somchok Pundharikapa is a siblings of Mr.Sompop Pundharikapa, who is the company's executive



9.3 Details of Related Party Transaction

(1) Office Building Rental Vehicles and billboards from persons who may have conflicts

Persons who may have conflicts	Type of Transaction	Transaction Value (Million Baht)		Necessity and reasonableness of the transaction	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2022	Fiscal year ended 31 Dec 2023		
1. Tawee Heng Leasing Co., Ltd 2. Tawee Heng Automotive Co., Ltd. 3. Thawee Heng Co., Ltd. 4. Tawee Heng Auto Center Lees Co., Ltd. 5. Thawee Heng Auto Leasing Co., Ltd. 6. Thawee Heng Motor Co., Ltd. 7. Thepwoong Co., Ltd. 8. Pattanasin Leasing Co., Ltd. (CPL) 9. Mr.Anan and his associates 10. Mr.Wichai Suphasathikul 11. Mr.Bunthid Supasatitkul 12. Mr.Parinya Supasatitkul 13. Mr.Patpong Patong 14. Mrs.Nattinan Patong 15. Miss.Nanthida Patong 16. Mr.Banyong Paisanteerakorn 17. Mrs.Indurat Paisanteerakorn	(1) Land and Building Rent (Head Office) • Rent paid	0.19	-	The Company rents land and buildings from persons who may have conflicts for use as a head office located in SanSai District, hiang Mai Province. 10 years at a time and can be renewed 2 times. 10 years at a time, with rent rates and 10% rental rate adjustment every 3 years, according to the appraisal price by an independent appraiser approved by the office. SEC In the first quarter of 2022, several persons who may have conflicts cease operations and liquidated by transferring ownership of land and buildings to other persons who are not related or have no conflict with the Company. The Company has entered into a land and building lease agreement with such person for further use.	The list supports the Company's normal business, with rental rates and rental conditions in accordance with the price and general trading conditions, which is based on the appraisal price by an independent appraiser approved by the office. SEC The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.
	(2) Rent (Branch Office) • Rent paid	2.21	1.95	The Company leases the building space to serve as a branch office for the company's business operations, totaling 38 of the contracts have a lease term of 3 years and can be renewed 2 times. 3 years at a time, according to the appraisal price by an independent appraiser approved by the office. SEC	The list supports the Company's normal business, with rental rates and rental conditions in accordance with the price and general trading conditions, which is based on the appraisal price by an independent appraiser approved by the office. SEC The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.



Persons who may have conflicts	Type of Transaction	Transaction Value (Million Baht)		Necessity and reasonableness of the transaction	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2022	Fiscal year ended 31 Dec 2023		
	(3) Rent for a parking building • Rent paid	0.75	0.78	<p>The Company rents the building space to used as a foreclosed parking space for company's business operations with the following details :</p> <ul style="list-style-type: none"> 2 parking lots in Chiang Mai (head office parking lot) have a 10-year contract lease period and can be renewed 2 times. 10 years at a time 1 parking lot in Phayao Province There is be renewed twice more time. 3 years at a time 1 parking lot in Phrae Province There is a 3-year contract lease period that can be renewed 2 times. 3 years at a time <p>The rental rate and 10% rental rate adjustment every three years are based on the appraisal price by an independent appraiser approved by the office. SEC In the first quarter of 2022, several persons who may have conflicts cease operations and liquidated by transferring ownership of land and buildings to other persons who are not related or have no conflict with the Company. The Company has entered into a land and building lease agreement with such person for further use.</p>	<p>The list supports the Company's normal be business, with rental rates and rental the conditions in accordance with the price and general trading conditions, which is based on the appraisal price by an independent appraiser approved by the office. SEC The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.</p>



Persons who may have conflicts	Type of Transaction	Transaction Value (Million Baht)		Necessity and reasonableness of the transaction	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2022	Fiscal year ended 31 Dec 2023		
				<p>The rental rate and 10% rental rate adjustment every three years are based on the appraisal price by an independent appraiser approved by the office. SEC In the first quarter of 2022, several persons who may have conflicts cease operations and liquidated by transferring ownership of land and buildings to other persons who are not related or have no conflict with the Company. The Company has entered into a land and building lease agreement with such person for further use.</p>	
	(4) Car Auction Yard Rental <ul style="list-style-type: none"> Rent paid 	1.21	1.24	<p>The Company rents a car auctionground for the business operations of 1 company in Chiang Mai, the contract has a lease period of 3 years, can be renewed 2 times. 3 years at a time, with 10% rental rate and rental rate adjustment every 3 years, according to the appraisal price by an independent appraiser approved by the office. SEC</p>	<p>The list supports the Company's normal business, with rental rates and rental conditions in accordance with the price and general trading conditions, which is based on the appraisal price by an independent appraiser approved by the office. SEC The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations</p>



Persons who may have conflicts	Type of Transaction	Transaction Value (Million Baht)		Necessity and reasonableness of the transaction	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2022	Fiscal year ended 31 Dec 2023		
18. Choice Co., Ltd.	(6) Car rental • Rent paid	1.26	1.26	The company rents a pickup truck for the company's business operation of 7 cars. (1) The first contract has a total lease period of 12 months from December 31, 2019 to December 31, 2020, (2) The second contract has a 3-year contract lease period from January 1, 2021 to December 31, 2023, with rental rates and general conditions as if transactions with third parties.	The program supports the Company's normal business with rental rates and general conditions as if it were with a transaction with a third party compared to other service providers. The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.
19. Mrs.Nattinan Patong 20. Ms. Supakarn Paisanteerakorn	(7) Billboard Rental • Rent paid • Accrued expense	0.66 0.08	0.76 -	The Company rents billboards for publicity for the company's business operations in 2 signs in Chiang Mai. The first contract has an 3-year lease period starting on November 7, 2019 to November 6, 2022, the second contract has a lease term of 3 years starting on November 7, 2022 to November 6, 2025. The rental rate is based on the appraisal price by an independent appraiser approved by the office. SEC	The list supports the Company's normal business, with rental rates and rental conditions in accordance with the price and general trading conditions, which is based on the appraisal price by an independent appraiser approved by the office. SEC The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.



(2) Guarantee of loans of the Company by persons who may have conflicts

Persons who may have conflicts	List Style	Transaction Value (Million Baht)		Necessity and reasonableness of the item.	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2022	Fiscal year ended 31 Dec 2023		
1. Mr.Wichai Suphasathitkul	(1) Credit limit			The persons who may have conflicts, guarantees for loan agreements and/ or car leasing agreements with 3 financial institutions to be used as funds for business operations and/ or as vehicles for the Company's business without remuneration of such guarantees, as personal guarantors and/ or the use of personal assets as collateral. The guarantee is in accordance with the conditions of the financial institution.	The transaction is a list of financial assistance of the Company, and the Audit Committee has determined that the transaction occurred as necessary and beneficial to the Company. However, the Company is in the process of obtaining consent to relieve the guarantee and the financial institution is expected to agree to dismiss the terms of the guarantee when the Company is listed as a listed company on the SET.
2. Mr.Bunthid Supasattikul	guarantee				
3. Mr.Pariya Supasattitku	• Credit limit				
	• Drawn credit	1,105.00	1,105.00		
4. Mr.Patpong Patong	(2) Leasing guarantee	327.21	-		
5. Ms.Thapanattsamorn	• Outstanding credit				
6. Mr.Thanassorn Ratanasirisap	Paisanteerakorn amount				



(3) Sale of non-life insurance and life insurance to persons who may have conflicts

Persons who may have conflicts	List Style	Transaction Value (Million Baht)		Necessity and reasonableness of the item.	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2022	Fiscal year ended 31 Dec 2023		
1. Mr.Wichai Suphasathitkul	(1) Premium charged			The Company operates the business of providing non-life insurance brokerage and life insurance brokerage through its branch network. The Company sells compulsory car insurance, voluntary car insurance and COVID-19 insurance to persons who may have conflicts, with premium rates and transaction conditions as if transactions were made to third parties. In addition, the company provides loa services to persons who may have conflicts for purchase the insurance with 0% interest	The transaction is a regular business transaction of the Company, with premium rates and general conditions as if it were with a transaction with a third party. The Audit Committee determined that the items were appropriate and reasonable.
2. Mr.Bunthid Supasatitkul	• Premium charged				
3. Mr.Parinya Supasatitkul	(2) Insurance	0.04	0.02		
4. Mr.Wician Supasatitkul	contract 0%				
5. Mr.Rapee Pruenglampoo	• Loan				
6. Mr.Theerawat	disbursement	0.09	0.08		
7. Ms.Tanyanan	• outstanding	0.03	0.04		
8. Mr.Benjarong Kammanid	accounts				
9. Mr.Chulavudh Kasetsuwan	receivable				
10. Mr.Piyawat					
Kittiphonsombun					
11. Mr.Somchoke					
Pundharikapa					
12. Mr.Anan Laothamatas					



9.3 Necessity and reasonableness of the related party transaction

The related party transaction of the Company is a necessary and beneficial item for the business operations of the Company and/or for the normal business operations of the Company and/or in accordance with the general trading conditions in the same way that the Vigneault shall act with the general parties in the same situation with the power of trade negotiations without influence in that the other party has the status of a person who may have conflicts. (Arm's Length Basis)

9.4 Related transaction approval measures and procedures

The Company sets out connected transaction policies for the Company to make transactions correctly, appropriately, in accordance with the securities and exchange laws and regulations, announcements, orders or requirements of the Capital Market Supervisory Board and the SET, as well as compliance with the requirements regarding the disclosure of connected transactions and other relevant guidelines. However, this is Stakeholders will not be able to participate in the approval of such items.

9.5 Making transactions that are trade agreements with general terms of trade

Connected transactions that are trade agreements with general terms of trade between the Company and its subsidiaries and directors Executives or related persons Upon approval as a principle by the Board of Directors, management can approve such transactions. If those transactions have trade agreements in the same way that the Vigneaults would be subject to the common parties in the same situation, they will be subject to trade agreements. With the power to negotiate trade without influence in order for their status as directors, executives or related persons (as the case may be), Under reasonable conditions, can be audited and not produced for the transfer of benefits, for the need for the company's business operations and in the best interests of the Company, the Company will prepare a summary report of all transactions. To report on audit committee meetings and quarterly meetings of the Board of Directors. To consider and comment on the need for entry and the reasonableness of the program.





9.6 Non-trade-related transactions with general terms of trade

In general, the Company will arrange for the Audit Committee to review and comment on the conditions. Reasonableness and transfer of benefits in such transactions Before the Company requests approval for the entry to the Board of Directors and/or the Shareholders' Meeting (as the case may be), comply with the securities and exchange laws, regulations, announcements, orders. Terms or criteria of the Capital Market Supervisory Board The SEC and SET include compliance with the requirements regarding the disclosure of connected transactions and other relevant guidelines.

In the event that the Audit Committee does not have the expertise to determine potential connected transactions. The Company will provide individuals with special knowledge such as auditors, property appraisers, law firms, etc. who are independent of the Company and connected parties to comment on such connected transactions. To be used for the decisions of the Audit Committee and/or the Board of Directors and/or shareholders as the case may be, to ensure that the entry of such transactions is necessary and reasonable, taking into account the interests of the Company.

In addition, the Company has imposed measures not to allow executives or stakeholders to participate in the approval of items in which they have a stake, and the Board of Directors will take care of the Company. Comply with securities and exchange laws and regulations, announcements, orders or requirements of the

Capital Market Supervisory Board. The SEC and SET include compliance with the requirements regarding the disclosure of connected transactions and in accordance with the requirements regarding the acquisition or disposition of important assets of the Company and its subsidiaries, and will comply with the accounting standards set by the Federation of Accounting Professions and Certified Auditors of Thailand, and the disclosure of connected transactions will be disclosed in the Annual Statement (Form 56-1) and notes to the financial statements reviewed or reviewed by the Company's auditors.

9.7 Related Party Transaction in the Future Policy

The Board of Directors must comply with securities and exchange laws and regulations. Notification, orders or requirements of the Capital Market Supervisory Board and the SET, including compliance with the requirements regarding the disclosure of connected transactions of the Company or its subsidiaries in accordance with accounting standards set by the Association of Accountants and Certified Auditors of Thailand, and other relevant guidelines

In addition, if connected transactions have been made or there are changes to the terms and conditions regarding transactions connected to the major shareholders, directors, executives, or persons associated with the Company's stakeholders will not attend the Board of Directors' meetings in relation to the consideration of the entry of such transactions.



Section 3

Report and Financial Statements

Heng Leasing and Capital Public Company Limited
(Formerly known as “Heng Leasing Company Limited”)
Report and financial statements
31 December 2023





Independent Auditor's Report

To the Shareholders of Heng Leasing and Capital Public Company Limited

Opinion

I have audited the accompanying financial statements of Heng Leasing and Capital Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2023, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heng Leasing and Capital Public Company Limited as at 31 December 2023, its 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 Company 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 for each matter are described below.

Allowance for expected credit losses for hire purchase and loan receivables

As discussed in Note 7 and 8 to the financial statements, as at 31 December 2023, the Company had net hire purchase and loan receivables of Baht 14,475 million (accounting for 92% of total assets) and allowances for expected credit losses amounting to Baht 625 million, which are amounts material to the financial statements. In determining an allowance for expected credit losses on hire purchase and loan receivables, the Company has developed a model for calculating allowance for expected credit losses for hire purchase and loan receivables. The model is complex and its development involves the use of significant management judgements and estimates, the identification of criteria for assessment of a significant increase in credit risk since initial recognition, the 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 used to adjust of the allowance for expected credit losses 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 losses of hire purchase and loan receivables as a key audit matter.



I gained an understanding of, assessed and tested the effectiveness of internal controls relating to loan origination, loan repayment, the assessment of probability of default and loss given default, exposure at default and the calculation of allowance for expected credit losses of hire purchase and loan receivables and tested 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 Company 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, reviewed the model development documentation and tested, on a sampling basis, the accuracy of the data used in model development. I also assessed the methods and assumptions applied by the Company in the calculation, ways to further improve adjustments after the calculation due to limitations of the model. In addition, I assessed the reasonableness of macroeconomic factors and probability-weighted in each scenario. I also compared the accounting policies of the Company with financial reporting standards.

Moreover, I examined the allowances for expected credit losses by testing, on a sampling basis, the classification of hire purchase and loan receivables based on the change in credit risk since initial recognition and recalculating the allowance for expected credit losses 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 losses.

Recognition of interest income on hire purchase and loan receivables

For the year 2023, the Company recognised hire purchase and loan interest income amounting to Baht 2,556 million (accounting for 89% of total income), which is considered main income of the Company. The Company recognised interest income using the effective interest rate method, which was generated from loans provided to a large number of customers and high volume of transactions, the recognition of interest income relies primarily on data processed by the information technology systems. I therefore addressed the measurement of interest income in accordance with financial reporting standards as a key audit matter.



I gained an understanding of, assessed and tested, the effectiveness of internal controls relating to loan origination and interest income recognition and cash receipts, including related computer-based controls, 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 and loan receivable agreements to consider whether the recording of hire purchase and loan receivables transactions and the recognition of income was consistent with the conditions of the relevant agreement and that adjustments had been made to reflect effective interest rate according to the income recognition policy. I also performed analytical procedures on interest income and examined, 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 Company, but does not include the financial statements and my auditor's report thereon.

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

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

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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.

Saranya Pludsri

Certified Public Accountant (Thailand) No. 6768

EY Office Limited

Bangkok: 15 February 2024



Heng Leasing and Capital Public Company Limited

Statements of financial position

As at 31 December 2023

		(Unit: Baht)	
	Note	31 December 2023	31 December 2022
Assets			
Current assets			
Cash and cash equivalents	6	480,147,019	160,295,935
Deposits at banks with restrictions	6	48,512,315	52,154,108
Current portion of hire purchase receivables	7	1,336,168,728	1,848,409,595
Current portion of loan receivables	8	2,586,792,832	1,620,591,697
Other receivables	10	32,823,220	33,125,046
Assets foreclosed - net	11	65,381,672	54,762,847
Other current assets		9,079,967	6,559,243
Total current assets		4,558,905,753	3,775,898,471
Non-current assets			
Deposits at bank with collateral obligation	12	50,000,000	50,000,000
Hire purchase receivables - net of current portion	7	3,071,124,162	4,586,322,783
Loan receivables - net of current portion	8	7,480,861,843	3,426,240,949
Land, building and equipment - net	13	158,524,949	142,904,676
Right-of-use assets - net	14	205,665,291	147,115,394
Intangible assets - net	15	8,657,972	9,250,418
Deferred tax assets	16	125,256,874	114,680,630
Other non-current assets		14,198,914	11,232,679
Total non-current assets		11,114,290,005	8,487,747,529
Total assets		15,673,195,758	12,263,646,000

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



Heng Leasing and Capital Public Company Limited

Statements of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	31 December 2023	31 December 2022
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	17	473,275,000	910,041,000
Other payables	18	171,971,803	169,332,317
Current portion of lease liabilities	19	88,063,059	72,714,924
Current portion of long-term loans	20	3,730,426,436	2,208,117,981
Income tax payable		55,709,453	57,691,328
Other current liabilities	21	19,828,478	9,158,635
Total current liabilities		4,539,274,229	3,427,056,185
Non-current liabilities			
Lease liabilities - net of current portion	19	115,937,420	67,926,243
Long-term loans - net of current portion	20	5,560,863,087	3,485,115,311
Provision for long-term employee benefits	22	41,034,444	39,206,513
Total non-current liabilities		5,717,834,951	3,592,248,067
Total liabilities		10,257,109,180	7,019,304,252

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



Heng Leasing and Capital Public Company Limited

Statements of financial position (continued)

As at 31 December 2023

		(Unit: Baht)	
	Note	31 December 2023	31 December 2022
Shareholders' equity			
Share capital			
Registered			
3,810,000,000 ordinary shares of Baht 1 each		3,810,000,000	3,810,000,000
Issued and fully paid-up			
3,810,000,000 ordinary shares of Baht 1 each		3,810,000,000	3,810,000,000
Share premium		715,342,189	715,342,189
Retained earnings			
Appropriated - statutory reserve	24	94,774,850	73,674,426
Unappropriated		795,969,539	645,325,133
Total shareholders' equity		5,416,086,578	5,244,341,748
Total liabilities and shareholders' equity		15,673,195,758	12,263,646,000
		-	-

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



Heng Leasing and Capital Public Company Limited

Statements of comprehensive income

For the year ended 31 December 2023

		(Unit: Baht)	
	Note	2023	2022
Profit or loss:			
Revenues			
Hire purchase interest income		863,943,720	924,012,655
Loan interest income		1,691,630,104	937,385,321
Fee and service income		254,723,243	197,587,950
Other income		67,428,354	65,377,487
Total revenues		2,877,725,421	2,124,363,413
Expenses			
Service and administrative expenses		1,233,187,663	1,000,536,764
Expected credit losses		412,991,849	230,115,482
Loss on impairment and disposal of assets		265,112,930	99,848,289
Total expenses		1,911,292,442	1,330,500,535
Profit before finance cost and income tax expenses		966,432,979	793,862,878
Finance cost	26	(441,399,124)	(218,899,141)
Profit before income tax expenses		525,033,855	574,963,737
Income tax expenses	16.2	(103,025,382)	(113,839,134)
Profit for the years		422,008,473	461,124,603
Other comprehensive income:			
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains on the defined benefit plan		4,352,946	7,302,238
Income tax relating to actuarial gains	16.2	(870,589)	(1,460,448)
Other comprehensive income for the years		3,482,357	5,841,790
Total comprehensive income for the years		425,490,830	466,966,393
Earnings per share	29		
Basic earnings per share		0.11	0.12
Weighted average number of ordinary shares (share)		3,810,000,000	3,810,000,000

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

**Heng Leasing and Capital Public Company Limited****Statements of changes in shareholders' equity**

For the year ended 31 December 2023

(Unit: Baht)

	Issued and fully		Retained earnings		Total
	paid-up share capital	Share premium	Appropriated - Statutory reserve	Unappropriated	
Balance as at 1 January 2022	3,810,000,000	715,342,189	50,618,196	239,514,970	4,815,475,355
Profit for the year	-	-	-	461,124,603	461,124,603
Other comprehensive income for the year	-	-	-	5,841,790	5,841,790
Total comprehensive income for the year	-	-	-	466,966,393	466,966,393
Dividend paid (Note 25)	-	-	-	(38,100,000)	(38,100,000)
Transferred unappropriated retained earnings					
to statutory reserve	-	-	23,056,230	(23,056,230)	-
Balance as at 31 December 2022	3,810,000,000	715,342,189	73,674,426	645,325,133	5,244,341,748
Balance as at 1 January 2023	3,810,000,000	715,342,189	73,674,426	645,325,133	5,244,341,748
Profit for the year	-	-	-	422,008,473	422,008,473
Other comprehensive income for the year	-	-	-	3,482,357	3,482,357
Total comprehensive income for the year	-	-	-	425,490,830	425,490,830
Dividend paid (Note 25)	-	-	-	(253,746,000)	(253,746,000)
Transferred unappropriated retained earnings					
to statutory reserve	-	-	21,100,424	(21,100,424)	-
Balance as at 31 December 2023	3,810,000,000	715,342,189	94,774,850	795,969,539	5,416,086,578
	-	-	-	-	-

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



Heng Leasing and Capital Public Company Limited

Cash flows statements

For the year ended 31 December 2023

(Unit: Baht)

	2023	2022
Cash flows from operating activities		
Profit before income tax	525,033,855	574,963,737
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	144,698,291	123,442,857
Expected credit losses	412,991,849	230,115,482
Losses (gains) on sales of fixed assets	1,648,553	(1,015,360)
Losses on write-offs of fixed assets	568,621	253,337
Gains on cancel and change in lease contracts	(62,659)	(1,581,875)
Losses on impairment of assets foreclosed	29,010,025	24,931,775
Losses on disposals of assets foreclosed	233,885,731	75,678,537
Provision for long-term employee benefits	9,098,917	9,057,169
Interest income	(2,555,573,824)	(1,861,397,976)
Finance cost	434,161,692	212,780,054
Amortised finance cost for lease liabilities	7,237,432	6,119,087
Loss from operating activities before changes in operating assets and liabilities	(757,301,517)	(606,653,176)
Operating assets (increase) decrease		
Deposits at banks with restrictions	3,641,793	(19,345,180)
Hire purchase receivables	1,516,594,141	(1,475,042,279)
Loan receivables	(5,260,730,963)	(1,719,740,139)
Other receivables	301,826	(6,889,577)
Assets foreclosed	275,383,321	168,824,679
Other current assets	(2,520,724)	(258,008)
Other non-current assets	(2,966,235)	(3,078,240)
Operating liabilities increase (decrease)		
Other payables	1,333,117	24,686,962
Other current liabilities	732,362	769,221
Provision for long-term employee benefits	(2,918,040)	(899,500)
Cash flows used in operating activities	(4,228,450,919)	(3,637,625,237)
Cash received from interest	2,344,438,354	1,680,373,585
Cash paid for income tax	(116,454,091)	(64,211,051)
Net cash flows used in operating activities	(2,000,466,656)	(2,021,462,703)

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

**Heng Leasing and Capital Public Company Limited****Cash flows statements (continued)**

For the year ended 31 December 2023

	(Unit: Baht)	
	2023	2022
Cash flows from investing activities		
Cash paid for acquisitions of land, building and equipment	(55,761,379)	(43,674,181)
Cash paid for acquisitions of intangible assets	(4,507,788)	(4,837,069)
Proceeds from sales of land, building and equipment	148,904	1,938,229
Net cash flows used in investing activities	(60,120,263)	(46,573,021)
Cash flows from financing activities		
Decrease in short-term loans from financial institutions	(436,766,000)	(118,547,500)
Cash received from long-term loans	6,295,000,000	4,845,000,000
Repayment of long-term loans	(2,687,241,863)	(2,667,516,200)
Repayment of lease liabilities	(102,882,018)	(80,765,161)
Payment for loans issuing cost	(25,000,000)	(21,500,000)
Cash paid for interest	(408,926,116)	(201,353,775)
Cash paid for dividend	(253,746,000)	(38,100,000)
Net cash flows provided by financing activities	2,380,438,003	1,717,217,364
Net increase (decrease) in cash and cash equivalents	319,851,084	(350,818,360)
Cash and cash equivalents at beginning of year	160,295,935	511,114,295
Cash and cash equivalents at end of year	480,147,019	160,295,935
	-	-
Supplement cash flow information		
Non-cash items		
Assets foreclosed received for debts settlement	601,743,755	326,287,249
Increase in lease liabilities	4,809,415	3,414,610
Increase in account payable on purchase of assets	1,306,369	1,178,447

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



Heng Leasing and Capital Public Company Limited

Notes of Financial Statements

For the year ended 31 December 2023

1. General information

Heng Leasing and Capital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the providing financial services specifically hire purchase, loans secured against vehicle registrations, land and building loans, personal loan and nano finance without collateral. The Company's registered address is 69 Moo 7, Tambon Sansai Noi, Amphur Sansai, Chiang Mai. The Company has 872 branches (2022: 678 branches).

2. Basis for the preparation of financial statements

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.

3. Financial reporting standards and Accounting Guidance

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years 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 Company'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 Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

3.3 Accounting Guidance

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 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 Company 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, the Company may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions (Assistance type 1) 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.
 - 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, the Company is required to perform staging assessment and set aside provisions in accordance with the related financial reporting standards (Assistance type 2). However, the Company 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.

The Company considered providing both types of assistance to debtors. For assistance type 1, the Company has elected to apply all temporary relief measures under this accounting guidance relating to staging assessment and setting aside of provisions. For assistance type 2, the Company is required to perform staging assessment and set aside provisions in accordance with the relevant financial reporting standards.

As at 31 December 2023, the above Accounting Guidance has expired, and the Company has receivables under Assistance Type 1 as disclosed in Notes 7.1 and 8.1 to the financial statements for which the Company's management has taken into account forecasts of management overlay. Therefore, the management of the Company believes that the expiration of the Accounting Guidance will have no significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 Revenue recognition

a) Interest income from loan to customer

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



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

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

b) Fee and service income

Fee and service income are recognised on accrual basis, except fees that are integral part of effective interest rate and fee income from late payment are recognised when received.

4.2 Expense recognition - Interest expenses

Interest expenses are charged to expenses on an accrual basis.

4.3 Financial Instruments

Classification and measurement of financial assets and financial liabilities

Financial asset

The Company classifies its financial assets - debt instruments, such as hire purchase and loan receivables as subsequently measured at amortised cost or fair value in accordance with the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. All financial assets of the Company 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 Company classify financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost calculated 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 Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Company, are still recognised as financial assets.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash 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 receivables/Loan receivables

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

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

4.6 Allowance for expected credit losses

The Company applies the General Approach to calculate the expected credit losses on its financial assets, such as deposits at financial institutions and hire purchase and loan receivables.

The Company classifies its financial assets into three stages (three-stage approach) to measure the value of the expected credit losses, with the classification of the financial assets determined on the basis of the change in credit risk since initial recognition as follows:

Stage 1: Financial assets where there has not been a significant increase in credit risk (Performing)

For the financial assets where there has not been a significant increase in credit risk since initial recognition, the Company recognises allowance for expected credit losses at the amount equal to the 12-month expected credit losses.



Stage 2: Financial assets where there has been a significant increase in credit risk (Under-Performing)

For financial assets where there has been a significant increase in credit risk since initial recognition but not credit-impaired, the Company recognises allowance for expected credit losses at an amount equal to the lifetime expected credit losses of the financial assets.

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

For financial assets are assessed as credit-impaired, the Company recognises expected credit losses in an amount equal to the lifetime expected credit losses of the financial assets.

At the end of each reporting period, the Company assesses whether there has been a significant increase in credit risk of financial assets since initial recognition by comparing the risk of default 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 Company may use internal quantitative and qualitative indicators and forecasts information to assess the deterioration in the credit quality of financial assets such as arrears of over 30 days past due. The Company assesses whether the credit risk has increased significantly from the date of initial recognition on an individual or a collective basis.

Hire purchase/loan receivables are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of receivables have occurred. Evidence of credit-impaired receivables includes arrears of over 90 days past due or having 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 from the initial recognition date that was assessed in the previous period no longer applies, the Company will change from recognising expected credit losses over the expected lifetime to recognising the 12-month expected credit losses.

Hire purchase and loan receivables that have been renegotiated or changed in terms of the contractual cash flows due to a deterioration in the debtor's condition is usually considered to be significant increase in credit risk or credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.



Expected credit losses are the probability-weighted estimate of expected credit losses over the lifetime of the financial assets, taking into account the present value of all cash that are expected not to be recoverable based on historical loss information for a group of assets that the Company considers having shared credit risk characteristics, taking into account type of collateral, months on books, and other relevant factors, adjusted for current observable data, as well as forward-looking information that is supportable and reasonable, provided it can be shown to be statistically related. It also involves the appropriate exercise of judgement to estimate the amount of expected credit losses, using macroeconomic data. The Company determines both current and future economic scenario, and probability-weighted each scenario (base-case scenario, best-case scenario and worst-case scenario) for the purpose of calculating expected credit losses. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit losses. However, the Company has established a process to review and monitor methodologies, assumptions and forward-looking economic scenario on a regular basis. In addition, a management overlay is applied to account for factors that are not captured by the model.

Increase (decrease) in an allowance for expected credit loss is recognised as expenses in profit or loss in the statements of comprehensive income. The Company 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 debtor is having financial difficulties, the Company assesses whether to derecognise the financial asset and measures the expected credit losses, as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Company calculates the gross book value of the new 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.



In cases where debt restructuring does not result in derecognition, a debtor is classified as a financial asset with a significant increase in credit risk (Stage 2) until the debtor is able to make payment in accordance with the debt restructuring agreement for the longer of 3 consecutive months or 3 installments, or the debtor is reclassified as credit-impaired (Stage 3). A debtor is classified at the same stage until payment is made in compliance with the debt restructuring agreement for not less than 12 months from the restructuring date, when the debtor is classified as a financial asset without a significant increase in credit risk (Stage 1). If the debt restructuring results in derecognition, the new financial asset is treated as a financial asset where there has not been a significant increase in credit risk (Performing or Stage 1).

In addition, the Company has adopted the accounting guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19, as discussed in Note 3.3 to the financial statements.

4.8 Assets foreclosed

Assets foreclosed are assets seized from hire purchase and loan receivables and stated at the lower of cost or net realisable value net of allowance for loss on impairment (if any).

Gain (loss) on disposal of assets foreclosed are recognised in profit or loss in the statements of comprehensive income upon disposal.

Loss on impairment (if any) is recognised as an expense in the statements of comprehensive income.

4.9 Land, buildings and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for 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:

Building	10 years
Building improvement	Not more than 10 years
Furniture and office equipment	5 years
Computers and equipment	5 years
Motor vehicles	7 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.



An item of land, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is recognised in profit or loss in the statement of comprehensive income when the assets are derecognised.

4.10 Lease liabilities

At inception of contract, the Company 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 Company applies a single recognition and measurement approach of all leases, except for short-term leases and leases of low-value assets. The Company recognise right-of-use assets, which represent the right to use underlying assets and lease liabilities based on lease payment.

Right-of-use assets

At the commencement date of the lease, the Company is measured right-of-use assets at cost, less accumulated depreciation and 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 and less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their useful lives and the lease term as follows:

Buildings	Not more than 10 years
Office equipment	3 - 4 years
Vehicles	2 - 5 years

If ownership of the leased asset is transfers to the Company at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Company is to assess the impairment of the right-of-use assets as discussed in the note to the financial statements on impairment of non-financial assets.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.



The Company discounted the present value of the lease payments by the Company'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.

4.11 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

Intangible assets with finite lives are amortised on a systematic basis over the 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 charged to profit or loss.

Company's intangible assets are computer software, that have useful lives of approximately 3 - 5 years.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets or 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 statements of comprehensive income (if any).



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

c) Post-employment benefits (Defined benefit plans)

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

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

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

4.14 Income tax

Income tax expense represents the sum 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 Company recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 Company review 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 Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Related party transactions

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

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

4.16 Provisions

Provisions are recognised when the Company have 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.

4.17 Fair value measurement

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

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

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows



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

5. Significant accounting judgements and estimates

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

5.1 Allowance for expected credit losses of hire purchase/loan receivables

The management is required to use judgement in estimation in determining the allowance for expected credit losses of hire purchase and loan receivables. The Company's calculation of allowance for expected credit losses based on complex models, a series of assumptions and assessments related to the increase in credit risk, as well as designation of forward-looking information. The estimates involve numerous variables; therefore, actual results may differ from the estimates.

5.2 Allowance for impairment of assets foreclosed

In determining allowance for impairment of assets foreclosed, management apply judgment in estimating the anticipated loss on such assets, based on analysis of various factors, including net realisable value, historical sales data and the prevailing economic condition.

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 values of the buildings and equipment and to review estimate useful lives and residual values 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 Determining the lease term of contracts with renewal and termination options

In determining the lease term, the management is required to use judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.



5.5 Incremental borrowing rate

The Company is unable to determine the interest rate implicit the lease agreement. Therefore, the Company's incremental loan interest rate is used to discount the lease liability. The marginal borrowing rate is the rate of interest that the Company would have pay to borrow 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.

5.6 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. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.7 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.

5.8 Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

5.9 Fair value of financial instruments

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



6. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2023	2022
Cash	1,432	1,313
Bank deposits - savings accounts	392,134	147,243
Bank deposits - current accounts	135,093	63,894
Total	528,659	212,450
Less: Deposits at banks for premium that the Company received from policy holders	(48,512)	(52,154)
Total	480,147	160,296

As at 31 December 2023, bank deposits in savings accounts carried interest at rates between 0.10 - 0.60 percent per annum (2022: 0.10 - 0.325 percent per annum) as announced by the banks.

As at 31 December 2023, the outstanding balance amounting to Baht 49 million (2022: Baht 52 million) represented bank deposits for premiums that the Company received from policy holders. The Company must submit these premiums to insurers, and not use or exploit or deduct any expense from premiums as stated in the brokerage contracts.

7. Hire purchase receivables

7.1 As at 31 December 2023 and 2022, the contracted terms of the Company's hire purchase receivables are 12 - 84 installments with payments to be made in equal installments and interest charged at fixed rates throughout the contracts. Hire purchase receivables classified by due date per agreement are as follows:

	(Unit: Thousand Baht)						
	2023						
	Portion due over one year	Portion due over two years	Portion due over three years	Portion due over four years	Portion due over five years	Portion due over five years	Total
Hire purchase receivables	2,298,076	1,699,184	1,272,758	766,758	382,628	147,796	6,567,200
Less: Unearned hire purchase income ⁽¹⁾	(645,062)	(416,946)	(243,080)	(117,004)	(43,839)	(12,214)	(1,478,145)
Undue output Vat	(143,538)	(111,161)	(83,264)	(50,162)	(25,032)	(9,669)	(422,826)
Present value of the minimum lease payment receivables	1,509,476	1,171,077	946,414	599,592	313,757	125,913	4,666,229
Less: Allowance for expected credit losses	(173,307)	(29,058)	(25,859)	(17,350)	(9,136)	(4,226)	(258,936)
Net hire purchase receivables	1,336,169	1,142,019	920,555	582,242	304,621	121,687	4,407,293

⁽¹⁾ Presented net of deferred initial direct income and costs of hire purchase.

⁽²⁾ The balance of hire purchase receivables due within 1 year included receivables that are credit impaired.



(Unit: Thousand Baht)

	2022						
	Portion due over one year	Portion due over two years	Portion due over three years	Portion due over four years	Portion due over five years	Portion due over five years	Total
	Portion due within one year ⁽²⁾	but within two years	but within three years	but within four years	but within five years	but within five years	
Hire purchase receivables	3,213,742	2,488,007	1,826,789	1,230,888	650,820	340,351	9,750,597
Less: Unearned hire purchase income ⁽¹⁾	(987,278)	(655,947)	(404,944)	(217,239)	(92,496)	(31,006)	(2,388,910)
Undue output Vat	(201,500)	(162,767)	(119,510)	(80,525)	(42,577)	(22,266)	(629,145)
Present value of the minimum lease payment receivables	2,024,964	1,669,293	1,302,335	933,124	515,747	287,079	6,732,542
Less: Allowance for expected credit losses	(176,555)	(40,562)	(36,432)	(25,734)	(12,644)	(5,883)	(297,810)
Net hire purchase receivables	1,848,409	1,628,731	1,265,903	907,390	503,103	281,196	6,434,732

(1) Presented net of deferred initial direct income and costs of hire purchase.

(2) The balance of hire purchase receivables due within 1 year included receivables that are credit impaired.

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 that are not yet non-performing (Non-NPL) and involve more than just extending the payment timeline (Assistance type 1) where the Company immediately reclassified them to performing receivables (Stage 1) with amount of Baht 1,723 million, accounting for 37 percent of the total hire purchase receivables (2022: Baht 896 million, accounting for 13 percent of the total hire purchase receivables).

However, the Company's management has taken into account forecasts of the impact and exercised management's judgement to apply a management overlay in addition to the amounts derived from the existing model in estimating expected credit losses in order to accommodate an increase in debtors default.



7.2 As at 31 December 2023 and 2022, the balances of hire purchase receivables are classified by credit risk and allowance for expected credit losses as follows:

(Unit: Thousand Baht)

	Hire purchase receivables - net of unearned hire purchase income ⁽¹⁾		Allowance for expected credit losses	
	2023	2022	2023	2022
Hire purchase receivables without a significant increase in credit risk (Performing)	3,683,715	5,722,265	53,937	77,076
Hire purchase receivables with a significant increase in credit risk (Under- performing)	715,219	784,552	81,328	102,007
Hire purchase receivables with credit impaired (Non-performing)	267,295	225,725	123,671	118,727
Total	4,666,229	6,732,542	258,936	297,810

⁽¹⁾ Presented net of deferred initial direct income and costs of hire purchase.

7.3 As at 31 December 2023, hire purchase receivables amounting to Baht 3,016 million (net of unearned hire purchase income) were pledged to secure credit facilities from commercial banks (2022: Baht 5,382 million), as discussed in Notes 17 and 20 to the financial statements.

8. Loan receivables

8.1 As at 31 December 2023 and 2022, the contracted terms of the Company's loan receivables are 6 - 84 installments with payments to be made in equal installments and interest charged at fixed rates throughout in the contracts. Loan receivables classified by due date per agreement are as follows:

(Unit: Thousand Baht)

	2023		Total
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	
Loan receivables	2,485,163	7,581,338	10,066,501
Add: Deferred financial expenses ⁽¹⁾	19,692	52,374	72,066
Add: Accrued interest receivables	294,705	-	294,705
Total	2,799,560	7,633,712	10,433,272
Less: Allowance for expected credit losses	(212,767)	(152,850)	(365,617)
Loan receivables - net	2,586,793	7,480,862	10,067,655

⁽¹⁾ Presented net of deferred initial direct income and costs of loan.

⁽²⁾ The balance of loan receivables due within 1 year includes receivables that are credit impaired.



(Unit: Thousand Baht)

	2022		
	Amounts due within 1 year ⁽²⁾	Amounts due over 1 year	Total
Loan receivables	1,644,039	3,517,999	5,162,038
Less: Unearned financial income ⁽¹⁾	(2,388)	(3,432)	(5,820)
Add: Accrued interest receivables	131,333	-	131,333
Total	1,772,984	3,514,567	5,287,551
Less: Allowance for expected credit losses	(152,392)	(88,326)	(240,718)
Loan receivables - net	1,620,592	3,426,241	5,046,833

⁽¹⁾ Presented net of deferred initial direct income and costs of loan.⁽²⁾ The balance of loan receivables due within 1 year includes receivables that are credit impaired.

The Company entered into schemes to provide assistance to debtors affected by COVID-19. As at 31 December 2023, the Company has outstanding loan receivables that are not yet non-performing (Non-NPL) and involve more than just extending the payment timeline (Assistance type 1) where the Company immediately reclassified them to performing receivables (Stage 1) with amount of Baht 1,353 million, accounting for 13 percent of the total loan receivables (2022: Baht 331 million, accounting for 6 percent of the total loan receivables).

However, the Company's management has taken into account forecasts of the impact and exercised management's judgement to apply a management overlay in addition to the amounts derived from the existing model in estimating expected credit losses in order to accommodate an increase in debtors default.

8.2 As at 31 December 2023 and 2022, the balances of loan receivables are classified by credit risk and allowance for expected credit losses as follows:

(Unit: Thousand Baht)

	Loan receivables and accrued interest income ⁽¹⁾		Allowance for expected credit losses	
	2023	2022	2023	2022
Loan receivables without a significant increase in credit risk (Performing)	9,432,097	4,713,233	134,402	93,665
Loan receivables with a significant increase in credit risk (Under-performing)	754,926	437,821	113,041	69,039
Loan receivables with credit impaired (Non-performing)	246,249	136,497	118,174	78,014
Total	10,433,272	5,287,551	365,617	240,718

⁽¹⁾ Presented net of deferred initial direct income and costs of loan.



- 8.3** As at 31 December 2023, loan receivables amounting to Baht 5,244 million (net of unearned financial income and deferred financial expenses) were pledged to secure credit facilities from commercial banks (2022: Baht 3,383 million), as discussed in Notes 17 and 20 to the financial statements.

9. Allowance for expected credit losses

Movements of allowance for expected credit losses (ECL) of hire purchase and loan receivables are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2023			
	Lifetime		Lifetime	
	ECL - not credit		ECL - credit	
	12-month ECL (Stage 1)	impaired (Stage 2)	impaired (Stage 3)	Total
Beginning balance	170,741	171,046	196,741	538,528
Add (less): Stage changes	(9,139)	(13,768)	22,907	-
Add (less): Changes due to revaluation of allowance for credit loss	(44,676)	12,344	242,680	210,348
Add: New financial assets acquired	156,080	130,756	83,160	369,996
Less: Derecognition of financial assets	(84,667)	(106,009)	(25,237)	(215,913)
Less: Bad debt written-off	-	-	(278,406)	(278,406)
Ending balance	188,339	194,369	241,845	624,553

(Unit: Thousand Baht)

	For the year ended 31 December 2022			
	Lifetime		Lifetime	
	ECL - not credit		ECL - credit	
	12-month ECL (Stage 1)	impaired (Stage 2)	impaired (Stage 3)	Total
Beginning balance	187,866	158,181	194,305	540,352
Add (less): Stage changes	(7,868)	(8,044)	15,912	-
Add (less): Changes due to revaluation of allowance for credit loss	(56,365)	13,992	184,686	142,313
Add: New financial assets acquired	128,835	106,980	70,498	306,313
Less: Derecognition of financial assets	(81,727)	(100,063)	(30,746)	(212,536)
Less: Bad debt written-off	-	-	(237,914)	(237,914)
Ending balance	170,741	171,046	196,741	538,528



10. Other receivables

	(Unit: Thousand Baht)	
	2023	2022
Prepaid expenses	10,754	9,497
Accrued commission income	14,890	15,911
Deferred expense	2,755	1,966
Others	4,424	5,751
Total	32,823	33,125

11. Assets foreclosed

	(Unit: Thousand Baht)	
	2023	2022
Assets foreclosed - cost	125,126	85,497
Less: Allowance for impairment	(59,744)	(30,734)
Assets foreclosed - net	65,382	54,763

12. Deposits at bank with collateral obligation

As at 31 December 2023, the Company has deposits at bank with collateral obligation in the amount of Baht 50 million (2022: Baht 50 million) in order to secure against loans from financial institutions, as mentioned in Note 17 to the financial statements.



13. Land, building and equipment

(Unit: Thousand Baht)

	Land	Buildings and Building improvements	Furniture and office equipment	Computers and equipment	Motor vehicles	Construction in progress	Total
Cost							
1 January 2022	472	112,342	62,351	59,584	47,091	1,286	283,126
Additions	-	11,926	9,954	323	8,494	14,552	45,249
Disposals/written off	-	(510)	(1,077)	(105)	(2,489)	-	(4,181)
Transfer in (Transfer out)	6,493	2,446	5,837	52	44	(15,269)	(397)
31 December 2022	6,965	126,204	77,065	59,854	53,140	569	323,797
Additions	-	16,267	17,039	1,499	9,294	12,969	57,068
Disposals/written off	-	(1,226)	(2,734)	(2,909)	(36)	-	(6,905)
Transfer in (Transfer out)	-	5,817	6,611	447	-	(12,875)	-
31 December 2023	6,965	147,062	97,981	58,891	62,398	663	373,960
Accumulated depreciation							
1 January 2022	-	40,081	40,307	38,731	25,659	-	144,778
Depreciation for the year	-	11,868	11,418	8,516	7,432	-	39,234
Depreciation for disposals/written off	-	(256)	(997)	(98)	(1,769)	-	(3,120)
31 December 2022	-	51,693	50,728	47,149	31,322	-	180,892
Depreciation for the year	-	14,567	12,117	6,051	8,000	-	40,735
Depreciation for disposals/written off	-	(668)	(2,618)	(2,897)	(8)	-	(6,191)
31 December 2023	-	65,592	60,227	50,303	39,314	-	215,436
Net book value							
31 December 2022	6,965	74,511	26,337	12,705	21,818	569	142,905
31 December 2023	6,965	81,470	37,754	8,588	23,084	663	158,524
Depreciation recognised in the statement of comprehensive income for the years							
2022							39,234
2023							40,735

As at 31 December 2023, certain items of furniture and office equipment and computers and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 102 million (2022: Baht 43 million).



14. Right-of-use assets

The movement of rights-of-use assets for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Buildings	Office equipment	Motor vehicles	Total
1 January 2022	114,537	1,443	16,546	132,526
Additions	104,276	1,188	10,068	115,532
Written-off	(32,796)	-	(1,109)	(33,905)
Depreciation	(69,533)	(776)	(9,220)	(79,529)
Depreciation for written-off	11,496	-	995	12,491
31 December 2022	127,980	1,855	17,280	147,115
Additions	154,788	-	6,603	161,391
Written-off	(110,433)	(502)	(2,423)	(113,358)
Depreciation	(91,352)	(749)	(8,415)	(100,516)
Depreciation for written-off	108,108	502	2,423	111,033
31 December 2023	189,091	1,106	15,468	205,665

**15. Intangible assets**

(Unit: Thousand Baht)

	Computer software	Computer software in process	Total
Cost			
1 January 2022	23,420	-	23,420
Additions	2,696	2,140	4,836
Transfer in (Transfer out)	2,140	(2,140)	-
31 December 2022	28,256	-	28,256
Additions	1,658	2,850	4,508
Written-off	(1,950)	-	(1,950)
Transfer in (Transfer out)	2,850	(2,850)	-
31 December 2023	30,814	-	30,814
Accumulated amortisation			
1 January 2022	14,326	-	14,326
Amortisation for the year	4,680	-	4,680
31 December 2022	19,006	-	19,006
Amortisation for the year	3,447	-	3,447
Amortisation for written-off	(297)	-	(297)
31 December 2023	22,156	-	22,156
Net book value			
31 December 2022			9,250
31 December 2023			8,658
Amortisation recognised in the statement of comprehensive income for the years			
2022			4,680
2023			3,447

As at 31 December 2023, computer software has remaining amortisation period between 1 - 5 years (2022: 1 - 5 years).

As at 31 December 2023, certain items of computer software were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 15 million (2022: Baht 5 million).



16. Deferred tax assets/income tax expenses

16.1 Deferred tax assets

As at 31 December 2023 and 2022, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	2023	2022
Deferred tax assets		
Difference in cost of assets foreclosed for accounting and tax purposes	3,305	1,072
Allowance for expected credit losses	124,874	106,626
Allowance for impairment of assets foreclosed	11,949	6,147
Difference in interest income recognised for accounting and tax purposes	4,993	14,779
Provision for long-term employee benefits	8,207	7,841
Accumulated depreciation - buildings and building improvements	6,499	5,066
Right-of-use assets	718	624
Total	160,545	142,155
Deferred tax liabilities		
Deferred initial direct costs from hire purchase/ loan receivables	28,140	22,266
Deferred loans issuing costs	7,148	5,208
Total	35,288	27,474
Deferred tax assets - net	125,257	114,681

16.2 Income tax expenses

Income tax expenses for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Current income tax:		
Corporate income tax charge for the year	114,472	102,740
Deferred tax:		
Relating to origination and reversal of temporary differences	(11,447)	11,099
Income tax expenses reported in the statements of comprehensive income	103,025	113,839



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)	
	2023	2022
Deferred tax relating to actuarial gain	(871)	(1,460)

Reconciliation between income tax expenses and the product of accounting profits multiplied by the applicable tax rate for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Accounting profit before tax	525,034	574,964
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	105,006	114,993
Effects of additional expense and non-deductible expense	(1,981)	(1,154)
Income tax expenses reported in the statements of comprehensive income	103,025	113,839

17. Short-term loans from financial institutions

As at 31 December 2023 and 2022, the following are short-term loans in the form of promissory notes from financial institutions in Thailand:

	(Unit: Thousand Baht)	
Loan facility / Repayment schedule	2023	2022
a) Promissory notes under credit facilities amounting to Baht 483 million, with principal repayable within the specific date of each promissory, and interest charged at MOR less a fixed rate, payable monthly	-	327,212
b) Promissory notes under credit facilities amounting to Baht 410 million, with principal repayable within the specific date of each promissory, and interest charged at MLR less a fixed rate, payable monthly	199,637	400,187
c) Promissory notes under credit facilities amounting to Baht 600 million, with principal repayable within the specific date of each promissory, and interest charged at MLR less a fixed rate, payable monthly	-	40,278
d) Promissory notes under credit facilities amounting to Baht 100 million, with principal repayable within the specific date of each promissory, and interest charged at MLR less a fixed rate, payable monthly	21,224	46,232
e) Promissory notes under credit facilities amounting to Baht 200 million, with principal repayable within the specific date of each promissory, and interest charged at MLR less a fixed rate, payable monthly	152,414	96,132
f) Promissory notes under credit facilities amounting to Baht 100 million, with principal repayable within the specific date of each promissory, and interest charged at MLR less a fixed rate, payable monthly	100,000	-
Total short-term loans from financial institutions	473,275	910,041



Bank overdrafts and short-term loans are secured by the bank deposit, the transfer of ownership rights and the assignment of collection rights over hire purchase receivables, loan receivables and loans secured against motorcycle registrations, car registrations, commercial car registrations and truck registrations. Loans are also guaranteed by the directors of the Company. Moreover, the Company is required to comply with certain terms and conditions as specified in each loan agreement, such as to maintain ratios of hire purchase receivables and loan receivables that are no more than 3 periods overdue to total borrowings, non-performing hire purchase receivables and loan receivables (overdue more than 3 months) to total receivables, collection ratio, working capital turnover ratio, total debt to equity ratio, hire purchase receivables and loan receivables that are no more than 3 months overdue to total receivables, earnings before interest and taxes to total interest expenses, and also the portion of the Company's shares held by directors, depending on the conditions in each agreement.

As at 31 December 2023, the Company has Baht 811 million for bank overdrafts and short-term credit facilities from financial institutions which have not yet been drawn down (2022: Baht 339 million).

18. Other payables

	(Unit: Thousand Baht)	
	2023	2022
Other payables	92,014	87,968
Accrued employee expenses	39,502	45,606
Revenue department payable	15,500	21,846
Accrued expenses	24,956	13,912
Total	171,972	169,332

19. Lease liabilities

	(Unit: Thousand Baht)	
	2023	2022
Lease liabilities	220,012	147,096
Less: Deferred interest expenses	(16,012)	(6,455)
Total	204,000	140,641
Less: Current portion	(88,063)	(72,715)
Lease liabilities - net of current portion	115,937	67,926



Movements of lease liabilities for the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)	
	2023	2022
Balance at the beginning of year	140,641	122,637
Additions	162,187	114,533
Interest recognised	7,237	6,119
Lease payment	(102,882)	(80,765)
Decrease	(3,183)	(21,883)
Balance at the end of year	204,000	140,641

The maturity analysis of undiscounted lease payments is disclosed in Note 33.3 the financial statements on Liquidity risk.

Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	2023	2022
Depreciation of right-of-use assets	100,516	79,529
Interest expenses on lease liabilities	7,237	6,119
Expense relating to short-term leases	15,948	8,439
Total	123,701	94,087

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 119 million (2022: Baht 89 million).



20. Long-term loans

As at 31 December 2023 and 2022, the following are loans from local financial institutions in Thailand.

		(Unit: Thousand Baht)	
	Loan facility / Repayment schedule	2023	2022
a)	Syndicate loan facility amounting to Baht 5,950 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	86,720	348,670
b)	Syndicate loan facility amounting to Baht 1,650 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	429,120	860,610
c)	Credit facility amounting to Baht 100 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	48,622	61,600
d)	Credit facility amounting to Baht 200 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	61,083	131,689
e)	Syndicate loan facility amounting to Baht 2,000 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	997,450	1,642,870
f)	Credit facility amounting to Baht 500 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	309,125	434,153
g)	Credit facility amounting to Baht 800 million, repayable principal equally every month, after the end of 1-year grace period from the date of loan withdrawal and interest charged at MLR less a fixed rate, payable monthly	800,000	800,000
h)	Credit facility amounting to Baht 100 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	57,694	92,950
i)	Syndicate loan facility amounting to Baht 3,000 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	2,192,290	1,346,730
j)	Credit facility amounting to Baht 1,000 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	911,826	-
k)	Syndicate loan facility amounting to Baht 4,500 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	3,433,100	-
Total		9,327,030	5,719,272
Less: Deferred issuing costs		(35,740)	(26,039)
Long-term loans		9,291,290	5,693,233
Less: Current portion due within one year		(3,730,427)	(2,208,118)
Long-term loans, net of current portion		5,560,863	3,485,115



The above long-term loans are secured by the assignment of collection rights over loans secured against motorcycle registrations, car registrations, commercial car registrations and truck registrations with specific conditions to the bank and are also guaranteed by the directors of the Company. Moreover, the Company is required to comply with certain terms and conditions as specified in each loan agreement, such as to maintain ratios of hire purchase receivables and loan receivables that are no more than 3 periods overdue to total borrowings, non-performing hire purchase receivables and loan receivables (overdue more than 3 months) to total receivables, collection ratio, earnings before interest and taxes to total interest expenses, total debt to equity ratio, depending on the conditions in each agreement.

As at 31 December 2023, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,101 million (2022: Baht 1,638 million).

Movements in the long-term loans account during the year ended 31 December 2023 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2023	5,719,272
Add: Drawdown	6,295,000
Less: Repayment	(2,687,242)
Balance as at 31 December 2023	<u>9,327,030</u>

21. Other current liabilities

	(Unit: Thousand Baht)	
	2023	2022
Accrued interest expenses	12,407	2,470
Accrued special business tax expenses	5,322	2,855
Accrued withholding tax expenses	1,988	1,973
Accrued output tax expenses	63	249
Others	48	1,612
Total	<u>19,828</u>	<u>9,159</u>



22. Provision for long-term employee benefits

Provision for long-term employee benefits, which is the compensation payable to employees upon retirement, can be summarised as follows:

(Unit: Thousand Baht)		
For the years ended 31 December		
	2023	2022
Provision for long-term employee benefits at beginning of year	39,207	38,351
Included in profit or loss:		
Current service cost	8,120	8,160
Interest cost	911	828
Loss from benefit paid	67	69
Included in other comprehensive income:		
Actuarial gain arising from		
Demographic assumptions changes	(1,858)	(2,345)
Financial assumptions changes	(2,434)	(3,207)
Experience adjustments	(61)	(1,750)
Benefits paid during the year	(2,918)	(899)
Provision for long-term employee benefits at the end of year	41,034	39,207

As at 31 December 2023, the Company expected to pay Baht 3.1 million of long-term employee benefits during the next year (2022: Baht 2.8 million).

As at 31 December 2023, weighted average duration of the liabilities for long-term employee benefits of the Company is 8.75 years (2022: 9.44 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)		
	2023	2022
Discount rate	2.85	2.74
Future salary increase rate	2.5	3
Turnover rate (depending on age of employee)	9 - 26	9 - 20



The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	2023			
	Increase rate		Decrease rate	
	Liabilities		Liabilities	
	increased		increased	
	Percent	(decreased)	Percent	(decreased)
Discount rate	1.0	(3,282)	1.0	3,727
Salary increase rate	1.0	3,922	1.0	(3,509)
Turnover rate	1.0	(3,632)	1.0	2,477

(Unit: Thousand Baht)

	2022			
	Increase rate		Decrease rate	
	Liabilities		Liabilities	
	increased		increased	
	Percent	(decreased)	Percent	(decreased)
Discount rate	1.0	(3,306)	1.0	3,800
Salary increase rate	1.0	3,964	1.0	(3,508)
Turnover rate	1.0	(3,649)	1.0	2,686

23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 12.54 million (2022: Baht 9.60 million) were recognised as expense.

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.

As at 31 December 2023, the Company has the statutory reserve Baht 94.77 million (2022: Baht 73.67 million).



25. Dividend

On 20 April 2022, the Annual General Meeting of Shareholders for 2022 of the Company approved dividend payment of Baht 0.118 per share from the 2021 operating result to the shareholders of the Company, or a total dividend payment of Baht 363.09 million (The interim dividend was paid of Baht 0.108 per share on 17 August 2021 and the remaining of Baht 0.010 per share on 12 May 2022).

On 21 April 2023, the Annual General Meeting of Shareholders for 2023 of the Company approved dividend payment of Baht 0.0666 per share from the 2022 operating result to the shareholders of the Company, or a total dividend payment of Baht 253.75 million. The Company has paid the dividend on 12 May 2023.

26. Finance cost

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Interest expenses on borrowings	434,162	212,780
Interest expenses on lease liabilities	7,237	6,119
Total	441,399	218,899

27. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Salary, wages and other employee benefits	672,692	561,958
Sale promotional expenses	110,247	94,658
Depreciation and amortisation expenses	144,698	123,443
Rental and service expenses	121,834	98,294
Consultation and professional service fees	52,905	33,268
Special business tax and other tax expenses	69,366	43,465
Allowance for expected credit losses	412,992	230,115
Loss on impairment and disposals of assets	265,113	99,848

**28. Loss on impairment and disposals of assets foreclosed**

(Unit: Thousand Baht)

	For the years ended 31 December	
	2023	2022
Impairment loss of assets foreclosed	29,010	24,932
Loss on disposals of assets foreclosed	233,886	75,678
Total	262,896	100,610

29. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

30. Segment information

The Company's principal operations involve a single operating segment of hire purchase and loan receivables. Their operations are carried on in the single geographical area of Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that the Company's chief operating decision maker (Managing Director) used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area. In addition, the Company has no major customer with reserve of 10 percent or more of an entity's revenues during the years 2023 and 2022.

31. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions are in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. A summary of related parties and transactions with those parties is below.

(Unit: Thousand Baht)

	2023	2022	Pricing Policy
<u>Transactions with related parties</u>			
Rental expenses	5,989	6,266	As stipulated in agreements



As at 31 December 2023 and 2022, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	2023	2022
<u>Related parties</u>		
Other receivables	42	-
Other payables	-	78
Lease liabilities	3,953	6,686

Directors and management's benefits

During the years, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2023	2022
Short-term employee benefits	61,722	53,554
Post-employment benefits	812	786
Total	62,534	54,340

32. Commitments

32.1 Service agreements

The Company has entered into other services agreement. The terms of the agreements are generally between 1 - 3 years. As at 31 December 2023, future minimum lease payments required under these non-cancellable service contracts were as follows:

	(Unit: Thousand Baht)		
Payable	Related company	Other parties	Total
Within 1 year	800	22,229	23,029
1 to 3 years	695	26,730	27,425

33. Risk management

The Company's financial instruments, principally comprise cash and cash equivalents, deposits at banks with restrictions, hire purchase and loan receivables, deposits at bank with collateral obligation, lease liabilities and loans from financial institutions. The financial risks associated with these financial instruments and how they are managed is described below.



33.1 Credit risk

The Company is exposed to credit risk primarily with respect to hire purchase and loan receivables. The Company manages the risk by adopting appropriate credit control policies and procedures. In addition, the Company does not have high concentrations of credit risk since it has a variety of customer bases and a number of customers. The maximum exposure to credit risk is limited to the carrying amounts of hire purchase and loan receivables less allowance for expected credit loss as stated in the statements of financial position.

Maximum exposure to credit risk of financial instruments

Maximum exposure to credit risk is the amount of financial instruments 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

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted policies to mitigate this risk by analysis of credit from customer information and monitoring status of customer.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit losses). Explanation of 12-months expected credit losses, lifetime expected credit losses - not credit impaired, and lifetime expected credit losses-credit impaired are included in Note 4.6 to the financial statements.



(Unit: Million Baht)

2023

	Financial assets where there has not been a significant increase in credit risk (12-month ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Cash and cash equivalents				
Investment grade	480	-	-	480
Total	480	-	-	480
Less: Allowance for expected credit losses	-	-	-	-
Net book value	480	-	-	480
Deposits at banks with restrictions				
Deposits at banks with restrictions	49	-	-	49
Total	49	-	-	49
Less: Allowance for expected credit losses	-	-	-	-
Net book value	49	-	-	49
Hire purchase and loan receivables				
Not yet due	10,645	-	-	10,645
Overdue 1 - 30 days	2,471	-	-	2,471
Overdue 31 - 60 days	-	1,119	-	1,119
Overdue 61 - 90 days	-	351	-	351
More than 90 days	-	-	509	509
Litigation receivables	-	-	5	5
Total	13,116	1,470	514	15,100
Less: Allowance for expected credit losses	(189)	(194)	(242)	(625)
Net book value	12,927	1,276	272	14,475
Deposits at bank with collateral obligation				
Deposits at bank with collateral obligation	50	-	-	50
Total	50	-	-	50
Less: Allowance for expected credit losses	-	-	-	-
Net book value	50	-	-	50



(Unit: Million Baht)

	2022		
	Financial assets where there has not been a significant increase in credit risk (12-month ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)
			Total
Cash and cash equivalents			
Investment grade	160	-	160
Total	160	-	160
Less: Allowance for expected credit losses	-	-	-
Net book value	160	-	160
Deposits at banks with restrictions			
Deposits at banks with restrictions	52	-	52
Total	52	-	52
Less: Allowance for expected credit losses	-	-	-
Net book value	52	-	52
Hire purchase and loan receivables			
Not yet due	8,509	-	8,509
Overdue 1 - 30 days	1,927	-	1,927
Overdue 31 - 60 days	-	927	927
Overdue 61 - 90 days	-	295	295
More than 90 days	-	-	333
Litigation receivables	-	-	29
Total	10,436	1,222	12,020
Less: Allowance for expected credit losses	(171)	(171)	(539)
Net book value	10,265	1,051	11,481
Deposits at bank with collateral obligation			
Deposits at bank with collateral obligation	50	-	50
Total	50	-	50
Less: Allowance for expected credit losses	-	-	-
Net book value	50	-	50



Collateral and any operations to increase creditability

The Company has held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Company for each type of financial assets are as follows:

(Unit: Million Baht)

	Exposure to risk with collateral		Type of collateral
	2023	2022	
Hire purchase and loan receivables	14,687	11,549	Car, motorcycle and land

33.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the financial position of the Company. As the Company has no foreign currency assets and liabilities and no investments in securities, market risk therefore consists of only interest rate risk. The Company manages the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, in order to generate a suitable yield while maintaining risk at acceptable levels.

Interest rate risk

As at 31 December 2023 and 2022, significant financial assets and liabilities 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: Thousand Baht)

	2023				
	Fixed interest rate				
	Repricing or maturity date				
Transactions	Within 1 year	Over 1 - 5 years	Floating interest rate	Non-interest bearing	Total
<u>Financial assets</u>					
Cash and cash equivalents	-	-	343,622	136,525	480,147
Deposits at banks with restrictions	-	-	48,512	-	48,512
Hire purchase and loan receivables ⁽¹⁾	3,922,962	10,551,986	-	-	14,474,948
Deposits at bank with collateral obligation	50,000	-	-	-	50,000
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	-	473,275	-	473,275
Lease liabilities	88,063	115,937	-	-	204,000
Long-term loans ⁽²⁾	-	-	9,327,030	-	9,327,030

(1) The outstanding balance of hire purchase and loan receivables which have fixed interest rate and maturity within 1 year included credit-impaired receivables.

(2) The outstanding balance of long-term loans are presented before net of deferred issuing costs.



(Unit: Thousand Baht)

2022					
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date				
	Within 1 year	Over 1 - 5 years			
<u>Financial assets</u>					
Cash and cash equivalents	-	-	95,089	65,207	160,296
Deposits at banks with restrictions	-	-	52,154	-	52,154
Hire purchase and loan receivables ⁽¹⁾	3,469,001	8,012,564	-	-	11,481,565
Deposits at bank with collateral obligation	50,000	-	-	-	50,000
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	-	910,041	-	910,041
Lease liabilities	72,715	67,926	-	-	140,641
Long-term loans ⁽²⁾	-	-	5,719,272	-	5,719,272

(1) The outstanding balance of hire purchase and loan receivables which have fixed interest rate and maturity within 1 year included credit-impaired receivables.

(2) The outstanding balance of long-term loans are presented before net of deferred issuing costs.

Interest rate sensitivity

The sensitivity of the Company's profit before tax to a reasonably possible change in interest rates on that portion of floating rate of cash and cash equivalents, deposits at banks with restrictions, short-term and long-term loans from financial institutions affected as at 31 December 2023 and 2022 are as follow:

(Unit: Thousand Baht)

	Increase / Decrease	Effect on profit before tax	
		2023 ⁽¹⁾	2022 ⁽¹⁾
	(Percent)		
Cash and cash equivalents	+0.5%	1,718	475
	-0.5%	(1,718)	(475)
Deposits at banks with restrictions	+0.5%	243	261
	-0.5%	(243)	(261)
Short-term loans from financial institutions	+0.5%	(2,366)	(4,550)
	-0.5%	2,366	4,550
Long-term loans	+0.5%	(46,635)	(28,596)
	-0.5%	46,635	28,596

(1) This information is not a forecast or prediction of future market conditions, then actual result could differ from this analysis.



The above analysis has been prepared assuming that the amounts of cash and cash equivalents, deposits at banks with restrictions, short-term and long-term loans from financial institutions and all other variables remain constant over one year. Moreover, the floating legs of these cash and cash equivalents, deposits at banks with restrictions, short-term and long-term loans from financial institutions 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.

33.3 Liquidity risk

Liquidity risk is the risk that the Company 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 Company has a policy to manage liquidity risk with appropriate long-term loan and short-term loan structure. However, the Company has a policy in maintaining the liquidity to ensure that there is sufficient liquidity of requirement for the current and the future.

The table below summarises the maturity profile of the Company's financial instruments as at 31 December 2023 and 2022.

(Unit: Thousand Baht)

Transactions	2023				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
Financial assets					
Cash and cash equivalents	480,147	-	-	-	480,147
Deposits at banks with restrictions	-	48,512	-	-	48,512
Hire purchase and loan receivables ⁽¹⁾	-	3,922,962	10,551,986	-	14,474,948
Deposits at bank with collateral obligation	-	50,000	-	-	50,000
Financial liabilities					
Short-term loans from financial institutions	-	473,275	-	-	473,275
Lease Liabilities	-	88,063	115,937	-	204,000
Long-term loans	-	3,730,427	5,560,863	-	9,291,290

⁽¹⁾ The outstanding balance of hire purchase and loan receivables due within 1 year included credit-impaired receivables.



(Unit: Thousand Baht)

Transactions	2022				
	At call	Within 1 year	Over 1 year	No specific maturity	Total
<u>Financial assets</u>					
Cash and cash equivalents	160,296	-	-	-	160,296
Deposits at banks with restrictions	-	52,154	-	-	52,154
Hire purchase and loan receivables ⁽¹⁾	-	3,469,001	8,012,564	-	11,481,565
Deposits at bank with collateral obligation	-	50,000	-	-	50,000
<u>Financial liabilities</u>					
Short-term loans from financial institutions	-	910,041	-	-	910,041
Lease Liabilities	-	72,715	67,926	-	140,641
Long-term loans	-	2,208,118	3,485,115	-	5,693,233

⁽¹⁾ The outstanding balance of hire purchase and loan receivables due within 1 year included credit-impaired receivables.

34.4 Fair value

As at 31 December 2023 and 2022, the Company had no financial assets or financial liabilities that were measured at fair value. However, the Company had financial assets and liabilities that were measured at cost which fair value was disclosed using different levels of inputs as follows:

(Unit: Thousand Baht)

	2023				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets disclosed at fair value</u>					
Cash and cash equivalents	480,147	480,147	480,147	-	-
Deposits at banks with restrictions	48,512	48,512	48,512	-	-
Hire purchase and loan receivables	14,474,948	14,419,340	-	-	14,419,340
Deposits at bank with collateral obligation	50,000	50,000	50,000	-	-
<u>Financial liabilities disclosed at fair value</u>					
Short-term loans from financial institutions	473,275	473,275	-	473,275	-
Lease liabilities	204,000	204,000	-	204,000	-
Long-term loans	9,291,290	9,291,290	-	9,291,290	-



(Unit: Thousand Baht)

	2022				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets disclosed at fair value</u>					
Cash and cash equivalents	160,296	160,296	160,296	-	-
Deposits at banks with restrictions	52,154	52,154	52,154	-	-
Hire purchase and loan receivables	11,481,565	11,201,231	-	-	11,201,231
Deposits at bank with collateral obligation	50,000	50,000	50,000	-	-
<u>Financial liabilities disclosed at fair value</u>					
Short-term loans from financial institutions	910,041	910,041	-	910,041	-
Lease liabilities	140,641	140,641	-	140,641	-
Long-term loans	5,693,233	5,693,233	-	5,693,233	-

Fair value hierarchy for financial assets and liabilities as at 31 December 2023 and 2022 is stipulated in Note 4.17 to the financial statements.

As at 31 December 2023 and 2022, the Company has estimated the fair value of financial instruments as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, deposits at banks with restrictions and short-term loans from financial institutions, their carrying amounts in the statement of financial position approximate their fair value.
- Deposits at bank with collateral obligation, their carrying amounts in the statement of financial position approximate their fair value.
- Hire purchase 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.
- For long-term loans carrying interest at floating rate with interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.
- For lease liabilities, their carrying amounts approximate their fair value since their carrying interest approximate to the market rate.

During the current year, there were no transfers within the fair value hierarchy.



34. Capital Management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure and preserves the ability to continue its business as a going concern. As at 31 December 2023, the Company's debt to equity ratio is 1.89:1 (2022: 1.34:1).

35. Events after the reporting period

On 15 February 2024, the Board of Director Meeting of the Company No. 1/2024 passed the resolutions to propose to the Annual General Meeting of shareholders to approve a dividend payment from the 2023 operating results at a rate of Baht 0.0665 per share, or a total of Baht 253.4 million.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 15 February 2024.



Attachment 1

Attachment 1

Details on directors, executives, controlling persons, person assigned with the highest responsibility in accounting and finance, person assigned to be directly responsible for preparation of accounts, company secretary

Board of Directors



Professor Dr.Surapon Nitikraipot

Chairman of The Board of Directors/
Chairman of Corporate Governance and
Sustainable Development Committee/
Independent Director

Mr.Nutchdhawattana Silpavittayakul

Chairman of the Audit Committee/
Member of the Nomination and
Remuneration Committee/ Independent
Director

**Assistant Professor Dr.Chaiwuth
Tangsomchai**

Chairman of the Risk Management
Committee/ Member of the Audit
Committee/ Independent Director



Mr.Natthirutt Wanwimonphong

Chairman of the Nomination and
Remuneration Committee/
Member of the Audit Committee/ Member
of the Risk Management Committee/
Independent Director

Mrs.Sutharntip Phisitbuntoon

Director/ Member of the Risk
Management Committee

Mr.Wichai Suphasathitkul

Authorized Director/Chairman
of the Executive Committee/
Chief Executive Officer



Board of Directors



Mr. Patpong Patong

Authorized Director/ Vice Chairman
of Executive Committee/ President/
Acting Senior Executive Vice President
of Corporate management



Mr. Bunthid Supasatitkul

Authorized Director/Executive Director/
Member of the Nomination and
Remuneration Committee



Mr. Parinya Supasatitkul

Authorized Director/ Executive Director



Mr. Thanassorn Ratanasirisap

Authorized Director/Executive Director/Member
of Corporate Governance and Sustainable
Development Committee



**Ms. Thapanattsamon
Paisanteerakorn**

Authorized Director/Executive Director/
Member of Corporate Governance and
Sustainable Development Committee



Miss. Varita Laothamatas

Authorized Director/Executive Director/
Member of Corporate Governance
and Sustainable Development Committee



Ms. Chonchissa Ratanasirisap

Executive Director



Mr. Punsongpol Paisanterakorn

Executive Director



Executive Vice Presidents



Mr. Rapee Pruenglampoo

Executive Vice President-Branch
Operations Department and Acting Senior
Executive Vice President of Operation



Mr. Chulavudh Kasetsuwan

Mr. Chulavudh Kasetsuwan
Executive Vice President-Information
Technology Department



Ms. Natthanan Kittiphonsombun

Company Secretary/Executive Vice
President-Corporate Governance
and Investor Relations Department



Dr. Theerawat Thawanratphokin

Executive Vice President- Accounting and
Finance Department



Mr. Sompop Pundrikabha

Executive Vice President-Marketing
Department



Mr. Benjarong Kammanid

Executive Vice President-Risk
management Department



Ms. Sarinya Krissanakupata

Executive Vice President-Human
Resources and Corporate Affairs

Details of directors, executives, controlling persons, person with the highest responsibility in accounting and finance, person assigned to be directly responsible for overseeing accounts, and company secretary



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company	Type of Business
1. Prof. Dr.Surapon Nitikraipot Chairman of the Board of Directors 21 April 2021 – Present Independent Director 21 April 2021 – Present Chairman of Corporate Governance and Sustainable Development Committee 10 August 2022 - Present	63	<ul style="list-style-type: none">Honorary Doctorate Degree, Soka University, JapanMaster’s Degree and Doctorate Degree in public laws(Honors), Université Robert Schuman, FranceBachelor of Laws (Honors), Thammasat UniversityBoard Nomination and Compensation Program (BNCP), Thai Institute of Directors (IOD), Class of 5/2018Role of the Chairman Program (RCP) Thai Institute of Directors (IOD), Class of 25/2011Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 102/2008Certificat, La Décentralisation et l’ Administration Locale, Institut International d’ Administration Publique (IIAP), Paris, France	0.148 (0.131 held by himself; 0.017 held by his spouse)	-None-	Directorship in listed companies and/or other listed companies at least in the 5 preceding years			
					2023 - Present	<ul style="list-style-type: none">Independent Director	Carabao Group Public Company Limited	Food and beverage business
					2022 – Present	Chairman of Corporate Governance and Sustainable Development Committee	Heng Leasing and Capital Public Company Limited	Loan service business
					2021 – Present	<ul style="list-style-type: none">Chairman of the Board of DirectorsIndependent Director		
					2020 – Present	Chairman of the Board of Directors	JD Food Public Company Limited	Seasoning powder business and dried food business
					2018 – 2021	Independent Director	PTT Public Company Limited	Energy and utilities business
					2008 – 2012	Chairman of the Good Corporate Governance Committee	PTT Public Company Limited	Energy and utilities business
2009 – 2011	Chairman of the Board of Directors	MCOT Public Company Limited	Media and publishing business					
Directorship in limited companies/other organizations at least in the 5 preceding years					Directorship in limited companies/other organizations at least in the 5 preceding years			
					2022 - Present	<ul style="list-style-type: none">President of the University Council	Thammasat University	Education business
					2022 - Present	<ul style="list-style-type: none">Advisor	Thammasat University Hospital	Medical service business
					2017 - Present	<ul style="list-style-type: none">Chairman of the Executive Committee	Kamnoetvidya Science Academy	Education business Government agency
					2016 - Present	<ul style="list-style-type: none">Honorable Director	The Public Sector Development Commission : OPDC	Education business
					2016 - Present	<ul style="list-style-type: none">President of the University Council	Navamindradhiraj University	Education business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
1. Prof. Dr.Surapon Nitikraipot Chairman of the Board of Directors 21 April 2021 – Present Independent Director 21 April 2021 – Present Chairman of Corporate Governance and Sustainable Development Committee 10 August 2022 - Present	63	<ul style="list-style-type: none"> Diploma, National Defence Course for the Joint State-Private Sector, Class 23, The National Defence College, 2010 Barrister at Law, Class of 35th, Institute of Thai Bar Association of Thailand Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 7, Thailand Energy Academy Capital Market Academy Leadership Program, Class 4, Capital Market Academy 			Directorship in limited companies/other organizations at least in the 5 preceding years		
					2015 - Present	• Director	Knowledge Network Institute of Thailand Government agency
					2015 - Present	• Vice President of the Council • Special advisor	Vidyasirimedhi Institute Education business
					2012 - Present	• Council Member, Group 8	Office of The Administrative Courts and Election Commission Government agency
					2006 - Present	• Retired government official • Chairman of the Board of Directors	Office of the Council of State Government agency
					1982 - Present	• Independent Director	Thammasat University Education business
					2005 – 2022	• Chairman of the Good Corporate Governance Committee	Thammasat University Hospital Medical service business
					2018 - 2021	• Chairman of the Board of Directors	Heng Leasing Company Limited Loan service business
					2014 – 2018	• Independent Director	PTT Global Chemical Company Limited Petrochemical and chemical business
					2015 – 2017	• Vice Chairman of the Board of Directors	Thai Institute of Directors (IOD) Thai Institute of Directors
					2014 – 2016	• Honorable Director	The Krung Thep Thanakom Company Limited Government agency
					2012 – 2016	• Chancellor of the University	(Enterprise of Bangkok Metropolitan) Ministry of Education
					2004 – 2010	• Council member	Civil Service Commission in Higher Education Education business
					2006 – 2008	• Honorable Advisor to the Prime Minister	Company Limited (Enterprise of Bangkok Metropolitan) Government agency
					2001 – 2004	• Dean of Faculty of Law	Chancellor of Thammasat University Government agency



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
2. Mr.Nutchdhwattana Silpavittayakul Chairman of the Audit Committee 24 April 2021 - Present Independent Director 21 April 2021 - Present Member of the Nomination and Remuneration Committee 24 April 2021 -- Present	59	<ul style="list-style-type: none"> Bachelor's Degree in Accounting, Faculty of Commerce and Accountancy, Thammasat University Master's Degree in Business Administration, Faculty of Commerce and Accountancy, Thammasat University Role of Chairman Program (RCP), Thai Institute of Directors (IOD), Class of 39/2016 Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 102/2008 Strategy Management Program (SMP, Class 1) (Chairman of the Class), Faculty of Commerce and Accountancy, Chulalongkorn University Fiscal Economy Program for Executives (Class 3), King Prajadhipok's Institute CFO Certification Program, The Federation of Accounting Professions Capital Market Academy Leadership Program, Class 28, Capital Market Academy 	- None -	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 - Present	<ul style="list-style-type: none"> Chairman of the Audit Committee Independent Director Member of the Nomination and Remuneration Committee 	Heng Leasing and Capital Public Company Limited Loan service business
					2017 - Present	<ul style="list-style-type: none"> Director Member of the Sustainable Development Committee 	Singha Estate Public Company Limited Property development business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2022 - Present	<ul style="list-style-type: none"> Director 	Singha People Development Company Limited Business consultant
					2022 - Present	<ul style="list-style-type: none"> Director Member of the Risk Management Committee 	Boon Rawd Supply Chain Company Limited Logistics
					2020 - Present	<ul style="list-style-type: none"> Deputy Managing Director Corporate Finance and Administration 	Boon Rawd Brewery Company Limited Holding company business
					2014 - 2020 2552 - 2557	<ul style="list-style-type: none"> Assistant Managing Director Director of Finance and Accounting 	
					2009 - 2014	<ul style="list-style-type: none"> Chairman 	Singha International Headquarter Company Limited Holding company business
					2020 - Present	<ul style="list-style-type: none"> Director 	SBP Digital Service Company Limited Computer system, network connection, and internet network service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
2. Mr.Nutchdhwattana Silpavittayakul (continued) Chairman of the Audit Committee 24 April 2021 - Present Independent Director 21 April 2021 - Present Member of the Nomination and Remuneration Committee 24 April 2021 - Present	59				Directorship in limited companies/other organizations at least in the 5 preceding years		
					2018 – Present	• Director	Singha Europe Company Limited Holding company business
					2017 - Present	• Director	Singha Venture Capital Fund Ltd. Venture capital business
					2012 - Present	• Director	Singha Park Chiang Rai Company Limited Sale of agricultural and processed products, food and beverages, and tourism business
					2008 – Present	• Director	Beer Singha Beer Thai Company Limited Consulting business
					1991 - Present	• Director	C.B. Holding Company Limited Property rental and cleaning service business
					2018 - 2021	• Chairman of the Audit Committee • Independent Director • Member of the Nomination and Remuneration Committee	Heng Leasing Company Limited Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
3. Assistant Prof. Dr.Chaiwuth Tangsomchai Chairman of the Risk Management Committee 24 April 2021 (1 st Term) 12 May 2022 (2 nd Term) - Present Independent Director 21 April 2021 (1 st Term) 20 April 2022 (2 nd Term) - Present Member of the Audit Committee 24 April 2021 (1 st Term) 12 May 2022 (2 nd Term) - Present	51	<ul style="list-style-type: none"> • Doctoral Degree in Economics, West Virginia University, USA • Master's Degree in Economics, University of Washington, USA • Master's Degree, Faculty of Commerce and Accountancy, Chulalongkorn University • Bachelor's Degree (Honors) Faculty of Commerce and Accountancy, Chulalongkorn University • Successful Formulation and Execution of Strategy (SFE), Thai Institute of Directors (IOD), Class of 37/2021 • Director Accreditation Program (DAP), Thai Institute of Directors (IOD), Class of 159/2019 • Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 26/2022 • Leader Economic Growth Program, Harvard Kennedy School, Harvard University U.S.A 	0.017 (0.016 held by himself; 0.001 held by his spouse)	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 - Present	<ul style="list-style-type: none"> • Chairman of the Risk Management Committee • Independent Director • Member of the Audit Committee 	Heng Leasing and Capital Public Company Limited Loan service business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2023 - Present	• Head of department	Faculty of Business Administration, Chiang Mai University Education business
					2022 - Present	• Deputy Dean	International College of Digital Innovation, Chiang Mai University Education business
					2012 - 2023	<ul style="list-style-type: none"> • Professor at Department of Finance • President of the Master of Business Administration Program (M.B.A.) 	Faculty of Business Administration, Chiang Mai University Education business
					2020 - 2021	• Chairman of the Risk Management Committee	Heng Leasing Company Limited Loan service business
					2018 - 2021	<ul style="list-style-type: none"> • Independent Director • Member of the Audit Committee • Member of the Risk Management Committee 	
					2012 - 2020	• Deputy Dean	Faculty Administration, Chiang Mai University Education business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
3. Assistant Prof. Dr.Chaiwuth Tangsomchai (continued) Chairman of the Risk Management Committee 24 April 2021 (1 st Term) 12 May 2022 (2 nd Term) - Present Independent Director 21 April 2021 (1 st Term) 20 April 2022 (2 nd Term) - Present Member of the Audit Committee 24 April 2021 (1 st Term) 12 May 2022 (2 nd Term) - Present	51	<ul style="list-style-type: none"> • Director Refreshment Training Pro- gram (RFP) Thai Institute of Directors (IOD), Class of 5/2022 • Financial Statements for Directors (FSD) Thai Institute of Directors (IOD), Class of 45/2022 • Introduction to corporate sustainability, Sustainable Business Development Institute (SBDI) • Director Certification Program (DCP) English Residential DCP Thai Institute of Directors (IOD) Class of 338/2566 					



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
4. Mr.Nutthirutt Wanwimonphong Chairman of the Nomination and Remuneration Committee 24 April 2021 (1 st Term) 21 April 2023 (2 nd Term) - Present Independent Director 24 April 2021 (1 st Term) 21 April 2023 (2 nd Term) - Present Member of the Audit Committee 24 April 2021 (1 st Term) 21 April 2023 (2 nd Term) - Present Member of the Risk Management Committee 24 April 2021 (1 st Term) 21 April 2023 (2 nd Term) - Present	48	<ul style="list-style-type: none"> Master of Business Administration, Faculty of Commerce and Accountancy, Chulalongkorn University Bachelor's Degree in Civil Engineering, King Mongkut's University of Technology North Bangkok Security Management and Leadership for Executives Program. (SML) Class 5 Role of the Chairman (RCP) Thai Institute of Directors (IOD), Class of 52/2022 Successful Formulation and Execution of Strategy (SFE), Thai Institute of Directors (IOD), Class of 32/2020 Board Nomination and Compensation Program (BNCP), Thai Institute of Directors (IOD), Class of 7/2019 Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 15/2019 Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 238/2017 Advanced Audit Committee Program (AACP), Thai Institute of Directors (IOD), Class of 26/2017 	- None -	- None -	2022 - Present • Member of the Audit Committee • Independent Director 2021 - Present • Chairman of the Nomination and Remuneration Committee • Member of the Audit Committee • Independent Director • Member of the Risk Management Committee 2016 - Present • Chairman of the Audit Committee • Chairman of the Nomination and Remuneration Committee • Chairman of Corporate Governance and Sustainable Development Committee • Independent Director	Master Style Public Company Limited Heng Leasing Company Limited Thai Capital Corporation Public Company Limited	Hospital service business Loan service business Energy and utilities business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company	Type of Business
4. Mr. Nutthirutt Wanwimonphong Chairman of the Nomination and Remuneration Committee 24 April 2021 (1 st Term) 21 April 2023 (2nd Term) - Present Independent Director 24 April 2021 (1st Term) 21 April 2023 (2nd Term) - Present Member of the Audit Committee 24 April 2021 (1st Term) 21 April 2023 (2nd Term) - Present Member of the Risk Management Committee 24 April 2021 (1st Term) 21 April 2023(2nd Term) - Present	48	<ul style="list-style-type: none">• Audit Core Training (Workshop), Workshop Audit, Class 1, Federation of Accounting Professions• Orientation Course - CFO Focus on Financial Reporting, Class 5, Federation of Accounting Professions• Training on Auditing by Businesses, Federation of Accounting Professions• Forensic Accounting Certificate (FAC), Federation of Accounting Professions• Course on investment project risk analysis and management techniques to create added values for sustainable business by Thailand Securities Institute, the Stock Exchange of Thailand• ESG: Principal, Importance and Way Forward, Association of Thai Securities Company (“ASCO”)• Data Analytics for Upskilling by AIT, DEPA, SCB ACADEMY			Directorship in limited companies/other organizations at least in the 5 preceding years			
				2022 - Present	<ul style="list-style-type: none">• Chairman of the Nomination and Remuneration Committee• Independent Director• Member of the Audit Committee	IFCG Public Company Limited	Real Estate Agent	
					2020 - 2022	<ul style="list-style-type: none">• Member of the Audit Committee• Independent Director• Member of the Risk Management Committee	Master Style Company Limited	Hospital service business
					2020 - 2021	<ul style="list-style-type: none">• Member of the Risk Management Committee	Heng Leasing Company Limited	Loan service business
					2018 - 2021	<ul style="list-style-type: none">• Chairman of the Nomination and Remuneration Committee• Independent Director• Member of the Audit Committee		



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽ⁱ⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
5. Mrs.Sutharnnip Phisitbuntoon Director 21 April 2021 - Present Member of the Risk Management Committee 8 August 2023 - Present Chairman of the Executive Committee 24 April 2021 (1 st Term) 12May2022 (2 nd Term) - 21 April 2023 (3 rd Term) - 8 May 2023 Chief Executive Officer 1 April 2021 - 30 June 2023	68	<ul style="list-style-type: none">• Master’s Degree in Economics, Thammasat University• Bachelor’s Degree (First Class Honors, Gold Medal) in Banking and Finance Chulalongkorn University• Introduction to corporate sustainability, Sustainable Business Development Institute (SBDI)• Training course on the landscape of the Bank of Thailand in the future and the formulation of financial plans for the future of financial institutions	0.079 (0.079 held by herself)	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2023 – Present	<ul style="list-style-type: none">• Member of the Risk Management Committee• Chief Executive Officer	Heng Leasing and Capital Public Company Limited Loan service business
					2021 – Present 2021 – 2023	<ul style="list-style-type: none">• Director• Chairman of the Executive Committee	
					2014 – 2018	<ul style="list-style-type: none">• Deputy Managing Director Credit Development and Risk Management Group	Land and Houses Public Company Limited Financial institution business
					2010 – 2014	<ul style="list-style-type: none">• Senior Vice President Deputy Manager of Corporate Client Group• Senior Vice President - Credit Risk Management Division	The Siam Commercial Bank Public Company Limited Financial institution business
Directorship in limited companies/other organizations at least in the 5 preceding years							
					2020 - 2021	<ul style="list-style-type: none">• Chief Executive Officer• Chairman of the Executive Committee• Director Heng Leasing Company Limited Loan service business	



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
5. Mrs.Sutharnrip Phisitbuntoon (Continue) Director 21 April 2021 - Present Member of the Risk Management Committee 8 August 2023 - Present Chairman of the Executive Committee 24 April 2021 (1 st Term) 12May2022 (2 nd Term) - 21 April 2023 (3 rd Term) - 8 May 2023 Chief Executive Officer 1 April 2021 - 30 June 2023	68	<ul style="list-style-type: none"> Director Leadership Certification Program (DLCP) Thai Institute of Directors (IOD) Class 9/2023 Audit Committee Forum 2023 : Detection of Accounting Irregularities in Fast Growing Business: The Role of Audit Committee ,Thai Institute of Directors (IOD) Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 279/2019 Guidelines on Success of SME Course (SME), Thai Institute of Directors (IOD), Class of 2/2013 Director Accreditation Program (DAP), Thai Institute of Directors (IOD), Class of 23/2004 Diploma, National Defence College, The Joint State - Private Sector Course Class 2007 The Wharton Advanced Management Program (TheWharton School,University of Pennsylvania)USA Diploma, National Defence College, The Joint State - Private Sector Course Class 2007 			2018 - 2020	<ul style="list-style-type: none"> Chairman of the Risk Management Committee/ Member of the Audit Committee Independent Director 	Heng Leasing Company Limited Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
5. Mrs.Sutharntip Phisitbuntoon (Continue) Director 21 April 2021 - Present Member of the Risk Management Committee 8 August 2023 - Present Chairman of the Executive Committee 24 April 2021 (1 st Term) 12 May 2022 (2 nd Term) - 21 April 2023 (3 rd Term) - 8 May 2023 Chief Executive Officer 1 April 2021 - 30 June 202	68	<ul style="list-style-type: none"> The Advanced Senior Executive Program (ASEP) (Sasin Graduate Institute of Business Administration of Chulalongkorn University and Kellogg School of Management, Northwestern University) USA The Pacific RIM Banker Program (Business School, University of Washington) USA The Siam Commercial Bank: Financial Leadership Program (The Wharton School, University of Pennsylvania) BANGKOK Interactions in Business English Program (Sasin Graduate Institute of Business Administration of Chulalongkorn University) The Refinancing Mortgage Loan Portfolio (Marcus Evan, Singapore) The Corporate Credit Risk Analysis (Standard & Poor's, Hongkong) Corporate Governance and Risk Management Seminar for Executives of Financial Institutions in Thailand (ADFIAP + IFCT + CIPE) 					



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
5. Mrs.Sutharntip Phisitbuntoon (Continue) Director 21 April 2021 - Present Member of the Risk Management Committee 8 August 2023 - Present Chairman of the Executive Committee 24 April 2021(1 st Term) 12May2022 (2 nd Term) - 21 April 2023 (3 rd Term) - 8 May 2023 Chief Executive Officer 1 April 2021 - 30 June 202	68	<ul style="list-style-type: none"> • The Credit Risk Management Program (FT Knowledge Financial Learning • The Credit Portfolio Management (The Risk Management Association) • The Treasury Risk Management Seminar (Wachovia, U.S.A.) USA • The Management Problem Solving and Decision Making Program (Kepner – Tregoe, Inc) 					



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽ⁱ⁾ (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company	Type of Business
6. Mr.Wichai Suphasathitkul Director 21 April 2021 (1 st Term) 20 April 2022 (2 nd Term) - Present Vice Chairman of the Executive Committee 24 April 2021 (1 st Term) 12 May 2022 (2 nd Term) 21 April 2022 (3 rd Term) -8 May 2023 President 1 April 2020 - 30 June 2023 Vice President 24 April 2020 - 30 June 2023 Acting Deputy Managing Director – Corporate Administration Department 24 April 2020 - 30 June 2023 Chairman of the Executive Committee 8 May 2023 – Present Chief Executive Officer 1 June 2023 – Present	59	• Bachelor’s Degree in Indus- trial Chemistry, Faculty of Science, Chiang Mai University • Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi) • Director Certification Program (DCP) Thai Institute of Directors (IOD), Class of 245/2017	8.711 held (8.711 held by himself)	Brother of mother of: (1) Mr.Bunthid Supasatitkul; and (2) Mr.Pariya Supasatitkul	Directorship in listed companies and/or other listed companies at least in the 5 preceding years			
					2023 - Present	• Chairman of the Executive Committee • Chief Executive Officer • Director • Authorized Director	Heng Leasing and Capital Public Company Limited	Loan service business
					2021 - Present			
					2021 - 2023	• Vice Chairman of the Executive Committee • President • Acting Deputy Managing Director – Corporate Administration Department		
					Directorship in limited companies/other organizations at least in the 5 preceding years			
					2020 – 2021	• Director • Vice Chairman of the Executive Committee • President • Acting Deputy Managing Director - Corporate Administration Department • Authorized Director	Heng Leasing Company Limited	Loan service business
					2015 - 2021			



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
6. Mr. Wichai Suphasathikul (continued) Director 21 April 2021 (1 st Term) 20 April 2022 (2 nd Term) – Present Vice Chairman of the Executive Committee 24 April 2021 (1 st Term) 12 May 2022 (2 nd Term) 21 April 2022 (3 rd Term) – 8 May 2023 President 1 April 2020 – 30 June 2023 Vice President 24 April 2020 – 30 June 2023 Acting Deputy Managing Director – Corporate Administration Department 24 April 2020 – 30 June 2023 Chairman of the Executive Committee 8 May 2023 – Present Chief Executive Officer 1 June 2023 – Present	59				Directorship in limited companies/other organizations at least in the 5 preceding years		
					2015 - 2021	• Director	Taweeheng Ngern Duan Company Limited Loan service business
					2015 - 2021	• Director	Taweeheng Motor Company Limited Loan service business
					2015 - 2021	• Director	Taweeheng 2015 Company Limited Loan service business
					2003 - 2021	• Director	Taweeheng Auto Leasing Company Limited Loan service business
					2002 - 2021	• Director	Ban Du Leasing Limited Liability Partnership Loan service business
					2002 - 2021	• Director	Tawee Heng Company Limited Loan service business
					2000 - 2021	• Managing Partner	Tawee Heng Leasing Limited Liability Partnership Loan service business
					1994 - 2021	• Managing Partner	Tawee Heng Car Limited Liability Partnership Loan service business
					2017 - 2019	• Director	Taweepattana Holding Company Limited Holding company business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company
7. Mr.Patpong Patong Director 21 April 2021 (1 st Term) 20 April 2022 (2 nd Term) - Present Member of the Risk Management Committee 21 April 2021 (1 st Term) - 12 May 2022(2 nd Term) - 8 August 2023 Executive Director 24 April 2021 (1 st Term) - 12 May 2022(2 nd Term) - 8 August 2023 Vice Chairman of the Executive Committee 8 May 2023 – Present President 1 July 2023 – Present Acting Deputy Managing Director – Corporate Administration Department 1 July 2023 – Present	54	<ul style="list-style-type: none">• Master’s Degree in Business Administration, Chiang Mai University• Bachelor’s Degree in Economics, Boston University, the United States• Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)• Anti-Corruption the Practical Guide Program (ACPG), Thai Institute of Directors (IOD), Class of 50/2019• Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 245/2017• Financial Statement for Directors Program (FSD), Thai Institute of Directors (IOD), Class of 32/2017	3,317 (3,304 held by himself; 0.013 held by his spouse)	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
	2023 - Present	<ul style="list-style-type: none">• Vice Chairman of the Executive Committee• President• Acting Deputy Managing Director - Corporate• Administration Department	Heng Leasing and Capital Public Company Limited	Loan service business			
	2021 - Present	<ul style="list-style-type: none">• Director• Authorized Director					
	2021 - 2023	<ul style="list-style-type: none">• Member of the Risk Management Committee• Director• Executive Director					
	2015 - Present	<ul style="list-style-type: none">• Managing Partner	Sansai Goodland Limited Liability Partnership	Property sale and purchase business			
	2008 - Present	<ul style="list-style-type: none">• Director	Pokalai Company Limited	Hotel business Tobacco business			
	2007 - Present	<ul style="list-style-type: none">• Director	Thai Tobacco Industries Company Limited	Accounting consulting business			
	2001 - Present	<ul style="list-style-type: none">• Director	Chaipat Accountancy Company Limited	Accounting consulting business			
	1999 - Present	<ul style="list-style-type: none">• Deputy Managing Director	Choice Carrental Company Limited	Car rental business Loan service business			
	2015 - 2021	<ul style="list-style-type: none">• Authorized Director• Director• Executive Director	Heng Leasing Company Limited	Loan service business			
	1997 - 2021	<ul style="list-style-type: none">• Managing Director	Pattanasin Leasing (CPL) Company Limited	Loan service business			
	2000 - 2020	<ul style="list-style-type: none">• Director	Music Class School of Music Company Limited (Dissolution-liquidation completed)	Musical school business			



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽ⁱ⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
8. Mr.Bunthid Supasatitkul Director 21 April 2021 - Present Executive Director 24 April 2021 (1 st Term) - 12 May 2022(2 nd Term) - 21 April 2023(3 rd Term) - Present Member of the Nomination and Remuneration Committee 14 August 2021 - Present	48	<ul style="list-style-type: none"> Bachelor's Degree in Engineering, Faculty of Computer, Siam University Introduction to corporate sustainability, Sustainable Business Development Institute (SBDI) Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 87/2018 	3,894 (3,894 held by himself)	<ul style="list-style-type: none"> Nephew of Mr. Wichai Supasathit-kul Brother of Mr. Parinya Supasatitkul 	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 - Present	<ul style="list-style-type: none"> Member of the Nomination and Remuneration Committee Director Executive Director Authorized Director 	Heng Leasing and Capital Public Company Limited Loan service business
					2015 - 2021	Director	Taweeheng Motor Company Limited Loan service business
					2015 - 2021	<ul style="list-style-type: none"> Authorized Director Director Executive Director 	Heng Leasing Company Limited Loan service business
					2002 - 2021	Managing Partner	Ban Du Leasing Limited Liability Partnership Loan service business
					2002 - 2021	Director	Taweeheng 2015 Company Limited Loan service business
					2002 - 2021	Director	Taweeheng Motor Lees Company Limited Loan service business
					2002 - 2021	Director	Taweeheng Auto Leasing Company Limited Loan service business
					2015 - 2021	Director	Taweeheng Motor Company Limited Loan service business
					2000 - 2021	Managing Partner	Taweeng Heng Leasing Limited Liability Partnership Loan service business
					1994 - 2021	Managing Partner	Taweeng Heng Car Limited Liability Partnership Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
8. Mr.Bunthid Supasattikul (Continue) Director 21 April 2021 - Present Executive Director 24 April 2021 (1 st Term) - 12 May 2022(2 nd Term) - 21 April 2023(3 rd Term) - Present Member of the Nomination and Remuneration Committee 14 August 2021 - Present	48	<ul style="list-style-type: none"> Financial Statements for Directors Program (FSD), Thai Institute of Directors (IOD), Class of 37/2018 Boardroom Success through Financing and Investment Program (BFI), Thai Institute of Directors (IOD), Class of 2/2017 Board Nomination and Compensation Program (BNCP), Thai Institute of Directors (IOD), Class of 2/2017 Family Business Governance Program (FBG), Thai Institute of Directors (IOD), Class of 10/2017 Driving Company Success with IT Governance Program (ITG), Thai Institute of Directors (IOD), Class of 5/2017 How to Develop a Risk Management Plan (HRP), Thai Institute of Directors (IOD), Class of 13/2017 Anti-Corruption the Practical Guide Program (ACPG), Thai Institute of Directors (IOD), Class of 37/2017 Successful Formulation and Execution of Strategy Program (SFE), Thai Institute of Directors (IOD), Class of 30/2017 Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 243/2017 Finance for Non-financial Executive Program, Class 31, Thammasat University 					



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
9. Mr.Parinya Supasatitkul Director 21 April 2021 - Present Executive Director 24 April 2021 (1 st Term)- 12 May 2022 (2 nd Term)- 21 April 2023 (3 rd Term)- Present	47	<ul style="list-style-type: none"> Bachelor's Degree in Business Computer, Faculty of Business Administration, Siam University Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI) Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 90/2018 Financial Statement for Directors Program (FSD), Thai Institute of Directors (IOD), Class of 37/2018 Driving Company Success with IT Governance Program (ITG), Thai Institute of Directors (IOD), Class of 6/2017 Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 8/2017 Anti-Corruption the Practical Guide Program (ACPG), Thai Institute of Directors (IOD), Class of 38/2017 Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 246/2017 	5.191 (5.191 held by himself; 0.000 held by his spouse)	- Nephew of Mr.Wichai Supha- sathitkul of Mr.Bunthid Supasatitkul	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 - Present	<ul style="list-style-type: none"> Authorized Director Director Executive Director 	Heng Leasing and Capital Public Company Limited Loan service business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2015 - 2021	<ul style="list-style-type: none"> Authorized Director Director Executive Director 	Heng Leasing Company Limited Loan service business
					2015 - 2021	<ul style="list-style-type: none"> Director 	Taweeheng Ngern Duan Company Limited Loan service business
					2002 - 2021	<ul style="list-style-type: none"> Managing Partner 	Ban Du Leasing Limited Liability Partnership Loan service business
					2002 - 2021	<ul style="list-style-type: none"> Director 	Tawee Heng Company Limited Loan service business
					2000 - 2021	<ul style="list-style-type: none"> Managing Partner 	Tawee Heng Leasing Limited Liability Partnership Loan service business
					1994 - 2021	<ul style="list-style-type: none"> Managing Partner 	Tawee Heng Car Limited Liability Partnership Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
10. Miss.Thapanattsamon Paisanteerakorn Director 21 April 2021 (1 st Term) - 21 April 2023 (2 nd Term) - Present Executive Director 24 April 2021 (1 st Term) - 12 May 2022(2 nd Term) - 21 April 2023(3 rd Term) - Present Corporate Governance and Sustainable Development Committee 10 October 2022 (1 st Term), 21 April 2023 (2 nd Term) - Present	38	<ul style="list-style-type: none"> • Master of Business (Hospitality Management), Victoria University, Australia • Bachelor's Degree in Business Administration (International Business Management), Payap University • IPO Total Strategy Program by OMEGAWORLDCCLASS • Modern Marketing Management Program, Chulalongkorn University • Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI) • Hot issue for Director: Climate Governance The Stock Exchange of Thailand and Thai Institute of Directors (IOD) Class 4/2023 	1.175 (1.175 held by herself)	Sister of Mr.Punsongpol Paisanteerakorn	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2022 - Present	<ul style="list-style-type: none"> • Corporate Governance and Sustainable Development Committee 	Heng Leasing and Capital Public Company Limited Loan service business
					2021 - Present	<ul style="list-style-type: none"> • Authorized Director • Director • Executive Director 	
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2016 - 2021	<ul style="list-style-type: none"> • Authorized Director • Executive • Director 	Heng Leasing Company Limited Loan service business
					2013 - 2021	<ul style="list-style-type: none"> • Director 	Mit Eua Aree Leasing Company Limited Loan service business
					2013 - 2020	<ul style="list-style-type: none"> • Director 	Lamphun Mit Uaree Company Limited (Dissolution-incomplete liquidation) Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
10. Miss. Thapanattsamon Paisanteerakorn (Continue) Director 21 April 2021 (1 st Term) - 21 April 2023 (2 nd Term) - Present Executive Director 24 April 2021 (1 st Term) - 12 May 2022 (2 nd Term) - 21 April 2023 (3 rd Term) - Present Corporate Governance and Sustainable Development Committee 10 October 2022 (1 st Term), 21 April 2023 (2 nd Term) - Present		<ul style="list-style-type: none"> • Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 251/2018 • Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 87/2018 • Financial Statement for Directors Course(FSD) Thai Institute of Directors (IOD) Class 37/2018 • Driving Company Success with IT Governance Program (ITG), Thai Institute of Directors (IOD), Class of 6/2017 • How to Develop a Risk Management Plan Program (HRP), Thai Institute of Directors (IOD), Class of 13/2017 • Anti-Corruption the Practical Guide (ACPG), Thai Institute of Directors (IOD), Class of 37/2017 • Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 7/2017 • Family Business Governance Program (FBG), Thai Institute of Directors (IOD), Class of 10/2017 					



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
11. Mr. Thanassorn Ratanasirisap Director 21 April 2021, (1 st Term) 21 April 2023 (2 nd Term) - Present Executive Director 24 April 2021, (1 st Term) 21 April 2023 (2 nd Term) - Present Corporate Governance and Sustainable Development Committee 10 October 2022, (1 st Term) 21 April 2023 (2 nd Term) - Present	41	<ul style="list-style-type: none"> • Master's Degree in Executive Business Administration, Chiang Mai University • Bachelor's Degree in Information System, University of Wollongong, Australia • Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI) • Hot issue for Director: Climate Governance The Stock Exchange of Thailand and Thai Institute of Directors (IOD) Class 4/2023 • Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 242/2017 • IT Governance and Cyber Resilience Program (ITG), Thai Institute of Directors (IOD), Class of 6/2017 • Family Business Governance Program (FBG), Thai Institute of Directors (IOD), Class of 10/2017 	1.575 held (1.575 held by himself; 0.013 held by his spouse)	Brother of Miss Chonchisa Ratanasirisap	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2022 – Present	<ul style="list-style-type: none"> • Corporate Governance and Sustainable Development Committee 	Heng Leasing and Capital Public Company Limited Loan service business
					2021 – Present	<ul style="list-style-type: none"> • Authorized Director • Director • Executive Director 	
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2021 - Present	<ul style="list-style-type: none"> • Authorized Director • Director • Executive Director 	Heng Leasing Company Limited Loan service business
					2007 - 2017	<ul style="list-style-type: none"> • Director 	Sinpranee Leasing Company Limited Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
12. Miss.Varita Laothamatas Director 14 August 2021(1 st term) 21 April 2023 (2 nd term) - Present Executive Director 24 April 2021 (1 st term) 12 May 2022 (2 nd term) - 21 April 2023 (3 rd term) - Present Corporate Governance and Sustainable Development Committee 10 October 2022 (1 st term) - 21 April 2023 (2 nd term) - Present	35	<ul style="list-style-type: none"> Master's Degree in International Management, University of Strathclyde, the United Kingdom Bachelor's Degree in Accounting, Faculty of Commerce and Accountancy, Thammasat University Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI) Family Business Governance (FBG), Thai Institute of Directors (IOD), FBG 13/2018 How to Develop a Risk Management Plan (HRP), Thai Institute of Directors (IOD), Class of 18/2018 Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 13/2018 Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 251/2018 Successful Formulation and Execution of Strategy Program (SFE), Thai Institute of Directors (IOD), Class of 30/2017 	0.262 (0.262 held by herself)	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2022 - Present	<ul style="list-style-type: none"> Corporate Governance and Sustainable Development Committee 	Heng Leasing and Capital Public Company Limited Loan service business
					2021 - Present	<ul style="list-style-type: none"> Authorized Director Director Executive Director 	
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2018 - 2021	<ul style="list-style-type: none"> Executive Director 	Heng Leasing and Capital Public Company Limited Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
13. Miss Chonchissa Ratanasirisap Executive Director 24 April 2021 (1 st term) - 12 May 2022 (2 nd term) - 21 April 2023 (3 rd term) - Present	40	<ul style="list-style-type: none"> Master of Executive Business Administration, Chiang Mai University Bachelor of Commerce, Management University of Wollongong, Australia Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI) How to Develop a Risk Management Plan (HRP), Thai Institute of Directors (IOD), Class of 13/2018 Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 13/2018 Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 88/2018 Family Business Governance (FBG), Thai Institute of Directors (IOD), Class of 10/2018 Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 242/2017 Successful Formulation and Execution of Strategy (SFE), Thai Institute of Directors (IOD), Class of 30/2017 	1.940	Sister of Mr. Thanassorn Ratanasirisap	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 – Present	• Executive Director	Heng Leasing and Capital Public Company Limited Loan service business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2018 - 2021	• Executive Director	Heng Leasing Company Limited Loan service business
					2009 - Present	• Director	Sinpranee Leasing Company Limited Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
14. Mr. Punsongpol Paisanterakorn Executive Director 24 April 2021 (1 st term) - 12 May 2022 (2 nd term) - 21 April 2023 (3 rd term) - Present	36	<ul style="list-style-type: none"> Bachelor of Business Administration, Ramkhamhaeng University Directors Certification Program (DCP) Institute of Directors (IOD) Class 319/2522 Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI) Financial Statement for Directors (FSD), Thai Institute of Directors (IOD), Class of 37/2018 Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 13/2018 How to Develop a Risk Management Plan (HRP), Thai Institute of Directors (IOD), Class of 18/2018 Real Engineer 5 Course, Chiang Mai University 	1.175 (1.175 held by himself)	Brother of Miss Thapanattsamon Paisanterakorn	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 - Present	Executive Director	Heng Leasing and Capital Public Company Limited Loan service business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2018 - 2021	Executive Director	Heng Leasing Company Limited Loan service business
					2013 - 2016	Director	Mit Eua Aree Leasing Company Limited Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽ⁱ⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
15. Mr. Rapee Pruenglampoo Executive Vice President - Branch Operations Department 21 April 2021 – Present Acting Deputy Managing Director - Operations Department 21 April 2021 – Present	51	<ul style="list-style-type: none"> Master's Degree in Economics, Chiang Mai University Bachelor's Degree in Economics, Chiang Mai University 	0.018 (0.017 held by himself)	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 - Present	<ul style="list-style-type: none"> Executive Vice President - Branch Operations Department Acting Deputy Managing Director - Operations 	Heng Leasing and Capital Public Company Limited Loan service business
					2012 - 2018	<ul style="list-style-type: none"> Business Manager 	The Siam Commercial Bank Public Company Limited Financial institution business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2018 - 2021	<ul style="list-style-type: none"> Executive Vice President - Branch Operations Department Senior Executive Vice President - Operations Department 	Heng Leasing Company Limited Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company	Type of Business
16 Mr. Benjarong Kammanid Executive Vice President - Risk Management Department 21 April 2021 - Present	50	<ul style="list-style-type: none">• Master’s Degree in Business Administration, Faculty of Commerce and Accountancy, Chulalongkorn University• Bachelor’s Degree, Faculty of Business Administration and Accounting (Major in Accounting and Minor in Business Administration), Chiang Mai University• Anti-Corruption the Practical Guide Program (ACPG), Thai Institute of Directors (IOD), Class of 50/2019• Business Acumen Program, Thammasat University• Mini MBA Program, Faculty of Business Administration, Chulalongkorn University• Operation Audit and Physical Count Technic Program by Shanghai Lotus Supermarket Chain Store• International Framework for the Professional Practice of Internal Auditing (IPPF), Chulalongkorn University• Forensics Seminar on Internal Investigation and Legal Housekeeping to Prevent and Tackle Employee Fraud Course by PwC• PDPA for Internal Audit By Thai Law Training	0.009 (0.009 held by himself)	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years			
					2021 - Present	• Executive Vice President - Risk Management Department	Heng Leasing and Capital Public Company Limited	
					Directorship in limited companies/other organizations at least in the 5 preceding years			
					2019 - 2021	• Executive Vice President - Risk Management Department	Heng Leasing Company Limited	Loan service business
					2017 - 2018	• Senior Director of Internal Audit	Chaiyapattana Transport Chiangmai Company Limited	Public transport business
					2007 - 2016	• Director of Internal Audit	Central Retail Corporation Company Limited	Retail business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company	Type of Business
17. Dr.Theerawat Thawanratphokin Executive Vice President - Accounting and Finance Department (21 April 2021) 21 April 2021 - Present Person with the highest responsibility in accounting and finance (21 April 2021) 21 April 2021 - Present	37	<ul style="list-style-type: none">• Doctoral Degree in Management, North Bangkok University• Master’s Degree in Accounting, Ramkhamhaeng University• Graduate Certificate in Teacher Profession, Saint John’s University• Bachelor’s Degree in Accounting (First Class Honors), Pathumthani University• Boardroom Success through Financing & Investment Program (BSFI), Thai Institute of Directors (IOD), Class of 8/2020• Effective Minute Taking Program (EMT), Thai Institute of Directors (IOD), Class of 45/2019• Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 96/2019• Director Accreditation Program (DAP), Thai Institute of Directors (IOD), Class of 150/2018• CFO’s Orientation Course for New IPOs Course organized by Federation of Accounting Professions and the Office of the Securities and Exchange Commission, Class of 1/2018	0.003 (0.003 held by himself)	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years			
					2021 - Present	• Executive Vice President - Accounting and Finance Department	Heng Leasing and Capital Public Company Limited	Loan service business
					2019 - 2020	• Deputy Chief Executive Officer	Successmore Being Public Company Limited	Sale of consumer products through network marketing
					2017 - 2020	• Director of Accounting and Finance		
					2017	• Accounting Manager		
					Directorship in limited companies/other organizations at least in the 5 preceding years			
					2023 - Present	• Director	Minori Food Company Limited	Instant food Business
					2023 - Present	• Director	Skilf All Company Limited	Medical equipment distribution business
					2023 - Present	• Director	Skilf Holding Limited partnership	Holding Business
					2023 - Present	• Director	VI Property Company Limited	Real estate brokerage business
2022 - Present	• Director	Saduak Suay Mai Company Limited	Beauty Clinic Business					
2022 - Present	• Director	VI Master Company Limited	Holding Business					
2022 - Present	• Director	VI Drillxpert Company Limited	Well drilling service business					
2022 - Present	• Director	VI Altermed Company Limited	Traditional Thai and Chinese medicine clinic business					



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company	Type of Business
17. Dr. Theerawat Thawanratphokin (Continue) Executive Vice President - Accounting and Finance Department (21 April 2021) 21 April 2021 - Present Person with the highest responsibility in accounting and finance (21 April 2021) 21 April 2021 - Present		<ul style="list-style-type: none">• CFO refresher course to prepare for economic conditions, finance and accounting issues affecting listed companies by the Stock Exchange of Thailand, Class 2/2021• CFO refresher course on sustainable business operations (ESG) issues related to operational strategies, information disclosure, and financial reports of listed companies by the Stock Exchange of Thailand, Class 3/2022• CFO refresher course. Prepare to deal with financial, investment, and accounting issues that affect listed companies. By the Stock Exchange of Thailand, Class 2023			2022 - Present	• Director	VI Agritech Company Limited	Agriculture Technology Business
					2019 - Present	• Accounting Lecturer	Thonburi University	Private University Advisory Business
					2015 - Present	• Managing Director	Phokin Advisory Company Limited	Loan service business Hospital Sale of consumer products through network marketing
					2021 - 2021	• Executive Vice President - Accounting and Finance Department	Heng Leasing Company Limited	Loan service business
					2021 - 2021	• Independent Director	Royal Heart Medical (Thailand) Company Limited	Hospital
					2020 - 2021	• Chief Operating Officer	Ultima Life Company Limited	Sale of consumer products through network marketing



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company	Type of Business
18. Mr.Chulavudh Kasetsuwan Executive Vice President - Information Technology Department 2 May 2023 - Present	51	• Bachelor of Science, Assumption University of Thailand	0,017 held (0.017 held by himself)	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years			
					2023 - Present	• Executive Vice President - Information Technology Department	Heng Leasing and Capital Public Company Limited	Loan service business
					2017 - 2019	• Vice President	CIMB THAI BANK	Financial Institution
					2011 - 2017	• Assistant Vice President	CIMB THAI BANK	Financial Institution
					Directorship in limited companies/other organizations at least in the 5 preceding years			
19. Mr.Sompop Pundrikabha Executive Vice President - Marketing Department (21 April 2021) 21 April 2021 - Present	40	• Bachelor of Business Administration (Advertising), School of Management and Economics, Assumption University • Mini MBA Program, Business School, Chulalongkorn University	0.002 held (0.002 held by himself)	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years			
					2020 - Present	• Executive Vice President - Marketing Department	Heng Leasing and Capital Public Company Limited	Loan service business
					2014 - 2017	• Customer Management Strategy Manager	ARIP Public Company Limited	Media and content business Exhibition, trade show and marketing activity business Digital service business
					Directorship in limited companies/other organizations at least in the 5 preceding years			
					2017 - 2019	• Marketing Manager	Sawasdee Shop Company Limited	Financial business / international money transfer and foreign exchange services



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company	Type of Business
20. Miss Sarinya Krissanakupata Executive Vice President Human Resources and Corporate Affairs (1 April 2021) 1 April 2022 - Present	47	• Master of Science Program in Human Resource and Organization Development National Institute of Development Administration • Bachelor of Humanities ,Major in EnglishChiangmai University • Coaching for Break Through Success by Dr. Peter Chee 2011 • Leadership Development Program (NPL) 2020	- None -	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years			
					2022 - Present	• Executive Vice President Human Resources and Corporate Affairs	Heng Leasing and Capital Public Company Limited	Loan service business
					2018 - 2020	• Senior Manager - Human Resource Department	Plan B Media Public Company Limited	Outdoor Digital Avertising Production
					Directorship in limited companies/other organizations at least in the 5 preceding years			
					2017 - 2018	• Assistant Vice President Talent, Learning and Performance Management Advisor	Citibank (Thailand) Company Limited	Financial Institute
					2018 - 2020	• Training & Development Manager	Molnycke Health Care (Thailand) Company Limited	Medical equipment distribution business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
21. Miss Natthanan Kittiphonsombun Company Secretary 24 April 2021 - Present Executive Vice President - Corporate Governance and Investor Relations Department (21 April 2021) 21 April 2021 - Present	39	<ul style="list-style-type: none"> Master of Business Administration, Rangsit University Bachelor of Science, Major in Industrial Biotechnology and Minor in Environment, Faculty of Science, Rangsit University Corruption Risk and Control Workshop Course (CRC) , Thai Institute of Directors (IOD) and Thai Private Sector Collective Action Against Corruption (Thai CAC) Class 19/2023 Company Visit : Mission to the Sun for Sustainable Growth, Thai Institute of Directors (IOD) Seminar on conflicts of interest and related party transaction, Thai Institute of Directors (IOD) Seminar on the role of the company secretary in driving ESG , Thai Institute of Directors (IOD) 	0.014 (0.014 held by herself)	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 - Present	<ul style="list-style-type: none"> Company Secretary Assistant Managing Director - Corporate Governance and Investor Relations Department 	Heng Leasing and Capital Public Company Limited Loan service business
					2017 - 2018	<ul style="list-style-type: none"> Assistant Company Secretary or Assistant Deputy Managing Director 	The Platinum Group Public Company Limited Loan service business
					2016 - 2017	<ul style="list-style-type: none"> Investor Relations Officer Senior Compliance Officer 	Sena Development Public Company Limited Property development business
					2014 - 2016	<ul style="list-style-type: none"> Investor Relations Officer Assistant Company Secretary 	General Engineering Public Company Limited Construction material business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
21. Miss Natthanan Kittiphonsombun (Continue) Company Secretary 24 April 2021 - Present Executive Vice President - Corporate Governance and Investor Relations Department (21 April 2021) 21 April 2021 - Present		<ul style="list-style-type: none"> Listen to the intent of the AGM Checklist evaluation form for collaboration in the 2024 AGM season, Thai Investors Association(TIA) Course: Business Strategic planning to achieve goals (BUSINESS STRATEGY) Human Resource Development Internal Training (HRD) Course: Leadership development for executives in the context of coaching change for success. Internal training. By Rattapoom Hengasmee Ethical Leadership Program (ELP), Thai Institute of Directors (IOD), Class of 16/2019 R-CSF - Company Secretary Forum, Thai Institute of Directors (IOD), Class of 1/2019 Effective Minute Taking (EMT), Thai Institute of Directors (IOD), Class of 40/2018 Anti-Corruption the Practical Guide (ACPG), Thai Institute of Directors (IOD), Class of 30/2016 			2018 - 2021	<ul style="list-style-type: none"> Company Secretary Assistant Managing Director - Corporate Governance and Investor Relations Department 	Heng Leasing Company Limited Loan service business
					2014 - 2014	<ul style="list-style-type: none"> Analyst 	Agrow Enterprise Company Limited Money and capital market management
					2011 - 2013	<ul style="list-style-type: none"> Trader- 	Gap Company Limited Gold bullion business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
21. Miss Natthanan Kittiphonsombun (Continue) Company Secretary 24 April 2021 - Present Executive Vice President - Corporate Governance and Investor Relations Department (21 April 2021) 21 April 2021 - Present		<ul style="list-style-type: none"> Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 74/2016 R-CGW - CG Workshop, Thai Institute of Directors (IOD), Class of 1/2016 Certificate in Corporate Social Responsibility Management for Sustainable Development, the Stock Exchange of Thailand Certificate Internal Audit Training Course WCS South East Asia Co., Ltd. Single License and Guideline on Derivatives Certificate (DRG), ATI Asco Training Institute Certificate in Accounting and Finance for Executives with no basic related knowledge, Class 30, Thammasat University Data Protection Officer Certification Training Course (DPO) Accountant under the Accounting Act 					



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in relationship the company ⁽¹⁾ (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
22. Mr.Thakoon Wuttiornpong Director of Accounting (21 April 2021) 21 April 2021 - Present Persons assigned to be directly responsible for overseeing accounts (21 April 2021) 21 April 2021 - Present	37	<ul style="list-style-type: none"> Bachelor's Degree in Accounting, Faculty of Business Administration, Chiang Mai University Accountant under the Accounting Laws, License no. 1-5099-00276-85-3 Course on sustainable business operations according to ESG principles with related accounting standards TAS 2 and TAS 16 ,2023 Professional accountant for leasing business course : TFRS 9 2023 Tax and Accounting Due Diligence for M&A Course 2/2023 Year 2022, Course on cryptocurrencies and digital assets accounting 101 (5 hours of training) Year 2022, Course on accounting for foreign currencies: Requirements and data for analysis (7 hours of training) Year 2022, Course on statement of cash flows: Requirements and data for analysis 7 hours of training) 	.002 (0.002 held by himself)	- None -	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 - Present	<ul style="list-style-type: none"> Director of Accounting 	Heng Leasing and Capital Public Company Limited Loan service business
					2014 - 2017	<ul style="list-style-type: none"> Manager Assistant Financial and Tax Reporting 	Akara Resources Public Company Limited Gold and silver mining
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2018 - 2020	<ul style="list-style-type: none"> Director of Accounting 	Heng Leasing Company Limited Loan service business
					2017 - 2018	<ul style="list-style-type: none"> Accounting Manager- Consolidated Financial Statements 	Carabao Tawandang Company Limited Energy Drink



In this regard, by 2023, the Company did not find any information on the history of penalties of directors, executives and persons with control authority in the past 5 years for committing offenses under the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546, only for offenses in the following matters :

(1) Acts in bad faith or with gross negligence

(2) Disclosure or dissemination of information or false statements that may cause misunderstandings or conceal facts that should have been disclosed in material matters, which may affect the decision of shareholders, investors or related persons

(3) Unfair acts or taking advantage of investors in securities or derivatives trading or has been involved in or supported such action

Responsibilities of the Corporate Secretary

The Corporate Secretary is responsible for preparing and keeping a register of directors, notices to the Board of Directors' meetings, minutes of the Board of Directors' meeting, annual reports, notices to the shareholders' meetings, and minutes of the shareholders' meetings, maintaining reports on conflicts of interest reported by directors and executives, and taking any other acts as prescribed under the announcements of the Capital Market Supervisory Board.



Attachment 2

Details on directors of subsidiaries

Positions of directors and controlling persons in the Company, its subsidiaries and related companies

Company / Director	Heng Leasing and Capital Public Company Limited	Related Company				Associated Company and Joint Venture	Subsidiary
		1	2	3	4		
Professor Dr. Surapon Nitikraipot	X						
Mr.Nutchdhawattana Silpavittayakul	/						
Assistant Professor Dr.Chaiwuth Tangsomchai	/						
Mr.Natthirutt Wanwimonphong	/						
Mrs.Sutharntip Phisitbuntoon	/, //						
Mr.Wichai Suphasathitkul	/, //, ///						
Mr.Somrit Puntharat	/, //				/		
Ms.Varita Laothamatas	/, //, ///	/	/	/			
Mr.Patpong Patong	/, //						
Mr.Bunthid Supasatitkul	/, //						
Mr. Parinya Supasatitkul	/, //						
Mr.Thanassorn Ratanasirisap	/, //						
Ms.Thapanattsamon Paisanteerakorn	//						
Ms.Chonchissa Ratanasirisap	//						
Mr.Punsongpol Paisanterakorn							

- Remarks :**
- 1) X = Chairman of the Board of Directors / = Director // = Executive Director /// = Executive
 - 2) Mr. [Somrit Puntharat] deceased.
 - 3) Related companies:
 1. Sansai Goodland Limited Liability Partnership
 2. Pokalai Company Limited
 3. Thai Tobacco Industries Company Limited
 4. LLK Thung Kula Company Limited
 - 4) Associated company and joint venture
 - None -
 - 5) Subsidiary
 - None -



Holding positions of executives in the Company, subsidiaries and related companies

Company / Director	Heng Leasing and Capital Public Company Limited	Related Company				Associated and Joint Venture	Subsidiary
		1	2	3	4		
Mr.Rapee Pruenglampoo	///						
Mr.Benjarong Kammanid	///						
Mr.Somchai Rattanakhamchoowong	///						
Mr.Suphot Phuthong	///						
Mr. Sompop Pundrikabha	///						
Ms. Natthanan Kittiphonsombun	///						
Dr. Theerawat Thawanratphokin	///						

Remark :

- 1) X = Chairman / = Director // = Executive Director /// = Executive
- 2) Related companies
- None -
- 3) Associates and Joint Ventures
- None -
- 4) Subsidiary
- None -



Attachment 3

Details on head of the internal audit and head of compliance

Head of Internal Audit

The Company has engaged KPMG Phoomchai Business Advisory Limited (“KPMG”) as an independent internal auditor (Outsource). Mr. Supachate Kunaluckkul acts as Head of Internal Audit. Profile of the Head of Internal Audit is as set out below.

First name - Last name / Position	Age (Years)	Education / Trainings	Share-holding in the Company (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Company	Type of Business
Mr.Supachate Kunaluckkul Partner	43	<ul style="list-style-type: none"> • Certified Internal Auditor (CIA) • Certified Information Systems Auditor (CISA) • Certification in Control Self-Assessment (CCSA) • ISO27001:2013 Lead Auditor • Certified Public Accountant • Master of Accounting, Thammasat University • Bachelor of Accounting, Srinakharinwirot University 	-	- None -	2015 - Present	Partner	KPMG Phoomchai Business Advisory Limited	Business advisory service
					2014 - 2015	Executive Vice President		
					2012 - 2014	Manager	KPMG China, Guangzhou Office	Auditing service
					2010 - 2012	Manager	KPMG Phoomchai Audit Limited	Auditing service
					2007 - 2009	Assistant Manager		
					2002 - 2006	Assistant Auditor		

Head of Compliance

The Company appointed Miss Natthanan Kittiphonsombun, Assistant Managing Director - Corporate Governance and Investor Relations Department, as Head of Compliance. Profile of the Head of Compliance is as set out under Attachment 1.



Attachment 4

Businesses Assets and Details on Asset Valuation

1. Business Assets

- None -

2. Details on Asset Valuation

- None -



Attachment 5



Corporate Policies and Code Of Conduct

The company discloses the full version of the Corporate Policies on the company's website, www.hengleasing.com, under the Investor relations headline, the Corporate Governance sub-headline, Company Policy and documents category section or scan the QR code.



Code Of Conduct

The Company discloses the full version of the Code of Conduct on the Company's website, www.hengleasing.com, under the Investor relations headline, the Corporate Governance sub-headline, Company Policy and documents category section or scan the QR code.



Charters Board and Subcommittee

The company discloses the full version of the Charters Board and Subcommittee on the company's website, www.hengleasing.com, under the Investor relations headline, the Corporate Governance sub-headline, Company Policy and documents category section or scan the QR code.



Attachment 6

Report on the performance of the Audit Committee for the year 2023

Heng Leasing and Capital Public Company Limited (the “Company”) has appointed the Audit Committee consisting of 3 independent directors who are experts with various experiences and have all the qualifications according to the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. The Audit Committee consists of :

- | | |
|---|---------------------------------|
| 1. Mr.Nutchdhawattana Silpavittayakul | Chairman of the Audit Committee |
| 2. Mr.Nutthirutt Wanwimonphong | Member of the Audit Committee |
| 3. Assistant Professor Dr. Chaiwuth Tangsomchai | Member of the Audit Committee |

Miss Natthanan Kittiphonsombun, Corporate Secretary/ Executive Vice President Head of Governance and Investor Relations acts as the secretary of the Audit Committee by the approval of the Audit Committee.

The Audit Committee has performed duties as assigned by the Board of Directors and according to the Charter of the Audit Committee, which is consistent with good corporate governance practices, to assist the Board of Directors in monitoring and overseeing the business to make the Company’s operations are carried out with transparency, honesty, fairness, and maximum benefit to shareholders and all stakeholders equally by reporting the result of performance and providing various recommendations to the Board of Directors on a regular basis.

In 2023, the Audit Committee held 5 meetings, with 3 members of the Audit Committee attending every meeting and the Audit Committee also had a meeting with the auditor, independent internal auditor and management. The important points of performing duties are as follows :

1. Review of the financial statements and report on reviewing financial information of the Company’s quarterly financial statements and the 2023 annual financial statements together with the auditor and management to ensure that the preparation of the Company’s financial statements, disclosure of information accompanying financial statements, adjustments to important accounting items that affect the financial statements, adequacy and appropriateness of accounting recording methods, scope of the audit was complete, sufficient, and reliable, with clarification from the auditor regarding accuracy, completeness, and independent acknowledgment of the auditor’s observations and recommendations to ensure that the preparation of financial statements is correct as it should be, in accordance with legal requirements and important matters according to financial reporting standards by disclosing information in the financial statements and notes to the financial statements in a complete and timely manner.

In addition, the Audit Committee held one meeting with the auditor without the participation of the management to consider the auditor’s recommendations regarding the internal control system including important issues from reviewing and auditing financial statements. The auditor informed that the auditor received good cooperation in performing the work.



2. Evaluation and review of the internal control system and supervision of compliance with laws related to the business together with the independent internal auditor of KPMG Phoomchai Business Advisory Company Limited to ensure that the Company's operations have a good and adequate internal control system in accordance with internal audit standards by considering the report of the internal control system review results of the internal auditor every quarter as well as continuously following up on corrective actions according to the internal control system review results report on material issues which covers the security of information technology systems, regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as other laws, regulations, and policies related to the Company's business operations. The management has clearly stated policy guidelines for complying with the law by establishing a Compliance Unit to ensure compliance with the law and regulations related to the Company's business operations. There are no events or operations that significantly conflict with the requirements of laws, regulations and requirements related to the Company's business operations.

In addition, the Audit Committee held one meeting of internal auditors without the participation of management to consider the internal auditors' recommendations on the internal control system including important points from the review. The internal auditor stated that the internal auditors received good cooperation in their work.

3. Review related party transactions, connected transactions, and transactions that may have conflicts of interest to ensure that they are reasonable and most beneficial to the Company's operations as well as overseeing the disclosure of information and compliance with the announcements of the Capital Market Supervisory Board and the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand by considering the information that it is a commercial transaction which is a normal, reasonable business, similar to what is done with insiders.

4. Review various risk assessment reports of the Risk Management Committee, which assesses risks covering internal and external factors, including opportunities that may have an impact, and prepares a risk assessment plan in order to prevent or reduce potential impacts to an acceptable level. In 2023, the Audit Committee reviewed the organization's risk assessment report and reported on the risk status monitoring results and report on the assessment of corruption risks.

5. Review compliance with anti-corruption measures by reviewing internal control measures, including supervising compliance with anti-corruption measures and setting guidelines to prevent corruption that may occur by providing a channel for complaints and reporting clues through the comment box (only at head office), website, email, postal mail and telephone of the Company.

6. Consideration of the appointment of auditors and determination of the audit fee for the year 2023 by considering the selection based on the auditor's performance in the past year according to the company's evaluation criteria for the auditor's qualifications and independence in performing quality work and work standards, the auditor has qualifications in accordance with the announcement of the Securities and Exchange Commission and has no relationship or interest with the company, executives, major shareholders or those related to such persons in any way by giving opinions to the Board of Directors for approval at the Annual General Meeting of shareholders. The Annual General Meeting of shareholders resolved to approve the appointment of following auditors :



Miss Somjai Khunapasut Certified Public Accountant No. 4499 and/or

Miss Wanwilai Phetsang Certified Public Accountant No. 5315 and/or

Miss Saranya Phlatsri Certified Public Accountant No. 6768

, the auditors of EY Office Limited and the determination of audit fee for the year 2023 of Baht 3,300,000.

7. Give opinions and reviews of investments in Vietnam by giving opinions and reviews of the company's investments to be accurate, complete and is suitable for investing in Vietnam according to the laws, regulations of Thailand and the laws and regulations of Vietnam.

8. Review the charter of the Audit Committee to ensure that it is appropriate and consistent with the duties and responsibilities of the Audit Committee and various related laws. The Audit Committee has performed its duties with care, independence and transparency for the best interests of the Company and its shareholders, carefully considering all stakeholders as well as evaluating the performance of the Audit Committee, both as a group and individually, at least once a year and report to the Board of Directors.

The Audit Committee concluded that the Board of Directors, the Executive Committee, and the Company's management are committed to performing their duties to achieve the set goals with quality. The Company places importance on transparent and verifiable operations, has an effective risk management system and efficient internal auditing, and has a sufficiently tight internal control system by using knowledge, ability, caution and providing opinions and suggestions independently for the benefit of the Company, shareholders and all groups of stakeholders.

Mr.Nutchdhawattana Silpavittayakul
Chairman of the Audit Committee



Report on the performance of the Nomination and Remuneration Committee for the year 2023

The Nomination and Remuneration Committee of Heng Leasing and Capital Public Company Limited was appointed by the Board of Directors to perform duties independently under the scope of duties and responsibilities specified under Charter of the Nomination and Remuneration Committee. This is in accordance with the requirements and guidelines of good corporate governance prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. At present, the Nomination and Remuneration Committee consists of 2 independent directors and 1 non-executive director as follows :

- | | |
|---------------------------------------|---|
| 1. Mr.Nutthirutt Wanwimonphong | Chairman of the Nomination and Remuneration Committee |
| 2. Mr.Nutchdhawattana Silpavittayakul | Member of the Nomination and Remuneration Committee |
| 3. Mr.Bunthid Supasatitkul | Member of the Nomination and Remuneration Committee |

Miss Sarinya Krissanakupata, Assistant Managing Director - Human Resources and Corporate Affairs Department, acts as Secretary of the Nomination and Remuneration Committee. There was a total of 5 meetings of the Nomination and Remuneration Committee. All members of the Nomination and Remuneration Committee attended all meetings. Report on performance of duties by the Nomination and Remuneration Committee, which had been presented to the Board of Directors, can be summarized with key issues as follows :

1. Nomination of persons to be selected as the Company's directors The Nomination and Remuneration Committee has considered criteria and procedures for nominating suitable qualified persons for the position of the Company's directors in accordance with the Company's business strategies. The committee uses the Board Skill Matrix for the selection process, considering various qualifications as appropriate including professional qualifications, skills, age, gender, race, religion, place of birth, experience, multi-disciplinary expertise and requisite capabilities, and performance as a director in the past. Directors without conflict of interest have considered suitability of persons to be proposed to the Board of Directors' meetings for consideration and appointment as the Company's directors in replace of the directors who are retired by rotation.

2. Determination of remuneration of the Company's directors and senior management The Nomination and Remuneration Committee has considered guidelines for determining remuneration of the Company's directors and senior management and methods and criteria for determining fair remuneration. The committee has also determined remuneration of senior management to be in accordance with their performance.



3. Consideration of criteria for evaluating the performance of the Board of Directors, sub-committee members, and the Chief Executive Officer, including the President, according to the Good Corporate Governance Principles for listed companies, based on the sample assessments form of the Stock Exchange of Thailand. It is a guideline to be presented to the Board of Directors for consideration and to present a report on the performance evaluation of the Board of Directors and sub-committees to the Board of Directors for acknowledgement

For the assessment of the performance of the Nomination and Remuneration Committee based on the self-assessment results of the Nomination and Remuneration Committee in 2023, it can be concluded that the Nomination and Remuneration Committee has performed its duties effectively and in accordance with the scope of duties and responsibilities as set out in the Charter.

4. Consideration of the opinion on the performance assessment of the Chief Executive Officer and the President, having considered the results of the performance assessment of the Chief Service Officer and the President, including recommendations for developing and improving the performance of the Chief Executive Officer and the President.

5. Consideration of reviewing the succession plan for senior executives to ensure that the Company has successors who are ready to take on important duties so that the business can operate efficiently and can maintain the competitiveness of the organization to grow sustainably (Sustain Business Growth), which is part of sustainable human resource management through a systematic and continuous development process.

6. Consideration and reviewing the Charter of the Nomination and Remuneration Committee has been made in the Nomination and Remuneration Committee's meeting No. 5/2023 and it has been reported to the Board of Directors to ensure that the Charter of the Nomination and Remuneration Committee is still appropriately effective and consistent with the current situation.

Mr. Nutthirutt Wanwimonphong

Chairman of the Nomination and Remuneration Committee



Report on the performance of the Corporate Governance and Sustainable Development Committee for the year 2023

The Corporate Governance and Sustainable Development Committee of Heng Leasing and Capital Public Company Limited consists of 4 members as follows :

- | | |
|--|--|
| 1. Professor Dr.Surapon Nitikraipot | Chairman of the Corporate Governance and Sustainable Development Committee |
| 2. Mr.Thanassorn Ratanasirisap | Member of the Corporate Governance and Sustainable Development Committee |
| 3. Miss.Thapanattsamon Paisanteerakorn | Member of the Corporate Governance and Sustainable Development Committee |
| 4. Miss.Varita Laothamatas | Member of the Corporate Governance and Sustainable Development Committee |

Miss.Natthanan Kittiphonsombun, Corporate Secretary / Executive Vice President Head of Governance and Investor Relations acts as the secretary of the Corporate Governance and Sustainable Development Committee.

In 2023, the Corporate Governance and Sustainable Development Committee held 2 meetings. All members of the Corporate Governance and Sustainable Development Committee attended every meeting and were able to summarize the essential points of their duties as follows :

1. Consideration and giving opinions on the operation of the Green Office project to be consistent with business operations according to ESG principles (Environment, Social, Governance). The Stock Exchange of Thailand has established the Sustainable Stock Criteria or THSI (currently renamed as SET ESG Rating), in which companies that can pass the assessment in all 3 dimensions will be classified as sustainable stocks that can attract the investment attention of group of investors of which it is the beginning of the Green Office project, which is the starting point for encouraging the Company's employees to be more aware of managing and taking care of the environment according to policy.

2. Consideration and approval of corporate governance and sustainable development goals so that the Company's corporate governance and sustainable development operations have clear goals, appropriate to the nature of the business, and in accordance with the framework of the sustainability assessment form of the Stock Exchange of Thailand. The short-term, medium-term, and long-term goals are fully defined and considered as operational goals, including :

- Summary set forth in the next page -



1. Environmental goals

No.	Topics	Goals of 2023	Goals of 2024	Goals of 2025 - 2030	Goals of 2031 - 2050
1	Fuel energy consumption goal	Fuel consumption <u>per number of branches</u> is not higher than the average of last year.	Fuel consumption <u>per number of branches</u> is not higher than the average of last year.	Fuel consumption <u>per number of branches</u> decreased more than the average of last year.	
2	Electricity consumption goals	Electricity use from other sources or electricity use <u>per number of branches</u> will decrease in the proportion of 1 percent from electricity use in 2022.	Electricity use from other sources or electricity use <u>per number of branches</u> will decrease in the proportion of 1 percent from electricity use in 2022.	Electricity use from other sources or electricity use <u>per number of branches</u> will decrease in the proportion of 3 percent.	
3	Use water from other sources or water use per number of branches will decrease by 1 percent from use in 2022.	Use water from other sources or water use <u>per number of branches</u> will decrease in the proportion of 1 percent from use in 2022.	Use water from other sources or water use <u>per number of branches</u> will decrease in the proportion of 1 percent from use in 2022.	Use water from other sources or water use per number of branches will decrease in the proportion of 3 percent.	
4	Garbage management, waste and/or pollution reduction, such as separating recyclable waste (Recycle) to reduce greenhouse gas emissions. <i>* Only the head office is measured.</i>	Sorting recyclable waste (Recycle) more than 1 times in 2022.	Sorting recycled waste (Recycle) not less than 5 percent of the total amount of waste within a year	Sorting recycled waste (Recycle) totaling not less than 50 percent of the total amount of waste.	Carbon neutrality in 2050
5	Greenhouse gas reduction goals covering scope no. 1 and scope no. 2	Decreased by 3.75 percent per number of branches compared to the previous year.	Decreased by 3.75 percent per number of branches compared to the previous year.	decreased by 30 percent per number of branches by 2030 from the base year.	
6	Greenhouse gas reduction goals covering scope no. 3	Decreased by 2.5 percent per number of branches compared to the previous year.	Decreased by 2.5 percent per number of branches compared to the previous year.	decreased by 20 percent per number of branches by 2030 from the base year.	



2. Social goals

Goals	Percent
Employee satisfaction percentage	85
Work accidents (Only accidents that occur within the company)	0
Percentage of average employee training hours in knowledge/skill groups that require employee potential development.	50
Customer Satisfaction Percentage	80

3. Compliance goals

Work operations that do not comply with laws, regulations and requirements will be zero.

3. Determination of important business issues for 2024 so that the Company can appropriately formulate strategies for corporate governance and sustainable development of the Company in 2024 and be able to respond to the needs of all groups of stakeholders, creating value for stakeholders continuously. The important issues for the year 2024 have been determined as follows:

- (1) Retaining employees and motivating potential employees
- (2) Development of quality products and services
- (3) Conducting business under ESG

4. Give opinions on the Company's corporate governance and sustainable development guidelines so that operators can carry out their work correctly and appropriately. The organization and stakeholders benefit from various operations that occur with full efficiency and encourage the company to store complete ESG information. This will lead to the disclosure of appropriate ESG information and provide base year data for calculating greenhouse gas emissions in the future as well as promoting the Company to adhere to conducting business in a transparent, verifiable manner, complying with relevant laws and regulations, and operating in accordance with the anti-corruption policy.

The Corporate Governance and Sustainable Development Committee remains committed to good corporate governance and promoting sustainable management. It will support the Company to be a financial service provider that has standards and can respond to the needs of customers in each locality according to the vision and mission of the Company that has been set for the goal of being an organization with good corporate governance and sustainability.

Professor Dr. Surapon Nitikraipot

Chairman of the Corporate Governance and Sustainable Development Committee



Report on the performance of the Risk Management Committee for the year 2023

The Risk Management Committee of Heng Leasing and Capital Public Company Limited consists of:

- | | |
|---|---|
| 1. Assistant Professor Dr. Chaiwuth Tangsomchai | Chairman of the Risk Management Committee |
| 2. Mr.Nutthirutt Wanwimonphong | Member of the Risk Management Committee |
| 3. Mr.Patpong Patong ⁽¹⁾ | Member of the Risk Management Committee |
| 4. Mrs.Sutharntip Phisitbuntoon ⁽²⁾ | Member of the Risk Management Committee |

Remark :

(1) He resigned from the Risk Management Committee on 8 August 2023

(2) She was appointed by the Board of Directors' meeting no. 4/2023 held on 8 August 2023 to assume the position of Risk Management Committee in place of Mr. Patpong Patong.

Mr.Benjarong Kammanid, Executive Vice President, Risk Management Department, serves as secretary of the Risk Management Committee.

The Risk Management Committee performs duties as assigned by the Board of Directors. The scope of duties and responsibilities is as set forth in the Risk Management Committee Charter and provides recommendations on approaches to risk management to suit business operations efficiently and in accordance with the strategic direction of operations and business plans as well as supporting and developing risk management at all levels throughout the organization continuously and efficiently according to standards. In 2023, the Risk Management Committee held a total of 4 meetings to ensure that risk management was adequate and appropriate and it has been continuously put into practice. The main points in performing duties can be summarized as follows:

1. Review of the annual enterprise risk assessment report

The Risk Management Committee has performed the duty of reviewing the one set of annual enterprise risk selection process for the year 2024 as the management has gathered risks from all parties to conduct risk assessments and risk rankings together along with setting criteria for evaluating risks, opportunities, and impacts that occur, including determining acceptable risk levels and deviations and measures to manage such risks to be at an acceptable level.

2. Review of corruption risk assessment reports

The Risk Management Committee has been responsible for reviewing corruption risk assessment reports in accordance with the guideline of Thailand's Private Sector Collective Action against Corruption (CAC) with government agencies that the Company has expressed its intention to participate in combating corruption including good corporate governance and considering appropriate methods to manage those risk factors until they are at an acceptable risk level.



3. Review of organizational risk monitoring results reports

The Risk Management Committee has reviewed the monitoring report 4 times and given opinions on measures to manage high-moderate risks to be at an acceptable level or reduce the chance of them occurring including monitoring control measures to ensure that the company has managed organizational risks in line with the strategic plans and operations of the Company.

4. Review and improvement of the risk measurement criteria and the enterprise risk assessment report for the year 2023.

The Risk Management Committee performed its duties 2 times to review and give opinions on improving the risk measurement criteria and the 2023 Enterprise Risk Assessment Report.

5. Review of corruption risk monitoring reports.

The Risk Management Committee reviewed and gave opinions on the corruption risk monitoring report for 4 times and acknowledged the operations of the Thailand's Private Sector Collective Action against Corruption (CAC) project.

6. Review of the Business Continuity Plan (BCP) manual for the year 2024

The Risk Management Committee reviewed the preparation of Business Continuity Management Guidelines (Business Continuity Plan: BCP) for the year 2024 before proposing it to the Board of Directors for implementing as a guideline in business continuity management in the event of an emergency, to support a crisis or disaster event for use in the recovery of the company's main business processes to ensure that the organization can operate continuously or have minimal impact from unexpected events and the Company completed test, improvement, and review of the plan as an important step because it is a process that the plan that has been prepared can actually be used.

7. Review of the Charter of the Risk Management Committee

The Risk Management Committee reviewed the suitability of the Risk Management Committee Charter to ensure that the contents of the Charter are consistent with the Company's risk management objectives and strategies. It also evaluated the performance of the Risk Management Committee's duties as a group and individual evaluation at least once a year and reported the result to the Board of Directors.

8. Acknowledgement of the Company's risk operations with the following topics :

8.1 the Risk Management Committee acknowledged 4 complaints in relation to corruption.

8.2 the Risk Management Committee acknowledged the results of testing the Business Continuity Plan (BCP) for the year 2023.

Dr. Chaiwuth Tangsomchai

Chairman of the Risk Management Committee



Report on the performance of Executive Committee for the year 2023

The Board of Directors had a resolution to appoint the Executive Committee with the objectives to supervise, manage and control the Company's operations and support the management's performance in operating the Company's business to be in accordance with the policies, plans, and business goals as determined by the Board of Directors. The Executive Committee also controls such operations to be in accordance with the laws on securities and exchange, any other relevant announcements, rules and regulations issued by the SEC and/or the Stock Exchange of Thailand related and good corporate governance principles for listed companies.

At present, the Executive Committee consists of 9 directors as follows:

1. Mr. Wichai	Suphasathitkul	Chairman of the Executive Committee
2. Mr. Patpong	Patong	Vice Chairman of the Executive Committee
3. Mr. Bunthid	Supasatitkul	Member of the Executive Committee
4. Mr. Parinya	Supasatitkul	Member of the Executive Committee
5. Mr. Thanassorn	Ratanasirisap	Member of the Executive Committee
6. Miss Thapanattsamon	Paisanteerakorn	Member of the Executive Committee
7. Miss Chonchissa	Ratanasirisap	Member of the Executive Committee
8. Mr. Punsongpol	Paisanterakorn	Member of the Executive Committee
9. Miss Varita	Laothamatas	Member of the Executive Committee

Miss Natthanan Kittiphonsombun acts as Secretary of the Executive Committee.

In the year 2023, the Executive Committee held a total of 22 meetings to consider and approve matters and propose approaches for solving problems and making suggestions.

1. Plan, formulate and present policies, directions, goals, business strategies to be in line with the economic and competitive market conditions for approval by the Board of Directors.

2. Formulate business plans, management structure, organizational structure, and the Company's authorizations for approval by the Board of Directors.

3. Control and monitor the Company's performance to be in accordance with the policies, goals, business plans and budgets and authorizations as approved by the Board of Directors.

4. Consider and approve operations that are normal business transactions of the Company according to the investment budget or the approved budget.

5. Consider and approve any amendment or change in work regulations, orders, requirements, and rules relating to operations, control, and management in every departments.

6. Consider and scrutinize the management's proposals and present goals, policies and business plans to the Board of Directors for approval.

7. Review the authorization matrix annually in order to propose to the Board of Directors for consideration.

8. Drive the Company towards operating under the principles of good corporate governance and adhere to the anti-corruption policy.

9. Perform any other duty as assigned by the Board of Directors.

The Executive Committee strongly believes in managing and supervising the Company's operations with care and responsibility, honesty, and in accordance with the laws and the principles of good corporate governance for stability and sustainability of the Company in the future.

Mr. Wichai Suphasathitkul
Chairman of the Executive Committee



Attachment 7

Responsibilities of the Board of Directors to the financial reports

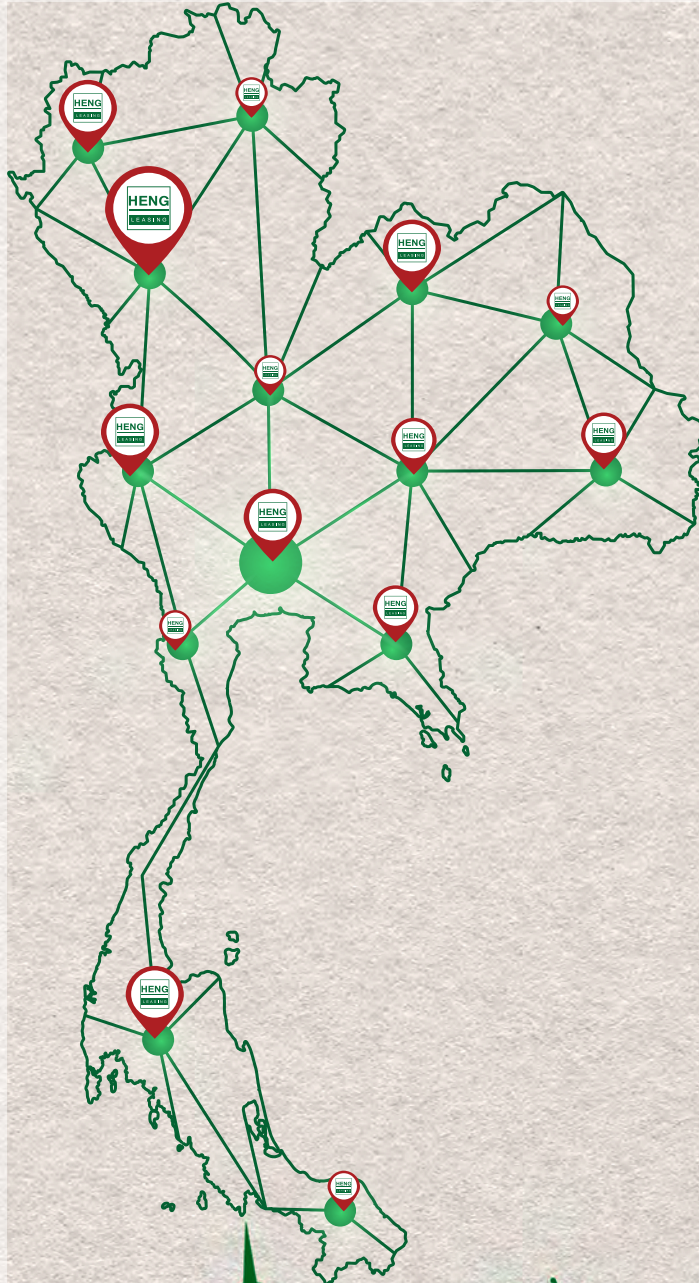
The Board of Directors is aware of its roles, duties and responsibilities as the Board of Directors of a listed company on the Stock Exchange of Thailand. The Board of Directors supervises and ensures that the Company's financial reports for the year 2022 are prepared in accordance with appropriate financial standards and accounting policies by disclosing important information that is accurate, complete and sufficient under notes to the financial statements. The financial statements have been audited and an unqualified opinion was given by EY Office Limited, a Certified Public Accountant. The Company has given supports to the auditor by providing necessary information and documents to enable the auditor to independently audit and express its opinion in accordance with the auditing standards.

In addition, the Board of Directors has arranged for ongoing risk management, internal control, internal audit and good corporate governance. And has appointed the Audit Committee, consisting of independent directors, is responsible for reviewing accuracy of the Company's financial and operating reports and reviewing connected transaction or transaction that may have conflict of interest to ensure that the transaction is reasonable to the Company and provide utmost benefits to the Company. The opinion of the Audit Committee on such transaction appears in Report of the Audit Committee, which is shown under the Company's annual report.

The Board of Directors is of the opinion that the Company's consolidated financial statements for the year ending on December 31, 2023 which have been reviewed by the Audit Committee together with the auditor and the management show accurate and complete financial positions, operating performance, and cash flows according to the financial reporting standards and comply with the applicable laws and regulations

Professor Dr. Surapon Nitikraipot
Chairman of The Board of Directors

Mr. Wichai Suphasathitkul
Chief Executive Officer



Heng Leasing

Heng Leasing and Capital Public Company Limited

69 Moo 7, San Sai Noi Sub-district, San Sai District, Chiangmai Province 50210

Investor Relations Tel : 1361 Press 9, 02-153-9587

www.hengleasing.com