

# MOVE ON TOGETHER

ก้าวต่อไป ก้าวไปด้วยกัน

## Vision

To be the leader in the loan services for commercial cars, vehicles, other assets and one-stop services that can satisfy customer's needs covering all provinces nationwide.

## Mission

### Mission to Shareholders

The Company will conduct business with transparency, efficiency and sustainable growth in order to continuously gain good performance and business result for shareholders.

### Mission to Employees

The Company will develop human resources to occupy capabilities, expertise, skills, professionalism while sustaining honesty and professional code of conduct. The Company will provide the proper remuneration to sustain the qualified employees with the Company.

### Mission to Trade Partners

The Company will create good relationship, confidence, fast services and fair return on business to trade partners for the efficient long-term business partnership.

### Mission to Customers

The Company will develop products and services to the excellence to meet targeted customer's needs and create highest customer satisfaction.

### Mission to Society

The Company will conduct business in accordance with good corporate governance with honesty and resistance to all forms of corruption in order to give back to society and to cooperate in the country's economy development.

### Mission to Environment

The Company will conduct business with responsibility to the resources and environment and involving in the conservation, rehabilitation and balance of the ecosystem.

## Core Values

- Customer Focus : We will give importance to customer's demand and will focus on providing services to the excellence.
- Collaboration : We will make it as a team work.
- Commitment : We will be committed to working to achieve the goal and being responsible for the result.
- Spirit : We will work with determination and dedication.
- Integrity : We will persist in honesty, transparency and anti-corruption.
- Professional : We will occupy knowledge, skills and capabilities sufficient to perform our duties.

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## Message from the Board of Directors

In 2021, the whole world has been affected by CORONA VIRUS 2019 pandemic which inevitably impacted the economic system and people's lifestyles and resulted in the New Normal lifestyles in both Thailand and world societies. However, there was a positive sign from the test of vaccine's effectiveness and safety, the relaxation of disease control measures and the economic stimulation through various government policies. The Company has closely monitored and assessed the situation in order to adjust itself to continue its operations under continuously changing economic conditions.

As for the business performance in 2021, the Company and its subsidiaries' net profits were 1,709.19 million Baht, decreasing from the previous year by 8.12%. The net hire purchase and financial lease receivables were 47,911.03 million Baht, increasing from the previous year by 2.49% due to the contracting and uncertain economic condition. The Company, thus, has carefully approved credit applications. Moreover, the Company has provided support to debtors affected from such economic situation through Debt Moratorium, Extension period for installment payment and Refinance as deemed appropriate to each debtor.

Moreover, the Company has the goal of being the leading business organization with sustainable achievement and thus gives importance to conduct business in accordance with the good Corporate Governance Principles by aiming to create business value to respond to the expectation of internal and external stakeholders of the organization along the Value Chain. As a result, the Company was selected to be in the "Thailand Sustainability Investment" list of the Stock Exchange of Thailand, reflecting the Company's commitment on its business responsibility for stakeholders.

In 2022, it is expected that the economy would recover because of the relaxation of disease control measures and the economic stimulation measures of the government. The Company still operates business concisely, taking into consideration the best interest of the Company and shareholders under the good corporate governance principles and effective risk management. The Company still gives importance to the participation of stakeholders in the business value chain, the financial services provided with responsibility and the promotion of opportunity to access to financial services to every group of users in the society.

On behalf of the Board of Directors, we would like to thank you all stakeholders groups and all shareholders for your trust and good support to Ratchthani Leasing Public Company Limited's business as always. I also appreciated all executives and every employee for your dedication in performing your duties at your fullest ability last year. Please believe that the committees, all executives and every employee will be committed to perform our duties with consciousness and responsibility in order to drive the Company's business to further achieve the success and continuous and sustainable growth.



(Mr. Virat Chinrapinporn)

Chairman

## Report of the Executive Committee

The Board of Directors appointed the Executive Committee, which consists of 4 members as follows Mr.Kovit Rongwattanasophon as the Chairman of the Executive Committee, Mr.Virat Chinprapinporn, Mr.Somjate Moosirilert and Mr.Kamtorn Tantisirivat as Member of the Executive Committee.

In 2021, the Executive Committee held 12 meetings (average of 97.92% of the directors attended) to consider, execute and manage the important issues of the Company to ensure the compliance with the Company's objectives, regulations, resolution of shareholder meetings and resolution approved by the Board of Directors, under the legal and regulation requirement of the official agencies and the related regulatory agencies. Those issues were considered, examined and screened before being proposed to the Board of Directors as follow:

- Defined the annual strategies and operational plans of the Company and subsidiaries for the year, and communicated to the executives and employees of the organization for further practices. Monitored the result and adjusted the strategies to suite the situation and to be in compliance with the preset objectives.
- Examined and followed up on the performance of the Company and subsidiaries every month to ensure the achievement of the plans and as assigned by the Board of Directors.
- Approved the risk management guidelines, scope of decision making authority and the business continuity management of the Company.
- Considered the direction to define the employee's remuneration.
- Performed other duties as assigned from the Board of Directors and reported to the Board of Directors for acknowledgement or further consideration.

The Coronavirus Disease 2019 (COVID-19) pandemic, which still affected the economic and business operations, the Executive Committee has closely monitored and assessed the situation to adjust itself to be able to operate under the changing economic condition continuously. The Executive Committee has carefully performed the duties to achieve the Company's short-term, medium-term, and long-term business goals, under the law, rules, and related regulations, and in accordance with the good corporate governance, to ensure the Company's stable and sustainable growth.



(Mr. Kovit Rongwattanasophon)  
Chairman of the Executive Committee



## Report of the Risk Management Committee

The Board of Directors appointed and assigned the Executive Board to act as the Risk Management Committee, as another role, which consists of 4 members as follows Mr.Kovit Rongwattanasophon as the Chairman of the Risk Management Committee, Mr.Virat Chinprapinporn, Mr.Somjate Moosirilert and Mr.Kamtorn Tantisirivat as Member of the Risk Management Committee. In 2021, the Risk Management Committee held 12 meetings (average of 97.92% of the directors attended) summarizing the performance of risk management as follows:

1. Strategic Risk Management managed the overview of risk management to be in accordance with the Risk Management Policy and the Company's business operation plan by assessing the internal and external factors of the organization, which could have significantly effect on the Company's business operation, via the Strategic Risk Index.


2. Credit Risk Management monitored the debt repayment behavior of debtors and the allowance for expected credit losses through various platforms of data report, especially for the debtor group who was economically affected by COVID-19 pandemic. The Company has been providing support to this debtor group via various measures to prevent such debtor group to become the non-performing debtors in the future.

3. Market Risk Management considered the short-term and long-term interest rate management plans to be in line with the trend of money market condition, capital market, economic factors, and the Company's business operations in order to manage risks from the interest rate fluctuation which could have effect on the Company's net interest income.

4. Liquidity Risk Management considered the financing plan, the financial structure management, the cash inflow and cash outflow management in short term and long term, including the provision of reserve credit lines for liquidity risk management by taking the costs and financial stability into account as key important factors.

5. Operational Risk Management monitored the business continuity management and the pandemic situation management, including the consideration of Operational Loss Data Report to analyze causes, impacts and measures to prevent the potential situation in the future.

The Coronavirus Disease 2019 (COVID-19) pandemic had impact on overall economy of the country and Company's business conduct. The Risk Management Committee, thus, kept closely monitoring and updating with the economic situation and managed risks in all dimensions so that the Company shall be able to conduct business properly and efficiently and be able to achieve its goals under such circumstances with stability and continuous growth.



(Mr. Kovit Rongwattanasophon)

Chairman of the Risk Management Committee

## Report of the Nomination and Remuneration Committee

The Board of Directors has appointed the Nomination and Remuneration Committee comprising of 3 Directors as follows:

1. Mr. Suvit Arunanondchai (Independent Director) as Chairman of the Committee
2. Mr. Varavudh Varaporn (Independent Director) as Member of the Committee
3. Mr. Somjate Moosirilert (Non-executive Director) as Member of the Committee

The Nomination and Remuneration Committee has performed their duties fully and carefully under the policy and charter of the Nomination and Remuneration Committee which were considered and approved by the Board of Directors.

In 2021, the Nomination and Remuneration Committee held 2 meetings (average of 100% of the directors attended) to consider the nomination and remuneration issues to propose to the Board of Directors for approval as summarized below:

- Consider and nominate the qualified persons for the Company Director positions according to the nomination criteria and process which the consideration on the knowledge and experience that in accordance with the company's strategies and goals are not inconsistent with the law and the transparency regulation.
- Assured that the Company's Directors, members of sub-committees and the Chief Executive Officer and Managing Director received remuneration appropriate for their duties and responsibilities and in accordance with their performance.
- Determined the performance evaluation criteria for the Managing Director in order to consider the annual remuneration package.
- Reviewed the remuneration package and other benefits for the Company's Directors, members of sub-committees and the Chief Executive Officer and Managing Director to be appropriate for their duties and responsibilities and in accordance with the market condition.
- Review the policy and charter of the Remuneration and Nomination Committee (Board Skill Matrix), including their responsibility, to be appropriate with the current situation and be in accordance with the good corporate governance. And reporting Board Skill Matrix results to the Board of Directors.

In summary, the Nomination and Remuneration Committee has performed such above duties and responsibilities as assigned by the Board of Directors and viewed that in 2021 the Company's Directors, members of sub-committees and the Chief Executive Officer and Managing Director were knowledgeable and capable persons. The remuneration and other benefits shown in the Annual Report were considered suitable for their duties and responsibilities in accordance with the economic condition and overall performance of the Company.



(Mr. Suvit Arunanondchai)

Chairman of the Nomination and Remuneration Committee

## Report of the Corporate Governance Committee

The Board of Directors gives importance to conducting business based on good corporate governance, taking into consideration all stakeholders, and therefore sees as appropriate for the whole board of directors to perform the duty of the Corporate Governance Committee. The Board of Directors meeting specified that the good corporate governance issue was included in the meeting agenda. Six Corporate Governance Committee meetings were held in 2021. The number of director attendance to the meeting was on average of 100%. The corporate governance's duties are summarized as follows:

1. Consider and review the corporate governance policy and the Company's code of conduct manual to be in accordance with and appropriate to the Company's business operation and changing the environment by compliance with the Corporate Governance Code of the Securities and Exchange Commission and including other agencies relevant to corporate governance.

2. Considered and reviewed the Information Disclosure and Use of Inside Information Policy with the realization that the Company was listed in the Stock Exchange of Thailand. Some internal information could have effect on prices or values of the Company's securities. The guidelines for the information disclosure and use of inside information policy, thus, were reviewed as appropriate in order to assure that shareholders, investors, and relevant stakeholder were able to access to the Company's news and information fairly and equitably and such guidelines were also in accordance with the related laws and regulations.

3. Considered and set the Human Rights Policy which reflected the Company's key principles that provided fair and equitable treatment to all stakeholders and no discrimination on the reasons of similarity or any discrepancies. The Company realized that conducting business with responsibilities for all stakeholders along the value chain and the human rights respect was one of the Company's significant responsibilities that would lead to the sustainable increase in business values

4. Arrange the results of the knowledge and understanding test for the compliance with good corporate governance principles and anti-corruption of executives and employees of the Company and subsidiaries. From the evaluation result, It was found that employees' score of knowledge and understanding of practicing in compliance with good corporate governance principles and anti-corruption was 95.24% which was higher than defined target.

5. Arrange the performance evaluation of the board and sub-committees, including self-evaluation and cross-evaluation for individual director, to review performances, problems and obstacles, during the previous year and to improve the board and sub-committees' performance to be more efficient by referring to the evaluation criteria published by the Stock Exchange of Thailand (SET)

With the intention to conduct business under the good corporate governance, the Company, as a result, received "excellent" score for the fourth consecutive year in the assessment from the Corporate Governance Report of Thai Listed Company (CGR) 2021 conducted by the Thai Institute of Directors Association and was selected to be the company with outstanding performance in Environmental, Social and Governance (ESG) from Thaipat Institute, ESG 100 for the year 2021 for the seventh consecutive year. This reflected the Company's intention to conduct business in accordance with the corporate governance in order to drive the business towards sustainability.



(Mr. Virat Chinprapinporn)

Chairman of Corporate Governance Committee



## Financial Summary

Balance Sheet	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
<b><u>Current assets</u></b>						
Cash and bank deposit	476.22	0.97	1,043.79	2.15	429.13	0.84
Hire-purchase account receivable due within 1 year, Net	17,985.28	36.54	17,724.12	36.53	17,696.27	34.78
Financial lease- account receivable due within 1 year, Net	218.53	0.44	237.82	0.49	215.62	0.43
Other debtors	81.27	0.17	75.59	0.15	67.49	0.13
Foreclosed assets, Net	98.32	0.20	67.31	0.14	156.18	0.31
Other current assets	100.63	0.20	61.27	0.13	46.00	0.09
<b><u>Non-current assets</u></b>						
Restricted bank deposits	2.00	0.00	2.00	0.00	2.00	0.00
Hire-purchase account receivable due more than 1 year, Net	29,386.22	59.70	28,334.30	58.40	31,352.60	61.62
Financial lease- account receivable on due more than 1 year, Net	321.01	0.65	451.72	0.93	444.13	0.87
Long-term investment, Net	0.00	0.00	0.00	0.00	0.21	0.00
Other non-current financial assets	0.00	0.00	0.19	0.00	0.00	0.00
Properties for investment	19.33	0.04	19.33	0.04	19.33	0.04
Property, plant and equipment, Net	66.99	0.14	80.19	0.17	95.28	0.19
Right-of-use assets, Net	12.82	0.03	20.39	0.04	0.00	0.00
Intangible assets	31.80	0.06	22.98	0.05	16.84	0.03
Deferred tax asset, Net	421.59	0.86	375.56	0.78	338.37	0.67
Other non-current assets	1.45	0.00	1.45	0.00	1.48	0.00
<b>Total assets</b>	<b>49,223.46</b>	<b>100.00</b>	<b>48,518.01</b>	<b>100.00</b>	<b>50,880.93</b>	<b>100.00</b>

Balance Sheet	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Liabilities</b>						
<b><u>Current liabilities</u></b>						
Overdraft	0.00	0.00	0.00	0.00	0.00	0.00
Short-term loan	9,402.67	19.10	5,371.89	11.07	14,904.57	29.29
Long-term loan due within 1 year	2,584.88	5.25	0.00	0.00	50.00	0.10
Portion of debentures due within 1 year	5,808.78	11.80	5,619.34	11.58	14,130.92	27.77
Other creditors	472.15	0.96	481.88	0.99	506.56	1.00
Hire-purchase creditor due within 1 year	0.00	0.00	0.00	0.00	3.83	0.01
Current portion of lease liabilities within 1 year	5.43	0.01	8.52	0.02	0.00	0.00
Accrued corporate income tax	244.37	0.50	250.89	0.52	255.91	0.50
Other current liabilities	259.87	0.53	225.02	0.46	207.24	0.40
<b><u>Non-current liabilities</u></b>						
Hire-purchase creditor	0.00	0.00	0.00	0.00	4.59	0.01
Lease liabilities - net of current portion within 1 year	6.81	0.01	11.22	0.02	0.00	0.00
Long-term loan	2,044.76	4.15	7,589.98	15.64	600.91	1.18
Debenture	16,794.34	34.12	18,098.73	37.30	12,496.33	24.56
Forecasted liabilities- reserve for long-term staff benefit	32.83	0.07	41.86	0.09	49.05	0.10
<b>Total liabilities</b>	<b>37,656.89</b>	<b>76.50</b>	<b>37,699.32</b>	<b>77.70</b>	<b>43,209.91</b>	<b>84.92</b>
<b>Shareholders' equity</b>						
Issued and paid-up capital	5,663.03	11.51	5,663.03	11.67	3,775.35	7.42
Capital surplus	319.89	0.65	319.89	0.66	319.89	0.63
<b><u>Appropriated retained earnings</u></b>						
Legal reserve	557.50	1.13	471.00	0.97	378.00	0.74
Retained earnings for treasury stocks	5,026.14	10.21	4,364.76	8.99	3,197.78	6.29
Less Treasury stocks	0.01	0.00	0.01	0.00	0.009	0.00
<b>Total shareholders' equity</b>	<b>11,566.57</b>	<b>23.50</b>	<b>10,818.69</b>	<b>22.30</b>	<b>7,671.02</b>	<b>15.08</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>49,223.46</b>	<b>100.00</b>	<b>48,518.01</b>	<b>100.00</b>	<b>50,880.93</b>	<b>100.00</b>

Income Statement	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Income and expenses</b>						
Interest income from hire purchase	3,384.91	80.09	3,466.92	81.33	3,498.13	82.54
Interest income from financial lease	45.33	1.07	48.82	1.14	40.52	0.96
Income from fee and services	379.54	8.98	316.17	7.42	328.16	7.74
Other incomes	416.71	9.86	430.82	10.11	371.34	8.76
<b>Total incomes</b>	<b>4,226.49</b>	<b>100.00</b>	<b>4,262.73</b>	<b>100.00</b>	<b>4,238.15</b>	<b>100.00</b>
Financial cost	913.21	21.61	1,063.47	24.95	1,011.35	23.86
Selling and administrative expense	584.62	13.83	537.61	12.61	570.03	13.45
Expected Credit Loss	585.90	13.86	337.91	7.93	0.00	0.00
Bad debt and Doubtful account	0.00	0.00	0.00	0.00	193.53	4.57
Corporate income tax	433.57	10.26	463.53	10.87	499.67	11.79
<b>Total expenses</b>	<b>2,517.30</b>	<b>59.56</b>	<b>2,402.52</b>	<b>56.36</b>	<b>2,274.58</b>	<b>53.67</b>
<b>Net profit</b>	<b>1,709.19</b>	<b>40.44</b>	<b>1,860.21</b>	<b>43.64</b>	<b>1,963.57</b>	<b>46.33</b>

## Major Financial Ratio Reflecting Financial Status and Operating Performance

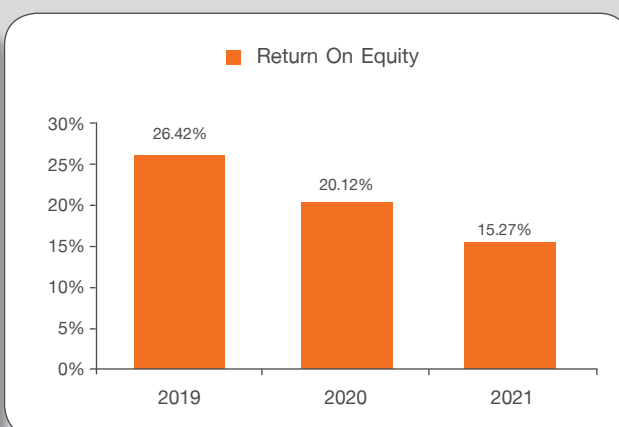
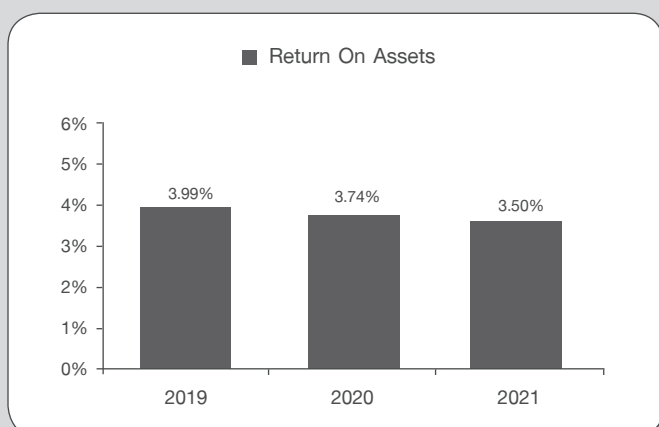
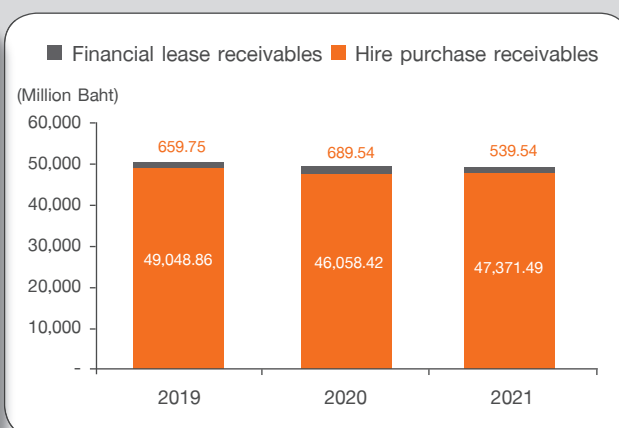
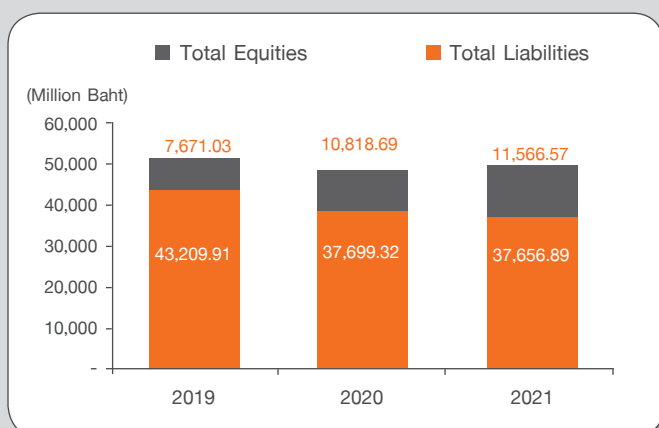
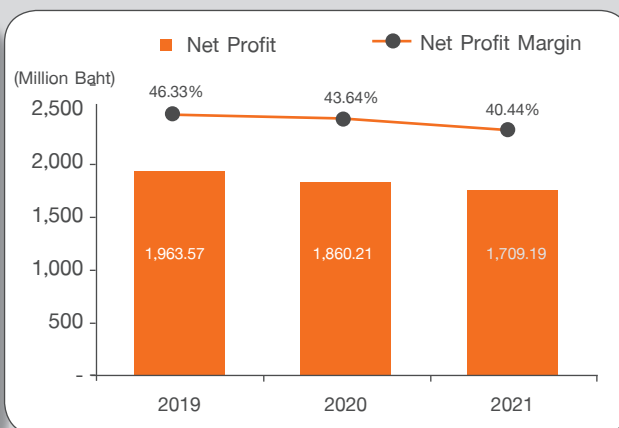
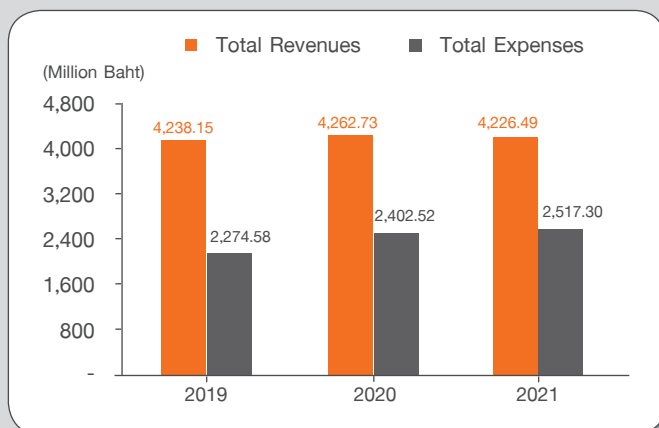
Ratio	2021	2020	2019
<b><u>Liquidity Ratio</u></b>			
Liquidity Ratio (Time)	1.01	1.61	0.62
Quick Ratio (Time)	1.00	1.59	0.61
<b><u>Profitability Ratio</u></b>			
Net profit margin (%)	40.44	43.64	46.33
Net profit to net interest (%)	67.91	75.86	77.69
Interest rate received (%)	7.15	7.04	7.04
Interest rate paid (%)	2.49	2.70	2.48
Interest rate gap (%)	4.66	4.34	4.56
Return on equity (%)	15.27	20.12	26.42
<b><u>Efficiency Ratio</u></b>			
Return on assets (%)	3.50	3.74	3.99
Total assets turnover (Time)	0.09	0.09	0.09
<b><u>Financial Ratio</u></b>			
Interest coverage ratio* (Time)	3.35	3.19	3.44
Debt to equity ratio (Time)	3.26	3.48	5.63
Debt to equity ratio** (Time)	3.21	3.44	5.57
Lending to loan ratio (Time)	1.31	1.31	1.23
Dividend payout ratio (%)	56.33***	51.74	61.53
<b><u>Share Information</u></b>			
Book value per share (Baht)	2.04	1.91	2.03
Basic earnings per share (Baht)	0.30	0.40	0.52

Note : (\*) Interest coverage ratio calculated from earnings before interest expense and tax expense / interest expense

(\*\*) Debt to equity ratio calculated under the same conditions in “The right and obligations of bond issuer which to maintain the Net Debt to Equity Ratio not over than 10:1 time at the end of quarterly or year ended date (The Net Debt is not including trade account payables).

(\*\*\*) Such rights of the Company are uncertain, will need the approval from the 2022 Annual General Meeting of Shareholders.

## Financial Information Highlight



## BOARD OF DIRECTORS



**Mr. Virat Chinrapinporn**  
Chairman, Executive Committee  
Risk Management Committee  
Authorized Director



**Mr. Thakol  
Nunthirapakorn, Ph.D.**  
Independent Director  
Chairman of Audit Committee



**Mr. Suvit Arunanondchai**  
Independent Director  
Audit Committee  
Chairman of Nomination &  
Remuneration Committee



**Mr. Varavudh Varaporn**  
Independent Director  
Audit Committee  
Nomination & Remuneration  
Committee



**Mrs. Naree  
Boontherawara, Ph.D.**  
Independent Director  
Audit Committee



**Mr. Surapon  
Satimanont**  
Independent Director  
Audit Committee

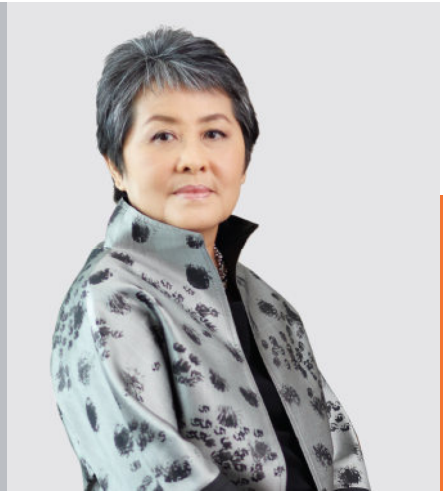




**Mr. Kovit  
Rongwattanasophon**  
Director, Managing Director  
Chairman of the Executive  
Committee, Chairman of the  
Risk Management  
Committee, Authorized  
Director



**Mr. Somjate Moosirilert**  
Director, Executive Committee  
Risk Management Committee  
Nomination & Remuneration  
Committee, Authorized Director



**Ms. Suvarnapha  
Suvarnaprathip**  
Director  
Authorized Director



**Mr. Charoensook  
Kititti**  
Director  
Authorized Director



**Mr. Kamtorn  
Tantisirivat**  
Director, Executive  
Committee  
Risk Management  
Committee  
Authorized Director



**Mr. Sorasak  
Chayarak**  
Director  
Authorized Director

## Policy and Overall Business Operation

Ratchthani Leasing Public Company Limited operates loan service business in hire purchase and finance leasing for commercial cars, vehicles, other assets and one-stop services. In 2021, the main target group of the Company was the commercial cars, both new and used cars. Currently, the commercial car segment was accounted for 65% while other car and assets segment was accounted for 35% of total loans. However, the Company conducts business with a credit policy which mainly considers the return on loans. To maintain the spread of interest to meet the goals set.

## Significant Changes and Development

### Background

Ratchthani Leasing Public Company Limited was established on 2 June 1988 under the original name of “Ratchthani Leasing Co., Ltd.”, with an initial capital of 6 Million Baht. The initial business aimed at the hire purchase loan services for second hand automobiles, both to individual retail customers and to second hand car dealers (Floor plan). Since its establishment, the Company has been increasing its registered capital for the business expansion. Its registered capital was raised to 36 Million Baht in the first year and to 56 Million Baht and 168 Million Baht in 1992 and 1995 respectively.

At present, the Company conducts business of vehicle hire purchase loans and financing, focuses on providing loan services to the vehicle market of which the Company has expertise, that is, new and old commercial vehicle market, such as pickup, taxi, tractor, truck, etc., including old passenger car market. In addition to the above services, the Company also provides after-sales service relating to the main business, such as annual car registration renewal service, coordination of car insurance renewal service, and vehicle condition inspection before paying annual tax service, etc. This is to provide convenience to customers and to increase incomes for the Company. It is beneficial for both parties in terms of asset protection for customers and damage prevention for the Company.

### Significant development in the past

#### **Business Operations**

- 2002** The Company was registered as the public company and changed its name to “Ratchthani Leasing Public Company Limited” in August 2002 and was approved to be the listed company on the Stock Exchange of Thailand (SET) on 19 December 2002.
- 2003** The Company had the better information technology development which helped customers communicate to the Company on website and get significant fundamental information, important news, such as reference price of second hand cars. The Company also provided the partial payment service and other fees payment service with the Bar Code system and ATM system. All services were to provide more convenience to customers. During this year, the Company received the “BBB” credit rating from Tris Rating Co., Ltd.

- 2004      The Company applied for membership of National Credit Bureau to obtain customer's information and use it for considering credit approval and blocking hirers who are not capable to pay back to the Company's leases.
- 2006      The Company opened a new hire-purchase service center in Wongwaen-Kanchanaphisek area, Bangkok to meet retail customer's demand in credit and hire-purchase refinancing for automobiles.
- 2007      The Company had policy to develop Management Information System to support the market expansion to regional offices across the country.
- 2008      The Company expanded 5 branches in other regions: Nakorn Ratchasima, Khonkaen, Rayong, Pitsanulok and Ratchaburi. However, Ratchaburi branch was closed later. The company started leasing services for corporate customers, target customers were the second hand cars of higher than 1 Million Baht value.
- 2010      The Company opened a new branch in the South is Surat Thani branch.
- 2011      The Company opened a new branch in the North is Chiangrai branch.
- 2012      The Company's credit rating was upgraded by Tris Rating Co., Ltd., from "BBB" to "BBB+", "Stable" outlook.
- 2013      The Company opened a new branch in the North-East is Ubon Ratchathani branch.
- 2014      The Company expanded 3 branches in other regions: Udorn Thani branch, Had Yai branch in Songkhla province, Nakorn Sawan branch.
- 2016      The Company's credit rating was upgraded by Tris Rating Co., Ltd., from "BBB+" to "A-", "Stable" outlook.
- 2018      Bank of Thailand allows the Company to establish RTN Insurances Brokers Co., Ltd, as Thanachart Financial Business Group. By conducts non-life insurance, life insurance, and related business. RTN Insurances Brokers Co., Ltd. were established on 6 November 2018 with a capital of 2 Million Baht and raised to 4 Million Baht allocated for 40,000 shares at the par value of 100 Baht/share. The Company invested in RTN accounting for 100% of total paid-up capital (including direct and indirect shareholding.)

#### Capital

- 2002      The Company raised funds to support business expansion. By issuing and offering new ordinary shares in amount of 40 Million Baht to the existing shareholders of the company, the Company's registered capital increased from 168 Million Baht to 208 Million Baht. The Extra Ordinary General Meeting of Shareholders no. 3/2002 on 28 July 2002 had a resolution that the Company changed its status to Public Company Limited and changed its name to "Ratchthani Leasing Public Company Limited." The resolution also had the Company's

registered capital increased from 208 Million Baht to 300 Million Baht by issuing 18,400,000 new common shares with the par value of 5.00 Baht/share. New common shares were allocated to general public for 16,800,000 shares at the par value of 8.00 Baht/share and to the Company's employees for 1,600,000 shares at the par value of 6.40 Baht/share.

**2003** The Company issued and offered warrants to purchase ordinary shares to existing shareholders for 200 million units at the exercise ratio of 1 unit per 1 new share at the exercise price of 1.00 Baht per share. After the offering of such warrants, the Company's registered capital increased from 300 million Baht to 500 million Baht.

**2005** The Company issued and offered new ordinary shares and warrants to purchase ordinary shares of the Company in total of 486 million shares at the par value of 1.00 Baht per share to offer to existing shareholders, private placement, and institutional investors, resulting in the increase in registered capital from 500 million Baht to the new registered capital of 986 million Baht.

**2006** Siam City Bank (Public) Company Limited entered to purchase 265,000,000 shares of the Company by paying 304,750,000 Baht for shares. As a result, the Siam City Bank (Public) Company Limited became the major shareholder of the Company and appointed 4 representatives to be company directors after the acquisition of such securities.

**2010** After Thanachart Bank Public Company Limited purchased Siam City Bank Public Company Limited's common shares from Financial Institutions Development Fund, Thanachart Bank Public Company Limited became the Company's major shareholder, replacing Siam City Bank Public Company Limited.

**2011** The Annual General Meeting of Shareholders held in April, 2011 had a resolution for the Company to increase its registered capital from 822,593,906 Baht to 904,853,296 Baht by issuing 82,259,390 ordinary shares at the par value of 1.00 Baht per share to support the payment of dividends into ordinary shares of the company. After such dividend payment, the Company's paid-up registered capital was 904,853,296 Baht.

Later in November, the Extraordinary General Meeting of Shareholders no. 1/2011 had a resolution for the Company to issue and offer new ordinary shares to existing shareholders by increasing registered capital from 904,853,296 Baht to 1,342,349,708 Baht. After such rights offering for capital increase, Thanachart Bank (Public) Company Limited became the major shareholder of the Company, holding 874,973,000 shares which was accounted for 65.18% of paid-up capital.

**2013** The 2013 Annual General Meeting Shareholders held on 2 April 2013 had a resolution to increase the registered capital of the Company from 1,342,349,708 Baht to 1,610,819,649 Baht by issuing 268,469,941 common shares at par value of 1.00 Baht/share in order to certify the Company's dividend payment as common shares. After such dividend payment, the

Company's paid-up registered capital was 1,610,819,597 Baht.

**2014** The 2014 Annual General Meeting Shareholders held on 2 April 2014 had a resolution to increase the registered capital of the Company from 1,610,819,597 Baht to 2,013,524,496 Baht by issuing 402,704,899 common shares at par value of 1.00 Baht/share in order to certify the Company's dividend payment as common shares. After such dividend payment, the Company's paid-up registered capital was 2,013,522,778 Baht.

**2015** The 2015 Annual General Meeting Shareholders held on 8 April 2015 had a resolution to increase the registered capital of the Company from 2,013,522,778 Baht to 2,416,227,333 Baht by issuing 402,704,555 common shares at par value of 1.00 Baht/share in order to certify the Company's dividend payment as common shares. After such dividend payment, the Company's paid-up registered capital was 2,416,227,209 Baht.

**2018** The 2018 Annual General Meeting Shareholders held on 3 April 2018 had a resolution to increase the registered capital of the Company from 2,416,227,209 Baht to 3,020,284,011 Baht by issuing 604,056,802 common shares at par value of 1.00 Baht/share in order to certify the Company's dividend payment as common shares. After such dividend payment, the Company's paid-up registered capital was 3,020,283,681 Baht.

**2019** The 2019 Annual General Meeting Shareholders held on 2 April 2019 had a resolution to increase the registered capital of the Company from 3,020,283,681 Baht to 3,775,354,601 Baht by issuing 755,070,920 common shares at par value of 1.00 Baht/share in order to certify the Company's dividend payment as common shares. After such dividend payment, the Company's paid-up registered capital was 3,775,353,450 Baht.

In December, after the business restructuring of Thanachart Bank (Public) Limited, Thanachart Group became the major shareholder of the Company by holding 2,094,329,833 shares of SPV1 Company Limited, accounted for 55.47% of paid-up capital.

**2020** The 2020 Annual General Meeting of Shareholders held on 10 July 2020 had a resolution to increase the registered capital of the Company from 3,775,353,450 Baht to 5,663,030,175 Baht by issuing 1,887,676,725 ordinary shares at the par value of 1.00 Baht/share for the rights offering. After that, the Company's paid-up registered capital was 5,663,028,199 Baht.

#### **Key Events in the past period**

**2014** The Company announced of intent and was certified for membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), together with Thanachart Group.

**2015** The Company was evaluated by the Anti-Corruption Progress Indicator and got "Grade 4 - Certified" from Thaipat Institute, supported by the Office of the Securities and Exchange Commission. This showed that the Company's Anti-Corruption process was complete and sufficient, examined by the Audit Committee and certified by CAC.

- 2016** The Company was evaluated by the Anti-Corruption Progress Indicator and got “Grade 5 – Extended” from Thaipat Institute, supported by the Office of the Securities and Exchange Commission. This showed that the Company’s policy also pushed its business partners, consultants, middlemen or business representatives to have policy and practice of anti-corruption.
- The Company received **the Best Company Performance Award 2016** and was considered to be a candidate for the Further Best Company Performance Award in “SET Award 2016” organized by SET and Money and Banking Magazine.
- 2017** The Company was selected to be an index of **MSCI Global Small Cap** by Morgan Stanley Capital International, the benchmark that institutional investors which invest in all regions over the world use as the return on investment indication standard.
- The Company received re-certification for membership of Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC), together with Thanachart Group.
- 2020**
- September The Company received re-certification for membership of Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC), together with Thanachart Group.
- 2021**
- May The Company was selected for the outstanding performance in the Environmental, Social and Governance: ESG by Thaipat Institute and was in the Universe of ESG 100 Securities Group in 2021 for the seventh consecutive year.
- November The Company received the assessment “Excellent” score for the fourth consecutive year from the Corporate Governance Report of Thai Listed Company: CGR for the year 2021 held by the Thai Institute of Directors.



## Nature of Business Operation

### Income Structure

The income structure of the Company according to the financial statements for the year ended 31 December 2019, 2020 and 2021 is shown as follows:

Income	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Income from hire-purchase account receivables						
- Personal cars	1,011.71	23.94	1,012.18	23.74	946.05	22.32
- Commercial car	2,373.21	56.15	2,454.75	57.59	2,552.08	60.22
Total income from hire-purchase account receivables	3,384.92	80.09	3,466.93	81.33	3,498.13	82.54
2. Income from financial lease account receivables	45.33	1.08	48.82	1.15	40.52	0.96
3. Other income						
- Fee and service charge	201.91	4.78	161.94	3.80	175.33	4.14
- Loan default penalty	165.22	3.91	159.12	3.73	133.78	3.16
- Bad debts recovered	90.63	2.14	37.62	0.88	28.86	0.68
- Commission on insurance Premium	177.63	4.20	154.23	3.62	152.83	3.60
- Other income*	160.85	3.80	234.07	5.49	208.70	4.92
Total other income	796.24	18.83	746.98	17.52	699.50	16.50
<b>Total income</b>	<b>4,226.49</b>	<b>100.00</b>	<b>4,262.73</b>	<b>100.00</b>	<b>4,238.15</b>	<b>100.00</b>

Note : (\*) Most of other income came from compensation from debtors, miscellaneous income, interest receivable from banks and dividend.

### Nature of Products and Services

The Company has operated business on hire-purchase and financial lease for cars. The Company has emphasized on vehicle market segments on which it has expertise, such as new and used commercial cars, such as pickup vehicle, taxi, trailer, and truck, etc., and used personal cars (second hand cars). On 31 December 2021, the Company provided the hire purchase loans services for new cars for about 69% and for used car for about 31% of total loans. In addition, 2021 business still focused on the new and used commercial car segment. The commercial car segment was accounted for 65% while other car segment was accounted for 35%. Ownership of cars was transferred after all installments were fully paid.

Risk of used car hire purchase is fairly high, compared to new car hire purchase. There also is a risk from major customer group of commercial cars, which are sensitive to the overall domestic economy. The Company therefore considers several factors when considering credit approval, such as physical conditions of cars, market price, car registration checking, etc. The Company has the experienced teams to inspect used car conditions and prices.

In addition to the mentioned hire-purchase services, the Company provides several after-sales services, such as car registration renewal, insurance renewal, car inspection before annual tax payment. These services not only serve customers but also are other sources of income for the Company and bring benefits in protecting customers' assets and preventing the Company's damage.

In 2018, the Company invested in RTN Insurances Brokers Co., Ltd. ("RTN Insurances Broker") which conducts non-life insurance, life insurance, and related business, accounting for 100% of total paid-up capital (including direct and indirect shareholding.) The objective was to provide services to hire purchase customers and financial leasing customers of the Company to satisfy their needs and sustain customer service efficiency. This would support the Company to provide the full services in hire purchase and financial leasing services business, leading to the continuous and steady growth.

## Market Overview and Competition

2021 marks the second consecutive year of the CORONA VIRUS 2019 pandemic with very strong impact. As a result, the government resumed using lockdown measures across the country again. Thai economy was immensely affected by the disruption of economic activities, the decreasing household incomes, the deceleration in spending and investment of private sector. Under the COVID-19 pandemic situation which has continuously affected the 2021 economy and the operations of business sector, especially the credit businesses, the credit business operators have been conducting their businesses carefully by focusing on the approval of quality credits. Moreover, the more intensifying regulation on micro credits by the government sector resulted in the higher number of captive finance service providers entering the competition and taking more roles in the industry. The Company, thus, needed to create various strategies to expand the market, especially through the Digital platform, in order to reach wider groups of potential consumers, which would be the key factors to maintain the business competency in the future.

However, in the next 3-5 years, the Company has planned to retain commercial car hire purchase ratio, accounted for 65-70% of total loans. This segment has been growing consistently, resulting in higher profitability with lower risks compared to personal car segment. (Normally, after seizing collaterals and auctions, the Company would sell them at the prices closed to debt amounts.) With this strategy, the Company will not compete with large financial institutions which have lower operating costs, and will have higher competitive competency.

In addition, with long experience and business expertise, the Company is able to create competitive advantage, build long-term relationship with and generate good return to car dealers. The Company provides the fast services for customer's satisfaction to keep its market shares and strengthen relationship with dealers in order to open for new business opportunities and channels.

### Competitive Strategies

1. Emphasize on fast services, both pre and post sales, as well as efficiency in customer services. The Company has credit officers working at car dealers' offices and has officers working on car registration ready to coordinate with credit officers to facilitate the loan approval. The Company also realized the importance of the fast and punctual payment to dealers.

2. Emphasize on niche market where the Company has expertise, that is, hire purchase for used cars, new and used trucks segments. The Company has experiences in this business for more than 30 years. The Company's

personnel have good market knowledge and understanding, including expertise in car price appraisal, which is the Company's advantage over new coming competitors.

3. Give priority to a full range of services, such as car registration renewal and car insurance renewal, to provide convenience to customers. It is also another source of revenue for the Company.

4. Create good relationship with customers and car dealers with quality, fast and convenient services. Good returns and consistent services are offered to car dealers. Credit lines are sufficiently and consistently offered to dealers' customers to create the confidence and trust for dealers and create the Company's opportunity to expand business in the future.

5. Emphasize on loans for car dealers who give importance to selecting quality cars and selling them at reasonable prices, including correct car registration and/ or have guarantee for customers. This helps reduce risks on the car quality. The Company has recognized that the risks of hire purchase for second hand car business can come from both debtor quality and car condition, quality while the risk of hire purchase for new car business comes from the debtor quality only.

6. Give priority to the Company's existing personnel and recruit new staff with ability and experience in used car market to join the team. Develop the staff's knowledge and motivate them with remuneration and other benefits.

#### Nature of Customers and Key Target Customers

The Company's key target customers are individual persons and juristic persons recommended to the Company by car dealers. In 2021, the Company's total number of hire purchase loan services for individual customers was accounted for 69% of total loans. The Company was committed to provide efficient, fast, convenient, and friendly services to customers and car dealers. After-sales services and continuous development of after-sales services play the key role for the Company to sustain the existing customer base and expand more to new customer groups who were recommended by existing customers and dealers. From the past experiences, if existing customers repaying all or partial loans wished to buy new cars, they would come for the Company's hire purchase services again.

#### Price Policy

The Company has a policy of offering reasonable interest rates to customers and at the same time, the Company must be profitable and able to compete with other competitors. The Company will consider interest rate trends of other operators in the business of hire purchase and financial leasing, together with various factors in order for the Company to determine the deposit or down payment and the installment that the customer must pay the next installment. Such factors include:

1. Interest costs of the Company and other trends that will affect such costs as the national economy, trend of changes in market interest rates, measures of government agencies that affect the Company's business operations, etc.

2. Operating costs of the Company.

3. Qualifications of the vehicle that are used as collateral for hire purchase and financial leasing included the type and brand of the vehicle, condition and service life of the vehicle.

4. Qualifications of the hirer and the guarantor especially in the event that the hirer who is domiciled in other provinces which may have risks in debt collection. The Company will charge these customers an interest rate in addition from the normal rate.

#### Distribution Channels

The Company's Marketing Division with the experience in used car market is responsible for customer acquisition by creating good relationships with car dealers and rotating their working station to offices of car dealers who are the Company's partners. The dealers can be the Company's partners when they are approved by the Company according to the dealer consideration and process. In addition, the Company does not make any contract with those dealers.

Currently, the Company has over 1,000 car dealer partners. All of them are located in Bangkok, perimeter, and key provinces. Over 500 of them are regular partners. The Company does not grant credit to any customers for over 5% of their shares. Normally, the dealers do business with many service providers which provide hire purchase service and finance leasing service. The dealers' recommendation on which any service providers should be selected depend on the following factors:

- Relationships between car dealers and the Company.
- Quality and fast services to customers.
- Fast and on-time payment to car dealers.
- Consistent and sufficient credit lines for services.
- Collaboration and support to sales promotion occasionally held by car dealers.

However, with business experience and long-term relationships with car dealers, the Company has been a sole credit provider for some large used car dealers.

#### Competition

Service provider in hire purchase and financial leasing can be divided into 3 types:

1. Financial institution
2. Hire Purchase and Finance Service Provider
3. Captive Finance

As a result, this business has fierce competition so the expansion of the market base of the automobile manufacturers (Captive Finance) is often the establishment of a subsidiary of automobile leasing companies to provide hire purchase and financial leasing services to an auto buyer as a sales support and to gain market share in providing hire purchase and financial leasing services, there is a continuous marketing activity, especially in terms of price due to the low financial costs and compensation from the automakers. As a result, the overall cost is lower than that of other hire purchase and financial leasing service provider.

Service provider that are financial institutions and affiliates of car manufacturers and distributors tend to focus on hire purchase and financial leasing for new cars due to the low financial costs. Therefore, they are more competitive in the new car hire purchase market with lower interest rates rather than taking the risk of competition in the used car market. Even with a higher interest rate in the used car market, the risk is not limited to the quality of the debtor as it is in the hire purchase of a new car the quality of assets or cars can also have a significant effect on the risks of a business, which service provider must have knowledgeable personnel experience in marketing and

accurately assessing the condition and price of used cars. However, due to competition conditions, interest rates on hire purchase loans have been reduced, especially for new cars. As a result, some service provider has adjusted and expanded their proportion to used car loans with higher interest rates. This is in order to maintain the margin of interest not to be so low.

### Industry Trend

The hire purchase business has a direct relationship with the growth of the automobile industry, i.e., if there are more new car sales hire purchase will grow relative. In addition, the fierce competition in the system leads to the reduction of credit terms, such as reducing down payments and extending the installment period. As a result, car buyers have changed from buying with cash to paying more installments.

**Statistics of domestic new car sales (unit: vehicles)**

Car Types	2017	2018	2019	2020	2021
1) Passenger cars	346,250	399,657	398,386	274,789	230,794
2) Commercial vehicles	525,400	642,082	609,166	517,357	528,325
<b>Total</b>	<b>871,650</b>	<b>1,041,739</b>	<b>1,007,552</b>	<b>792,146</b>	<b>759,119</b>

Source: The Federation of Thai Industries

In 2021, domestic sales of new cars in total were 759,119 cars. The sales of commercial cars were 528,325 cars, increasing from the previous year by 2.12%, which was a result of the economic slowdown due to Corona Virus 2019 (COVID-19) pandemic. However, in the next 1-2 years, there will be investment projects and economic stimulation measures from government sector to help push the economic expansion and, as a result, this market is likely to expand as well.

### The Company's Goal and Business Plan in the Next 5 Years

For the last year operation, the Company closely monitored the impact of several domestic and international factors, to create the competitive advantages and define credit strategies. The Company utilizes its skills and expertise to expand its leasing ports for the future. The business plans for the next 5 years are as follows:

1. To expand new branches to support vehicles hire purchase services to cover larger area. This is to ensure the efficiency of the fast and correct loan processing services to maximize customer satisfaction.
2. To retain existing customers and add fast and convenient services to maximize customer satisfaction.
3. To expand customer base to commercial vehicles segment across the country via the Company's branches.
4. To expand credit business to other vehicles and other assets to fulfill potential customers' needs in niche market.
5. To revamp the financial structure to reduce business costs and enhance the Company's competitive competency.
6. To maintain valuable personnel, develop and create credit officers with skills and expertise to support business expansion in the future.

## Procurement of Products or Services

### Source and Use of Funds

Sources of the Company's funds for business not only come from the capital but also from the loan from financial institutions. As of 31 December 2019, 2020 and 2021, the Company's sources of funds were summarized as follows:

Item	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Shareholders' equity	11,566.57	24.00	10,818.69	22.78	7,671.02	15.39
Loan						
Short-term loan*	17,796.32	36.92	10,991.23	23.14	29,085.49	58.34
Long-term bonds**	16,794.34	34.84	18,098.73	38.10	12,496.33	25.06
Long term loan	2,044.76	4.24	7,589.98	15.98	600.91	1.21
Total loans***	36,635.42	76.00	36,679.94	77.22	42,182.73	84.61
Total	48,201.99	100.00	47,498.63	100.00	49,853.75	100.00

Note : (\*) Short-term loans, overdraft, and long-term loans to be paid within 1 year.

(\*\*) Long-term bonds (net from the bond to be paid within 1 year) are the amount before expenses on bond issue to be written off.

(\*\*\*) Other current liabilities are not counted as liabilities from normal business, such as transfer amount to be written off, creditor - Revenue Department, petty cash, creditor - insurance and others.

As of 31 December 2021, the amount of loans was 36,635.42 Million Baht. The repayment schedule is as follows:

Loan repayment schedule	Amount (Million Baht)
Within 1 year	17,796.32
1 - up to 2 years	6,169.93
2 - up to 3 years	5,588.66
Over 3 years	7,080.51
Total	36,635.42

Regarding the hire-purchase debtors excluding debtors with more than 4-month accrued balances and debtors under prosecution process, the Company has the debtor balances as follows:

Receivable payment	Hire-purchase (Million Baht)	Financial lease (Million Baht)	Total (Million Baht)
Within 1 year	19,327.82	242.89	19,570.71
1 - up to 2 years	15,073.99	179.82	15,253.81
2 - up to 3 years	10,394.71	100.70	10,495.41
Over 3 years	7,347.81	60.67	7,408.48
Total	52,144.33	584.08	52,728.41



As of 31 December 2021, the Company had loan debts that were repayable within 1 year (including overdrafts and short-term loans) of 17,796.32 million Baht and long-term debts that were due for over 1 year but not over 2 years of 6,169.93 million Baht. Comparing the debtor's installment payment due within 1 year of 19,570.71 million Baht with the installment payment due over 1 year but not over 2 years of 15,253.81 million Baht, the Company had enough sources of fund to pay the loan debt repayable within 1 year since some short-term debts shall be paid by long-term debts. This financial structure management strategy managed the loan debts that were repayable within 1 year to consist of overdrafts, loans in the form of promissory notes, money from institutions and third parties, and long-term debts due within 1 year.

Importance of liquidity has been recognized. The Company considered new sources of fund, that is, long-term loans with fixed interest rate being consistent with debtors' repayment. This reduces interest rate risk and mismatch fund risk, provided that the Company has closely monitored such risks.

### Lending

The Company has a policy to provide credit with emphasis on the quality of the customers. Most of the Company's customers are individual customers. The Company considers approving hire purchase loans for individual customers. It is determined by the ability to repay the debt of the customer and the credit of the guarantor by the stability of income, occupation, including the place of residence or place of work of the customer, thorough review of the history of each customer and including staff to supervise each step carefully.

### Giving consideration through persons related to management or major shareholders

Currently, the Company does not have any loans through the management, major shareholder and those related to the said person.

### Investments

The Company has investments in mutual funds, to increase the profits, an objective for long-term investment with an investment in 1993; the investment value at the cost of 300,000 Baht. Nevertheless, the Company sold such investment on 20 May 2021.

## Assets Used in Business Operations

### Hire-Purchase Account Receivable

Hire purchase receivables classified by type of receivables and repayment period after deducting deferred hire purchase interest. (Before deducting doubtful accounts) as of 31 December 2021, 2020 and 2019 as follows:

	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Hire-Purchase Account Receivable</b>						
- Passenger cars	15,103.88	30.92	14,279.40	30.20	14,334.93	27.96
- Commercial vehicles	33,741.22	69.08	32,998.19	69.80	36,933.88	72.04
<b>Total</b>	<b>48,845.10</b>	<b>100.00</b>	<b>47,277.59</b>	<b>100.00</b>	<b>51,268.81</b>	<b>100.00</b>
<b>Repayment Period</b>						
- 12 month	39.49	0.08	85.96	0.18	126.05	0.25
- 18 month	102.38	0.21	276.15	0.58	146.61	0.29
- 24 month	732.27	1.50	1,033.33	2.19	877.50	1.71
- 30 month	492.18	1.00	799.95	1.69	303.04	0.59
- 36 month	2,792.33	5.72	3,362.97	7.11	3,092.75	6.03
- 42 month	985.50	2.02	1,384.62	2.93	359.42	0.70
- 48 month	19,788.34	40.51	19,723.88	41.72	23,540.90	45.92
- 54 month	1,001.95	2.05	1,257.90	2.66	162.24	0.31
- 60 month	22,586.91	46.24	19,156.57	40.52	22,461.10	43.81
- 66 month	-	-	-	-	-	-
- 72 month	323.75	0.67	196.26	0.42	199.20	0.39
- 84 month	-	-	-	-	-	-
<b>Total</b>	<b>48,845.10</b>	<b>100.00</b>	<b>47,277.59</b>	<b>100.00</b>	<b>51,268.81</b>	<b>100.00</b>

### Revenue recognition

Before 1 January 2020, Interest income under hire purchase and financial lease are recognised on an accrual basis by using the effective interest method. The Company ceases to accrue income for receivables which installment payment has been defaulted for more than three installments past the due date. Interest is then recognised as income on a cash basis until settlement of such overdue balance has been received.

Interest income received in advance, represents the discounts on interest granted to the debtors by dealers, is recognised as income based on the effective interest method in the same manner as interest income recognised on hire purchase receivable.

Since 1 January 2020, the Company has recognized interest income from hire purchase contract and financial lease on an accrual basis by the Effective interest method throughout the contract period by calculating from accounts receivable gross book value. The effective interest rate discounts the expected future cash inflows

over the expected life of financial instruments by considering discounts or surpluses on acquisitions of assets and fees, as well as costs that are part of the effective interest rate.

As for hire purchase and financial lease receivables with subsequent credit impairment, the Company recognized interest income with the effective interest rate method by calculating from the net accounting debt amount of the receivable (Outstanding amount net of expected credit loss allowance.)

Direct incomes and expenses occurred in the beginning period of hire purchase and financial lease shall be recognized by allocated recognition using the effective interest rate method and show less from interest income from hire purchase contracts over the term of contracts to reflect the effective interest rate of contracts.

#### Policy of setting reserves for expected credit loss

Before 1 January 2020, The Company sets an allowance for doubtful accounts for the hire-purchase and finance leases based on the estimated losses from potential uncollectible accounts. Based on the current status of outstanding receivables, the debtors overdue for less than 3 periods are recorded to an allowance for doubtful accounts of the principal balance net of collaterals and for the debtors overdue for more than 3 periods are recorded to an allowance for doubtful accounts without collaterals and for the debtors under the compromise agreement by the law are recorded to an allowance for doubtful accounts without collateral. The criteria for setting allowance for doubtful accounts are as follows:

The table showing allowance for doubtful accounts (Before 1 January 2020)

Account receivable	Allowances for Doubtful Accounts Rate (%)
<ul style="list-style-type: none"> <li>Hire-purchase account receivable <u>deduct unearned financial income and collaterals</u></li> </ul>	
Normal receivables and 1 month overdue	1
2-3 month overdue	2
4-6 month overdue	20
<u>deduct unearned financial income</u>	
7-12 month overdue	50
Over 12 month overdue	100
<ul style="list-style-type: none"> <li>Account receivables under negotiation agreement <u>deduct unearned financial income</u></li> </ul>	
Normal receivables and 1 month overdue	1
2-3 month overdue	2
4-6 month overdue	20
7-12 month overdue	50
Over 12 month overdue	100

Since 1 January 2020, 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 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:

Group 1: Financial assets with no significant increase in credit risk (Performing)

For financial assets which no significant increase in credit risk since initial recognition, the Company recognizes the expected credit loss at an amount equal to 12-month expected credit loss. For financial assets with maturity of less than 12 months, the Company will use the probability of fulfilling the contract in accordance with the remaining terms of the contract.

Group 2: Financial assets with significant increases in credit risk (Under-performing)

For financial assets with significant increases in credit risk since the initial recognition date but that are not credit-impaired, the Company recognizes the expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial instrument.

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

Financial assets are assessed as a credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset occur. The Company recognizes the expected credit loss over the expected lifetime of the financial assets.

At the end of the reporting period, the Company assesses whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of default on the financial assets as at reporting date with the risk of default as at the initial recognition date. The Company may use internal quantitative or qualitative basis and expected data for evaluate a decrease in credit quality such as debtors which are overdue for more than 30 days. In determining whether the credit risk has increased significantly since the initial recognition date, financial assets will be considered either by individual contract or group of financial assets.

Receivables are considered to be credit-impaired when one or more events occurs affecting the estimated future cash flows of the loan agreements. Evidences that financial assets are credit-impaired, includes overdue for more than 90 days or there are indicators that debtors are in significant trouble financial position, legal status, renegotiate terms of repayment or debt restructuring.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer the significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Company will change from recognizing the lifetime expected credit loss to recognizing the 12-month expected credit loss.

Expected credit loss is the probability-weighted estimate of credit loss over the expected lifetime of the financial asset, consider the present value of all cash expected not to be recoverable. The Company consider historical loss experience on the basis of shared credit risk characteristics, taking into account type of loans, type of collateral, month on book, and other relevant factors, adjusts this for current observable data, as well as forward looking information that is supportable and reasonable provide. It can be shown as well as exercising appropriate of

judgement, to estimate the amount of an expected credit loss based on macroeconomic data and determines both current and future economic scenario, and probability-weighted in each scenario (base scenario, best scenario and worst scenario) for calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit loss. However, the Company has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. Furthermore, expected credit loss was included management overlay.

Movements of allowance for expected credit losses (ECL) for the year ended 31 December 2021 and 2020 are as follows:

(unit : Thousand Baht)

2021				
Allowance for expected credit losses (ECL)				
Hire purchase and financial lease account receivables	Financial assets with no significant increase in credit risk	Financial assets with significant increases in credit risk	Financial assets that are credit-impaired	Total
Beginning balance	183,248	642,729	402,275	1,228,252
Changes due to changes in stages	85,951	(119,831)	33,880	-
Changes due to re-measurement of allowance for credit losses	(137,899)	11,635	572,310	446,974
New financial assets purchased or acquired	109,221	154,719	44,999	308,011
Transfer to other assets	-	-	(264,620)	(264,620)
Bad debt written-off	-	-	(233,672)	(233,672)
<b>Balance at the end of period</b>	<b>240,521</b>	<b>689,252</b>	<b>555,172</b>	<b>1,484,945</b>
Other non-current assets				
Beginning balance	137	629	940,493	941,259
Changes due to re-measurement of allowance for credit losses	(2)	(209)	(141,521)	(141,732)
Transfer from hire purchase and financial lease receivables	-	-	264,620	264,620
Bad debt written-off	-	-	(30,617)	(30,617)
<b>Ending balance</b>	<b>135</b>	<b>420</b>	<b>1,032,975</b>	<b>1,033,530</b>

2020				
Allowance for expected credit losses (ECL)				
Hire purchase and financial lease account receivables	Financial assets with no significant increase in credit risk	Financial assets with significant increases in credit risk	Financial assets that are credit-impaired	Total
Beginning balance	196,067	699,874	1,328,736	2,224,677
Changes due to changes in stages	146,419	(201,681)	55,262	-
Changes due to re-measurement of allowance for credit losses	(222,599)	49,785	355,031	(182,217)
New financial assets purchased or acquired	63,361	94,751	30,995	189,107
Transfer to other assets	-	-	(950,308)	(950,308)
Bad debt written-off	-	-	(417,441)	(417,441)
<b>Balance at the end of period</b>	<b>183,248</b>	<b>642,729</b>	<b>402,275</b>	<b>1,228,252</b>
Other non-current assets				
Beginning balance	146	674	13,718	14,538
Changes due to re-measurement of allowance for credit losses	(9)	(45)	(2,718)	(2,772)
Transfer from hire purchase and financial lease receivables	-	-	950,308	950,308
Bad debt written-off	-	-	(20,815)	(20,815)
<b>Ending balance</b>	<b>137</b>	<b>629</b>	<b>940,493</b>	<b>941,259</b>

Changes in the allowance for doubtful accounts as of 31 December 2019 are as follows:

(unit : Baht)

	2019
Beginning balance	2,133,723,759
<u>Add</u> Doubtful accounts	193,531,260
Bad debt recovery	-
<u>Less</u> Bad debt written-off	(102,577,372)
<b>Ending balance</b>	<b>2,224,677,647</b>



#### Bad debt written-off policy

The Company has a policy to write off accounts receivable when the court rules that receivable and surety to repay debt to the Company but the Company cannot confiscate assets or enforce the case according to the judgment. When the Company cannot collect money from receivable, to write off the receivable will deduct the expected credit loss and the bad debt recovered will be recorded in other incomes section.

In 2021, 2020, and 2019, the Company considered writing off bad debts from hire purchase receivables and receivables under the legal compromise agreement for 264.29 million Baht, 438.26 million Baht, and 102.58 million Baht, respectively.

#### Property (seized vehicles) waiting for sale

Due to the close management regulations, the number of seized vehicles of the Company increased in line with the Company's credit growth. In 2021, 2020 and 2019, the Company has seized vehicles waiting for sale, 768 vehicles for sale, 780 vehicles and 823 vehicles, respectively, worth 136.16 million Baht, 89.78 million Baht and 208.24 million Baht, respectively, with details as follows:

The table showing the number of seized vehicles compare to the total contract

Years	Number of seized car (vehicles)	Property value* (million Baht)	Number of debtor (contract)	Number of car seized against the total number of debtors (percentage)	Number of seized cars sold (vehicles)	Number of remaining seized car (vehicles)	Number of remaining vehicle per number seized car holder sold (percentage)
2021	768	136.16	63,303	1.25	728	145	19.92
2020	780	89.78	63,303	1.23	899	120	13.35
2019	823	208.24	67,232	1.22	638	247	38.71

Table showing details of assets confiscated and disposed

	2021			
	Contract amount	Property value* (million Baht)	Property value sold (million Baht)	Profit (loss) from the sale of assets (million Baht)
Confiscated property				
- Passenger cars	12	10.67	9.77	(1.39)
- Commercial vehicles	727	573.74	507.59	(95.68)
<b>Total</b>	<b>739</b>	<b>584.41</b>	<b>517.36</b>	<b>(97.07)</b>

	2020			
	Contract amount	Property value * (million Baht)	Property value sold (million Baht)	Profit (loss) from the sale of assets (million Baht)
<b>Confiscated property</b>				
- Passenger cars	29	64.65	65.36	(4.29)
- Commercial vehicles	870	692.35	566.21	(159.21)
<b>Total</b>	<b>899</b>	<b>757.00</b>	<b>631.57</b>	<b>(163.50)</b>

	2019			
	Contract amount	Property value * (million Baht)	Property value sold (million Baht)	Profit (loss) from the sale of assets (million Baht)
<b>Confiscated property</b>				
- Passenger cars	14	9.98	8.87	(2.32)
- Commercial vehicles	624	517.07	448.08	(99.91)
<b>Total</b>	<b>638</b>	<b>527.05</b>	<b>456.95</b>	<b>(102.23)</b>

Note: \* property value = outstanding debt value - unrecognized interest + vehicle seizure cost

### Investments

The Company has a long-term investment with a mutual fund with details as follows:

Mutual Profit Fund	Category	Investment value* (Baht)	
		Cost price	Book value
31 December 2021	Mutual fund	-	-
31 December 2020	Mutual fund	300,000	187,572
31 December 2019	Mutual fund	300,000	213,954

Note: \* The Company has not recorded any investment. By the equity method in the financial statements

### Land foreclosed

The Company has land foreclosed with details as follows:

List	Net book value (Baht)		
	2021	2020	2019
Vacant land Khum Thong Subdistrict (Thap Yao), Lat Krabang District, Bangkok Area 17-2-25 rai *	19,326,498	19,326,498	19,326,498

Note: \* Originally, the land foreclosed of that company had an area of 21-3-81 rai, but 372 square wah of land was expropriated to the government, the land area had the balance equal to 21-0-9 rai. In accounting, there was a loss from land expropriation. That was equal to 1,023,410 Baht in 2004.

### Property, plant and equipment - net

The book value of the Company's property, plant and equipment - net as of the Company in 31 December 2021 is shown in the following table:

List	Net book value (Baht)
1. Land	
- Land of Sinn Sathorn Tower	
- Land built parking for seized, Ladkrabang District, Bangkok (3-1-84 rai)	3,807,526
- Land for improvement	2,082,460
2. Building under construction	202,012
3. Office Suites	
- Sinnsathorn Tower, 11 <sup>th</sup> UP Floor, 77 / 35-36, Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 561.74 square meters	670,094
- Sinnsathorn Tower, 14 <sup>th</sup> Floor, 77 / 48-49, Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 592.78 square meters	7,580,287
- Sinnsathorn Tower, 2 <sup>nd</sup> Floor, 77/20 Klong Ton Sai Subdistrict, Khlong San district, Bangkok, area 191.94 square meters	3,712,641
- Sinnsathorn Tower, 2 <sup>nd</sup> Floor, 77/26 Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 176.31 square meters	6,166,020
- Sinnsathorn Tower, 2 <sup>nd</sup> Floor, 77/27 Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 296.99 square meters	10,347,864
- Sinnsathorn Tower, 11 <sup>th</sup> Floor, 77/31, Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 295.15 square meters	10,801,164
- Sinnsathorn Tower, 2 <sup>nd</sup> Floor, 77/21 and 77/22, Khlong Ton Sai Subdistrict, Khlong San district, Bangkok, area 254.68 square meters	8,962,509
4. Improvement and installation of the unit	535,784
5. Office decorations	246,198
6. Office equipment and office equipment	8,151,820
7. Vehicles	74,873
8. Rights of use the Asset - Motor vehicles	3,255,100
<b>Total</b>	<b>69,596,352</b>

Note : All property, plant and equipment - net belong to Ratchthani Leasing Public Company Limited and RTN Insurance Broker have no mortgage or any obligation.

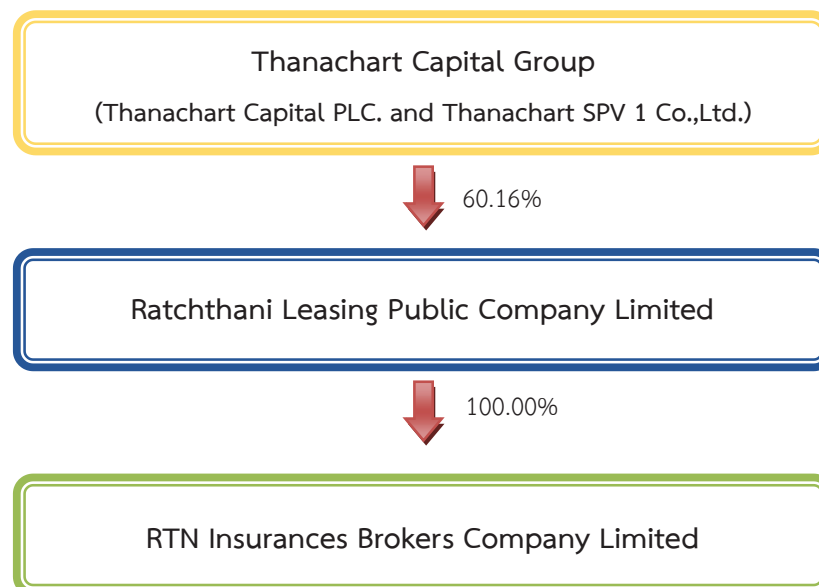
### Intangible assets - net

As of 31 December 2021, the Company has intangible assets - net with details as follows:

List	Net book value (Baht)
Computer program	31,662,179
<b>Total</b>	<b>31,662,179</b>

## Shareholder Structure and Securities Issuance

### Shareholder Structure



Top ten major shareholders of the Company as of 31 December 2021 as follows:

No.	Name	Number of Shares	%
1	Thanachart SPV 1 Company Limited	3,193,478,833	56.39
	Thanachart Capital Public Company Limited	213,361,588	3.77
2	RAFFLES NOMINEES (PTE) LIMITED	317,233,091	5.60
3	Thai NVDR Company Limited	185,992,720	3.28
4	Mr. Charoensook Kititti	154,821,837	2.73
	Mrs. Chittraporn Kititti	3,368,464	0.06
5	SCB Dividend Stock 70/30 Long Term Equity Fund	78,667,687	1.39
6	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	57,073,100	1.01
7	Mrs. Naowanart Chamornmarn	46,000,000	0.81
8	Mrs. Wilawan Rongwatthanasophon	35,526,598	0.63
9	Bangkok Life Assurance Public Company Limited (2) By Bangkok Capital Asset Management Company Limited	28,369,000	0.50
10	Allianz Ayudhya General Insurance Public Company Limited	26,000,000	0.46
	Other shareholders	1,323,135,281	23.37
	<b>Total</b>	<b>5,663,028,199</b>	<b>100.00</b>
	Thai Shareholders	5,226,144,919	92.29
	Foreign Shareholders	436,883,280	7.71

- Note :** (1) The major shareholders No.1 Thanachart SPV 1 Company Limited is a subsidiary of Thanachart Capital Public Company Limited, which holds 100.00% of shares. Thanachart Capital Public Company Limited is a listed company on the Stock Exchange of Thailand, and operated as the holding company business.
- (2) The major shareholders No.2 is Nominee Accounts who held the shares by NORTH HAVEN THAI PRIVATE EQUITY, L.P.
- (3) The major shareholders No.3 Thai NVDR Company Limited engages in the business of issuing non-voting depository receipts (NVDR) are sold to investors, the proceeds of which are invested in SET-listed Thai reference securities. Investors in NVDRs are eligible for financial benefits as if they were shareholders of listed companies, but they are ineligible to vote at shareholder meetings, except for involve stock delisting from the SET.
- (4) The major shareholders No.6 is Nominee Accounts that cannot be identified real shareholders.
- (5) Thanachart Capital Group, as the major shareholder of the Company, have significantly on the establishment of policy, management and operation of the Company.
- (6) The Company has no agreement between the major shareholders in matters affecting the issuance and offering of securities or management of the Company.

## Dividend Policy

The Company has a dividend payment policy at least 50 percent of net profit in accordance with the Company's Article of Association unless there are any other crucial circumstances and the dividend payment shall not impact the Company's operation significantly. The historical dividend payments of the Company are as follows:

Performance	2021	2020	2019	2018	2017
Net Profits (Separate Financial Statements) (Baht)	1,678,852,671	1,860,646,435	1,849,703,703	1,640,754,904	1,125,812,903
Net Profits (Consolidated Financial Statements) (Baht)	1,709,184,685	1,860,203,350	1,963,564,460	1,640,707,432	-
Number of Paid-up Shares (Shares)	5,663,028,199	5,663,028,199	3,775,353,450	3,020,283,681	2,416,227,209
Stock Dividend (Baht per Shares)	-	-	-	0.25	0.25
Cash Dividend (Baht per Shares)	0.17	0.17	0.32	0.29	0.03
Total Dividend Payment (Baht per Shares)	0.17	0.17	0.32	0.54	0.28
Total Amount of Dividend Payment (Baht)	962,714,794	962,714,794	1,208,113,104	1,630,953,188	676,543,618
Dividend Payout Ratio per Net Profit (Separate Financial Statements) (Percent)	57.34	51.74	65.31	99.40	60.09
Dividend Payout Ratio per Net Profit (Consolidated Financial Statements) (Percent)	56.33	51.75	61.53	99.40	-

Note : (1) In 2018, the Company invested in RTN Insurance Broker Company Limited by holding directly and indirectly 100%. Financial information since 2018 is presented in the form of consolidated financial statements.

(2) Attributable to equity holders of the Company

(3) For 2021 dividend payments are uncertain, will need the approval from the 2022 Annual General Meeting of Shareholders.

The subsidiary's dividend payment policy to the Company, subsidiary will pay when there is no any other crucial circumstances and such dividend payment shall not impact the subsidiary's operation significantly.

## Issuance of Other Securities

### Long Term Debentures

The long-term debentures of the Company as of 31 December 2021 have an outstanding value of 24,622.20 million Baht, details as follows:

No.	THAIBMA SYMBOL	Name of Debentures	Outstanding (Million Baht)	Issue Date	Maturity Date	Interest Rate (%p.a.)
1	THANI221A	The Debentures of Ratchthani Leasing Public Company Limited No.2/2019 Tranche 2 Due 2022	2,070.00	31/1/2019	31/1/2022	2.94%
2	THANI222A	The Debentures of Ratchthani Leasing Public Company Limited No.5/2019 Due 2022	155.00	13/2/2019	1/2/2022	2.96%
3	THANI225A	The Debentures of Ratchthani Leasing Public Company Limited No.6/2019 Due 2022	200.00	17/5/2019	17/5/2022	3.00%
4	THANI227A	The Debentures of Ratchthani Leasing Public Company Limited No.7/2019 Tranche 1 Due 2022	1,745.20	5/7/2019	5/7/2022	3.30%
5	THANI237A	The Debentures of Ratchthani Leasing Public Company Limited No.7/2019 Tranche 2 Due 2023	486.30	5/7/2019	5/7/2023	3.40%
6	THANI247A	The Debentures of Ratchthani Leasing Public Company Limited No.7/2019 Tranche 3 Due 2024	593.70	5/7/2019	5/7/2024	3.50%
7	THANI227B	The Debentures of Ratchthani Leasing Public Company Limited No.8/2019 Due 2022	190.00	5/7/2019	18/7/2022	3.10%
8	THANI228A	The Debentures of Ratchthani Leasing Public Company Limited No.11/2019 Due 2022	250.00	16/8/2019	16/8/2022	3.00%
9	THANI220A	The Debentures of Ratchthani Leasing Public Company Limited No.12/2019 Tranche 2 Due 2022	1,200.00	17/10/2019	17/10/2022	3.00%
10	THANI232A	The Debentures of Ratchthani Leasing Public Company Limited No.1/2020 Due 2023	1,000.00	25/2/2020	25/2/2023	2.65%
11	THANI242A	The Debentures of Ratchthani Leasing Public Company Limited No.2/2020 Due 2024	1,000.00	25/2/2020	27/2/2024	2.80%
12	THANI232B	The Debentures of Ratchthani Leasing Public Company Limited No.3/2020 Due 2023	200.00	6/3/2020	6/2/2023	2.65%
13	THANI245A	The Debentures of Ratchthani Leasing Public Company Limited No.4/2020 Due 2024	1,000.00	9/3/2020	16/5/2024	2.80%
14	THANI232C	The Debentures of Ratchthani Leasing Public Company Limited No.5/2020 Due 2023	1,000.00	12/3/2020	25/2/2023	2.65%
15	THANI225B	Long-Term Bill of Exchange of Ratchthani Leasing Public Company Limited Due 2022	2,000.00	13/3/2020	12/5/2022	2.30%
16	THANI254A	The Debentures of Ratchthani Leasing Public Company Limited No.6/2020 Tranche 1 Due 2025	1,000.00	30/4/2020	30/4/2025	3.40%
17	THANI264A	The Debentures of Ratchthani Leasing Public Company Limited No.6/2020 Tranche 2 Due 2026	700.00	30/4/2020	30/4/2026	3.50%

No.	THAIBMA SYMBOL	Name of Debentures	Outstanding (Million Baht)	Issue Date	Maturity Date	Interest Rate (%p.a.)
18	THANI274A	The Debentures of Ratchthani Leasing Public Company Limited No.6/2020 Tranche 3 Due 2027	1,300.00	30/4/2020	30/4/2027	3.70%
19	THANI23NA	The Debentures of Ratchthani Leasing Public Company Limited No.7/2020 Tranche 1 Due 2023	3,439.00	15/5/2020	15/11/2023	3.20%
20	THANI255A	The Debentures of Ratchthani Leasing Public Company Limited No.7/2020 Tranche 2 Due 2025	593.00	15/5/2020	15/5/2025	3.40%
21	THANI246A	The Debentures of Ratchthani Leasing Public Company Limited No.1/2021 Tranche 2 Due 2024	3,000.00	2/6/2021	2/6/2024	2.00%
22	THANI257A	The Debentures of Ratchthani Leasing Public Company Limited No.2/2021 Tranche 2 Due 2024	1,500.00	15/7/2021	15/7/2025	2.35%

### Credit Rating

Credit ratings from TRIS Rating Company Limited as of 31 December 2021 are as follows:

Company Rating	A-
Issue Rating	
THANI210A : Unsubordinated and Unsecured Debentures worth 145 Million Baht Due 2021	A-
THANI221A : Unsubordinated and Unsecured Debentures worth 2,070 Million Baht Due 2022	A-
THANI227A: Unsubordinated and Unsecured Debentures worth 1,745.20 Million Baht Due 2022	A-
THANI220A : Unsubordinated and Unsecured Debentures worth 1,200 Million Baht Due 2022	A-
THANI237A : Unsubordinated and Unsecured Debentures worth 486.30 Million Baht Due 2023	A-
THANI23NA : Unsubordinated and Unsecured Debentures worth 3,439 Million Baht Due 2023	A-
THANI247A : Unsubordinated and Unsecured Debentures worth 593.70 Million Baht Due 2024	A-
THANI254A : Unsubordinated and Unsecured Debentures worth 1,000 Million Baht Due 2025	A-
THANI255A : Unsubordinated and Unsecured Debentures worth 593 Million Baht Due 2025	A-
THANI264A : Unsubordinated and Unsecured Debentures worth 700 Million Baht Due 2026	A-
THANI274A : Unsubordinated and Unsecured Debentures worth 1,300 Million Baht Due 2027	A-
Credit Rating Outlook	Stable

### Bill of Exchange

Short-term bills of exchange offered to institutional investors as of 31 December 2021, have an outstanding value of 8,225 million Baht, with the discount interest rate, which is in accordance with the market rate at the time of offering. (However, when the short-term bills of exchange have been redeemed, the Company can bring back the redeemed value to offer for sale. The total outstanding value must not exceed 20,000 million Baht)



### Promissory Note

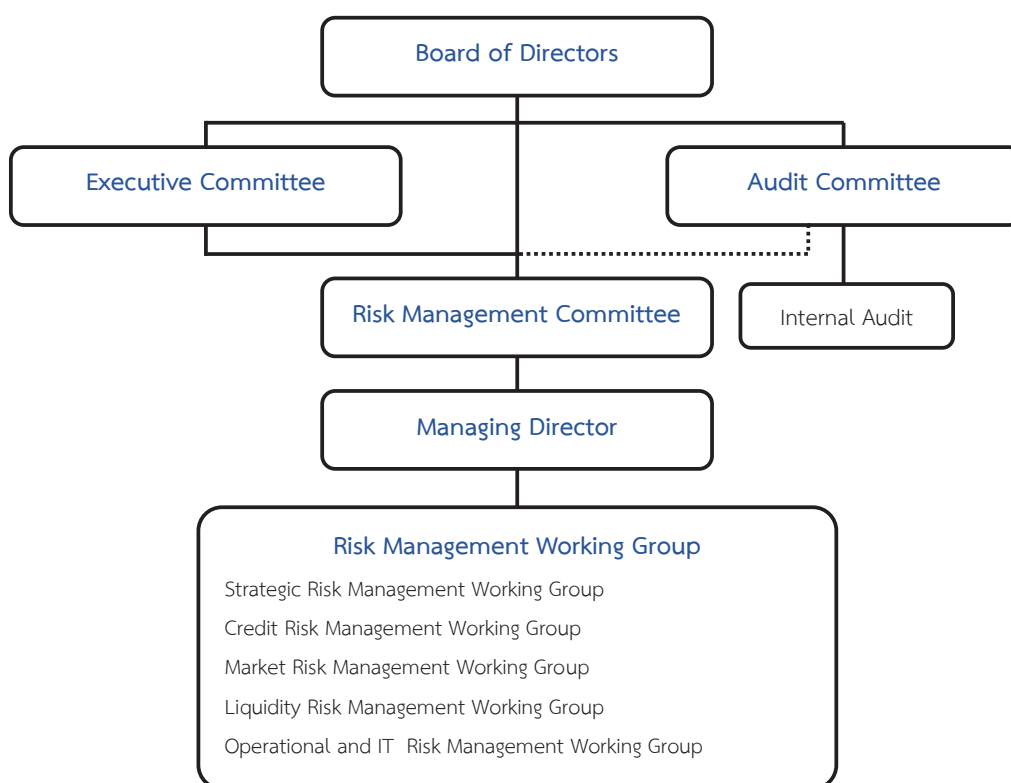
Promissory note offered to private placement at any time does not more than 10 notes offered as of 31 December 2021 have an outstanding value of 201 million Baht are as follows:

No.	Number of Promissory Note	Name of Promissory Note	Outstanding (Million Baht)	Issue Date	Maturity Date
1	1	The Promissory Note of Ratchthani Leasing Public Company Limited No.17/2019 Due 1 July 2022	50.00	1/7/2019	1/7/2022
2	1	The Promissory Note of Ratchthani Leasing Public Company Limited No.18/2019 Due 26 July 2022	21.00	26/7/2019	26/7/2022
3	1	The Promissory Note of Ratchthani Leasing Public Company Limited No.19/2019 Due 26 July 2022	80.00	26/7/2019	26/7/2022
4	1	The Promissory Note of Ratchthani Leasing Public Company Limited No.7/2019 Due 18 August 2023	50.00	18/8/2019	18/8/2023

## Risk Management

### Risk Management Policy and Plan

The Company realized the importance of risk management from systematical business operations and thus developed the corporate culture taking risks into account through the Risk Management Policy aiming for business to achieve its operational goals and to be able to grow and provide return to all stakeholders appropriately. The guidelines and plans of risk management process, including: 1) Risk identification, 2) Risk measurement and assessment, 3) Risk monitoring and control, and 4) Risk status report, were set as operational guidelines for relevant persons to be able to manage risks efficiently. The structure of risk management was also set to clearly identify the roles and responsibilities of relevant persons.



**Board of Directors** had duties to identify policies and to supervise the Company to have the good Risk Governance Framework, the internal control audit process for risk management, the appropriate and sufficient administration supervision, and the development of corporate culture taking risks into account.

**Executive Committee** had duties to consider and screen the Risk Management Policy and the Business Continuity Management Policy before proposing to the Board of Directors for approval and also had duties to set the guidelines for risk management and to manage risks to an acceptable level.

**Audit Committee** had duties to supervise and monitor the compliance with the policies and regulations related to the Company, to assess the sufficiency of internal control system and to evaluate the effectiveness of risk management system of the Company.

**Risk Management Committee** had duties to assess the factors that could significantly affect the Company's business operations in order to improve the guidelines for risk management, to identify tools and measures for risk management to prevent any potential damages.

**Risk Management Working Group** had duties to develop tools for measure and assess risks of the Company, to supervise and control risks in various aspects in accordance with risk management policy and guidelines identified by the Company, and to keep tracking the risk information and incidents of damage that may arise from various risks and propose to the Board of Directors and related Committees for consideration respectively.

**Internal Audit Unit** had duties to assess the efficiency of the internal control system and risk management of the Company, including the operation audit to be in accordance with the Risk Management Policy, operational regulations and relevant official criteria, and to propose the audit result to the Audit Committee

Moreover, the Company has published the risk management policy on the company's website ([www.ratchthani.com](http://www.ratchthani.com))

## Risk Factors for the Company's Business Operation

### Risks of Market and Competition

The automobile industry and the car sales have been growing consistently and have attracted several new players to start their auto leasing and hire-purchase business. Many of them are businesses owned by financial institutions or commercial banks after the Bank of Thailand announced the Financial Sector Master Plan, allowing the commercial banks to freely conduct automobile financing business in Thailand. Automobile manufacturers and dealers, with a large amount of foreign fund and low financial costs, are able to conduct hire-purchase and leasing business, resulting in severe competition in leasing and hire-purchase business, especially the price competition to promote sales.

For the year 2021, the Company has maintained the hire-purchase for commercial vehicles at 65-70% of total loans. The Company believed that this segment continued to grow and gave a higher profit margin with lower risk than the personal car segment, because commercial vehicles can be auctioned off at a price that is closer to debt than passenger cars. Therefore, the Company can avoid direct competition with large financial institutions having lower operating costs and can increase the Company's competitive competency.

### Risk from Hire Purchase for Used Cars

The Company may face the risks of mistakes on vehicle inspection, used car pricing evaluation, including selling impounded car under the balanced values of such hire purchase but having to sell according to its present condition, which greatly depends on mileage, condition and brand popularity of such vehicles. As of 31 December 2021, the Company had the used car loans about 40% of total loan receivables.

The Company implements a measure to minimize such risks with car quality inspection by experienced and expertise staffs together with the strict credit approval. Also, the Company selects credible used car dealers, offer good quality cars at reasonable price and provide after-sales quality assurance. The Company also analyzes payment behaviors of the customers whom a dealer submits in for the hire purchase application.

#### Risk from Operation of Non-Performing Loans (NPL)

The risk from operation of Non-Performing Loans (NPL) is unavoidable for the Lending service since the debtors may not be able to repay loans due to their internal problems, such as the need to pay for healthcare, the maintenance cost of the car under installing payment and the external factors, such as economic problems, higher oil prices, job termination, natural disasters. These factors cause the debtors unable to repay debt on time and generate NPLs. Hence, the Company has focused and emphasized on credit quality control, efficient debt monitoring, good internal control system and strict credit approval policy, in order to minimize risk from NPLs to a certain level that does not affect the overall operation of the Company. The Company has the risk management process to control the risk caused by the NPL operation as the follows :

1. The Company controls the credit approval quality by checking the customer's payment behaviors with National Credit Bureau Co., Ltd. in order to intercept the loans granted to persons with no ability to pay off. The credit scoring system is applied to assess the customer's quality and the ability to pay off debt as well.

2. The Company controls the efficiency of the debt collection based on the number of deferred customers; and the strict debt collection policy to ensure the fastest recovery of overdue debts.

Furthermore, the company also collects debtor behavior data. To analyze and develop credit risk management guidelines further.

#### Risk from Sales of Impounded Vehicles

When there are outstanding receivables due from 4 installments or more, the Company will collect debts from debtors by having them return the cars, then sell the returned cars at auction and pay off the remaining debt. If the money received from the auction was not enough to pay off the debt, the Company will demand for the remaining amount from the debtor or guarantor. However, if the Company cannot get the demanded remaining amount, the Company shall get loss from such car or other assets selling. The auction price depends on the quality, age and popularity of the car or other assets, market situation and the demand at that moment. Regarding the risk of loss from selling returned cars, in general, the used car loan give lower loss than the new car loan because the depreciation rate of car price is high in the early years and lower down when the car gets older.

The Company has the Risk Management Policy to manage the risk of returned car sales by monitoring on debts closely and continuously to prevent the overdue payment that can lead to the car returning process. The returned cars shall be sold as soon as possible to reduce the loss from depreciated price. The Company shall also file a lawsuit to enforce debtors and guarantors to pay the missing amount in order to minimize the loss. The sales of returned cars in 2019, 2020 and 2021 were 638, 899 and 728 cars respectively. The loss from selling cars in 2019, 2020 and 2021 were 102.23 million Baht, 163.50 million Baht and 97.07 million Baht respectively.

#### Risk from Interest Rate Fluctuation

The Company's main source of income comes from interests earning on leasing calculated at fixed rate while some parts of funding costs are from financial institutions charging loan interest at floating rate. In the situation that the loan interest rate increases while the earning interest rate cannot catch it up, the result is the decrease in Interest spread rate. The Company manages risks by expanding business giving a credit for various vehicles or other assets that

yield higher returns and managing the financing management to get low financial costs. This aims to maintain the interest spread at the appropriate level.

#### Risk from Mismatch Lending and Borrowing Periods, and Financial Liquidity

Most of lending service providers face the risk from the mismatch of lending and borrowing periods, and financial liquidity. The credit periods granted to customers are for 1-5 years while the Company's main long-term loans from financial institutions and others debt installment are about 1-7 years. So the risk occurs from a duration gap and may cause mismatch funds which results in the lack of operational liquidity. The Company acknowledges this risk and manages the risk by classifying the new customers into short-term and long-term debtors. The Company also adjusts lending periods in consistent to borrowing periods. The proportion of new sources of funds that gives better matching between borrowing period and lending period is increased to help reduce the period mismatch. Then the Company is able to manage costs of fund more efficiently. The risk on lack of liquidity is lower to the appropriate level in order for the Company to continually and securely conduct its business operation.

#### Risk of Potential Debts in the Future

The expansion of future lending service might make it necessary for the Company to find source of funds or increase lending in the future for the business expansion, which may generate risks in potential future debts. However, to manage such risks, the Company has been sourcing for funds from various sources, to prevent the risk of potential debt from capital market, money market, bond market, financial institutions and related companies. Hence, the Company has adequate funds for business expansion as planned. To support business operation, the Company has searched for sources of funds with low financial costs under its financial structures and liquidity risks, provided that the benefit of the shareholders and stakeholders is priority.

#### Risk from Depending on the Specialists

The Company's business operation relies on skilled and experienced employees specializing in second-hand vehicle inspection and pricing estimate. This provides the Company with advantages over competitors since the Company's staffs are the experts having experience in marketing and customer services. They build good relationships with car dealers continuously by rotating their station to the dealer's offices who are the Company's business partners. A car dealer which is the Company's partner is selected and approved according to the consideration procedures and investigation process specified by the Company. In addition, the Company also emphasized the importance on payments to the dealers fast and on time.

Moreover, the Company encourages the staff to provide convenience in credit approval services to customers and dealers, including paying attention and continuously improving after sales services. Thus, the Company can manage to secure the existing customers and also expand its customer base to the new customer groups who usually get recommendations from both existing customers and dealers. Most existing customers, who have completed their installment payments and who are currently in contract but wish to switch to another car, usually come to use the Company's services again.

Losing such employees will most likely affect the short-term operation. Therefore, the Company sets a policy to retain such expert employees on working at the Company for long-term with various incentives and continuously organize the appropriate training and development programs to those employees.

### Risk from Rules and Regulations

In conducting business, the Company needs to comply with the law, rules, and regulations of government, such as Anti-Money Laundering Act, Civil and Commercial Codes, Announcements of the Committee on Contract, Announcements of the Debt Collection Committee, etc. If there is any practice not complying with the government rules and regulations, the Company's reputation or business operation may significantly be affected.

Hence, the Company set up the Compliance department to study, follow up and publicize knowledge about rules and regulations of government relevant to the Company's operation to assure the compliance of all departments within the Company. In addition, this department also supervises and audits the compliance with rules and regulations by regularly reporting the result of such supervision and relevant information to the Board of Directors, sub-committees, and relevant executives.

## **Emerging Risk**

### Risks from Environmental and Climate Changes

The environmental and climate change problems have continuously been getting more severe. Human being is a part of what causes such changes, i.e., industrial pollution, fuel consumption in the transportation, etc. The stated problems may have impact on not only the company business operation but also the related supply chain. All stakeholders also have expectation for the private sector to operate the business that takes the environmental sustainability into account.

Thus, the Company defined the guideline for environmental management for sustainability in terms of energy management, water management, waste and pollution management, and greenhouse gas management. The Company's corporate culture promotes the environmental consciousness and provides knowledge and understanding to support employees to help reduce the impact of global warming and climate changing. Moreover, the Company aims to use the environment issue to be part of product and service development in the future.

### Risks from Cyber Threat

The technology change and development have partly been supporting the higher efficient business operations in the aspects of cost management and product and service development to meet customer's demand. Meanwhile, the risk of cyber security has also been increasing. The Company's cyber-attack could result in service disruption and stolen important information affecting the Company's image, reputation, and stakeholders' confidence to the Company. Penalties from official authorities shall be applied if the applicable law or regulations are violated.

Hence, the Company set the Cybersecurity Measures to prevent risks from such causes which cover risk identifying process, threat prevention, proactive monitoring and surveillance, timely response to threat, and treatment and recovery of damage caused by cyberthreats. In addition, the Company encouraged its employees to have knowledge, understanding and realization of cyberthreat risks in order to elevate the security to meet the international standards and related laws.

## Shareholder Risk

The investment in Company's stocks may cause risk to shareholders since the return on investment may not be as expected as it varies by operating performance, price, and securities liquidity. Hence, shareholders may receive return more or less than expected. The Company explained the risk factors for business operation and potential new risk factors including the risk management method in the above topic. However, the Company may not be able to prevent all potential risks. There are other environmental factors that could impact on the Company's operation, such as economic condition, political situation, etc. Shareholders should study risks and use judgment concisely before making decision in the investment.

In addition, the Company has Thanachart Group as the major shareholder holding 60.16% of registered paid-up capital. The major shareholder has authority in management and control of voting in significant resolutions, except for the issue that the law or company's regulations require the votes from the shareholders' meeting for not less than 3 out of 4 of attended shareholders with voting rights. Thus, other shareholders may not be able to collect the votes for objection or balance to the issue proposed by major shareholders.

## Risk Management from CORONA VIRUS 2019 (COVID-19) pandemic situation

Under the CORONA VIRUS 2019 (COVID-19) pandemic situation which inevitably affected the overall economic system of the country and the private sector's business operations, the Company has closely assessed the situation and worked on the operation plans to be able to conduct business appropriately and efficiently. The summary of key actions was as follows:

1. Approving credits with caution by considering the ability to repay debts of debtors according to the uncertain economic condition. The situation and economic effect were carefully, closely, and continuously evaluated as one factor for credit approval consideration.
2. Providing support to debtors who were economically affected by COVID-19 pandemic by providing debt moratorium, debt payment suspension, and refinancing, depending on necessity and appropriateness of each debtor in order to prevent them from becoming non-performing loan in the future.
3. Managing business continuity by conducting analysis to assess business impact and improve business continuity management plans from pandemic situation including identifying disease prevention and control measures, such as increasing frequency of cleaning contact area, dividing employee groups to work on site and work from home, communicating knowledge of disease prevention and reporting cases in which employees are at risk of virus infection.

In addition, senior executives held meetings regularly to assess and review various plans to be updated with changing situations and reported the update to the Board of Directors and Committees continuously.

## Business Sustainability Management

### Policy and Goal of Sustainability Management

The Company is aware of the good corporate governance and efficient risk management together with the responsibility to stakeholders along the Value Chain in the dimensions of Economics, Social and Environment. The Board of Directors, thus, considered to set up the policy of sustainability management consisting of key policies, such as management of impacts to stakeholders in the business value chain, management of sustainability in environmental dimension, management of sustainability in social dimension, and management of sustainability in corporate governance dimension in order to improving the level of quality of operations and continuously developing the competitiveness by considering on all stakeholders and the consistency with the Sustainable Development Goals: SDGs of the United Nations which will lead to sustainable added value and business value.

### Sustainability Governance Structure

The Company set the corporate governance structure to assure that the sustainability would be implemented in a concrete way. The Board of Directors had a duty to set the policy of sustainability management in consideration of the highest interest of business and all stakeholders. The Corporate Governance Committee had a duty to supervise, monitor, and advise on sustainability implementation of the Company, the Executive Committee had a duty to set goals and directions and to operate sustainability management in the economic, social, and environmental dimensions. The business units had a duty to operate and support sustainability implementation to achieve the organization's goals and meet the expectation of all stakeholders.





## Management of Impact on Stakeholders in Business Value Chain

The Company set to have the analysis and management of impact on stakeholders in the business value chain which represents the relationship of stakeholders in business operation from upstream to downstream, aiming to create value of products and services to meet expectation of key stakeholders, both internal and external, of the corporate.

In this regard, to know both positive and negative impacts and connecting issues between the Company and stakeholder, the Company requires the assessment and review of stakeholder's expectation at least once a year. When the stakeholder's expectation is known, the Company shall identify the guideline to respond to each stakeholder's expectation. This reflects the cooperation and mutual value creation between the Company and stakeholders to reduce risks and create added value to business sustainably.

### Business Value Chain

The Company conducts business of providing hire-purchase credit services and financial leasing services for commercial cars, vehicles, and other assets, including one-stop relevant services. Thus, the Company's business consists of primary activities as follows:

1. **Inbound logistics management** by sourcing capital to support financial services to customers from both equity funds and borrowing from various sources.
2. **Operations** by designing and developing financial products that are suitable and customer centric.
3. **Outbound logistics** by providing services to customers through marketing officers of the Company and branch offices, including services at car dealers where customers want to apply for credits.
4. **Marketing and Sales** by communicating, publishing and providing complete, clear and sufficient information of products and services for customer's decision making through various channels and conducting promotional activities to create awareness of and motivation to use company services.
5. **Customer Services** by providing services and receiving comments or suggestions on the Company's services through various channels, aiming to create good experience to customers during and after services.

Support activities that help the above activities achieve their objectives consist of corporate infrastructure of accounting, finance, legal, information system and various operating unit to support the main activities, as well as, human resource management in recruiting, selecting, developing, and providing appropriate and fair compensation to employees of all levels. Moreover, the Technology development and Procurement of facilities for business operation also support the operation of key activities to achieve their objectives efficiently.

### Analysis of Stakeholders in Business Value Chain

With the variety of stakeholder groups, the Company has strategies to supervise and improve the operation and to respond to the expectation of all groups of stakeholders properly and continuously to enable the Company to grow sustainably. The analysis of internal and external stakeholders concluded the expectation of stakeholders to the company business and the responding to such expectation as follows:

Stakeholders	Formats and channels of participation	Expectation of stakeholders	Practices and responses to stakeholder's expectation
Shareholders	<ul style="list-style-type: none"> <li>• Shareholder's meeting</li> <li>• Meeting to provide information to investors and analysts</li> <li>• Opportunity Day activity</li> <li>• Disclosure of information via Stock Exchange of Thailand and company website.</li> <li>• Information provided on investor relation channel</li> </ul>	<ul style="list-style-type: none"> <li>• Business conduct with transparency, efficiency, and having sustainably growing result.</li> <li>• Good and consistent return on investment</li> <li>• Receiving complete, accurate, and timely information equitably.</li> </ul>	<ul style="list-style-type: none"> <li>• Business conduct with prudence in consideration of interests and effect on every group of stakeholders for sustainable development and growth.</li> <li>• Operational structure according to good corporate governance principles.</li> <li>• Systematic risk management and anti-corruption of all kinds.</li> <li>• Disclosure of information with transparency, completeness, timeliness, equitability, and in accordance with criteria defined by governmental agencies.</li> </ul>
Board of Directors	<ul style="list-style-type: none"> <li>• Board of Directors meeting</li> <li>• Meeting among non-executive directors</li> <li>• Performance evaluation of the Board of Directors</li> <li>• Information providing through various channels</li> </ul>	<ul style="list-style-type: none"> <li>• Business conduct with transparency according to corporate governance</li> <li>• Fair treatment to all stakeholders</li> <li>• Receiving information for meetings and other relevant information beneficial to duties completely and timely.</li> </ul>	<ul style="list-style-type: none"> <li>• Business conduct with prudence in consideration of interests and effect on every group of stakeholders for sustainable development and growth.</li> <li>• Prompt submission and reporting of useful information to directors.</li> <li>• Support full facilitation to committees to perform their duties.</li> </ul>

Stakeholders	Formats and channels of participation	Expectation of stakeholders	Practices and responses to stakeholder's expectation
Employees	<ul style="list-style-type: none"> <li>• Employee meetings</li> <li>• Performance evaluation</li> <li>• Employee opinion survey.</li> <li>• Communications and public relations within the organization.</li> <li>• Meetings of Welfare Committee and Occupational Safety, Health and Environment in Workplace Committee.</li> <li>• Channels for whistleblowing and complaints.</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate and fair remuneration and welfare.</li> <li>• Fair performance evaluation.</li> <li>• Skill and knowledge development training.</li> <li>• Appropriate and safe environment in workplace.</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of remuneration, welfare structure and appropriate and fair performance evaluation.</li> <li>• Continuously providing training courses to develop knowledge and skills suitable for each position and career path.</li> <li>• Providing equipment and system to support efficient work.</li> <li>• Supervision on occupational safety and health in workplace.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Credit services via marketing officers and branch offices.</li> <li>• Customer visit.</li> <li>• Communications and public relations of products and services through various channels of the Company, such as website, call center, line official.</li> <li>• Customer satisfaction survey.</li> <li>• Channel for whistleblowing.</li> </ul>	<ul style="list-style-type: none"> <li>• Products and services meet customer's demand appropriately.</li> <li>• Providing fair, responsible, convenient, fast and quality service.</li> <li>• Keeping customer's information confidential.</li> <li>• Providing support to customers when they have problems.</li> </ul>	<ul style="list-style-type: none"> <li>• Product and service development based on customer's demand.</li> <li>• Development and supervision of fair services to customers.</li> <li>• Disclosure of complete and accurate information of product and service.</li> <li>• Development of employee's skills to provide efficient services to customers.</li> <li>• Measures of personal information protection and cyber safety.</li> <li>• Hearing suggestions and problems from service using to set guidelines for resolving and development.</li> </ul>

Stakeholders	Formats and channels of participation	Expectation of stakeholders	Practices and responses to stakeholder's expectation
Trade partners and Business partners	<ul style="list-style-type: none"> <li>• Services provided via marketing officers and branch offices.</li> <li>• Opinion exchange and discussion.</li> <li>• Trade agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Reasonable and fair return on trade.</li> <li>• Good long-term business relationship.</li> </ul>	<ul style="list-style-type: none"> <li>• Setting reasonable and fair contract, condition, and trade return.</li> <li>• Building confidence and relationship for business cooperation in long term.</li> <li>• Promoting the awareness of sustainable business to trade and business partners.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>• Providing information to creditors.</li> <li>• Making agreements and contracts.</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting business and disclosing information with transparency.</li> <li>• Compliance with terms of contracts.</li> </ul>	<ul style="list-style-type: none"> <li>• Providing complete and accurate information on a timely basis or as requested.</li> <li>• Compliance with terms of contracts, especially in credit terms, guarantees, capital management, and the case of default debt payment.</li> <li>• Setting financial liquidity management plan and loan repayment plan.</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>• Attending the Thai Hire Purchase Association meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Business conduct with ethics and fair competition.</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting business and competing fairly. No accusation or bullying on trade competitors.</li> <li>• Building cooperation for industrial development.</li> </ul>
Society, Community, and Environment	<ul style="list-style-type: none"> <li>• Information survey about problems, needs, and opinions of community and society.</li> <li>• Creating activities for society, community, and environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting business with responsibility.</li> <li>• Participation in social and community development.</li> <li>• Promoting and supporting activities for society, community, and environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Providing credits with responsibility and promoting service users in every group of society to be able to access to financial services.</li> <li>• Providing financial knowledge and supporting activities for society, community, environment development.</li> </ul>

Stakeholders	Formats and channels of participation	Expectation of stakeholders	Practices and responses to stakeholder's expectation
			<ul style="list-style-type: none"> <li>Participating in reducing and controlling impact on environment.</li> </ul>
Government Sector	<ul style="list-style-type: none"> <li>Attending meetings to listen and give comments on draft law.</li> <li>Reporting and proving information to government sector.</li> </ul>	<ul style="list-style-type: none"> <li>Conducting business with responsibility.</li> <li>Compliance with the laws, rules, and regulations of government agencies.</li> <li>Cooperating and supporting work of government sector.</li> </ul>	<ul style="list-style-type: none"> <li>Conducting business with responsibility to all stakeholders.</li> <li>Compliance with the requirements of laws, rules and regulations of government agencies.</li> <li>Cooperating and supporting work of government sector, including information disclosure as required or requested by government agencies.</li> </ul>

## Identification of Sustainability Materiality Topics

The Company has a process of assessing and identifying of sustainability materiality topics, by considering issues that have affect on the Company and stakeholders, covering the economic, social, and environmental dimension, and taking into analysis, prioritization, and operation planning to be in accordance with and responsive to stakeholders' significant needs appropriately. The processes of identifying key issues on sustainability are as follows:

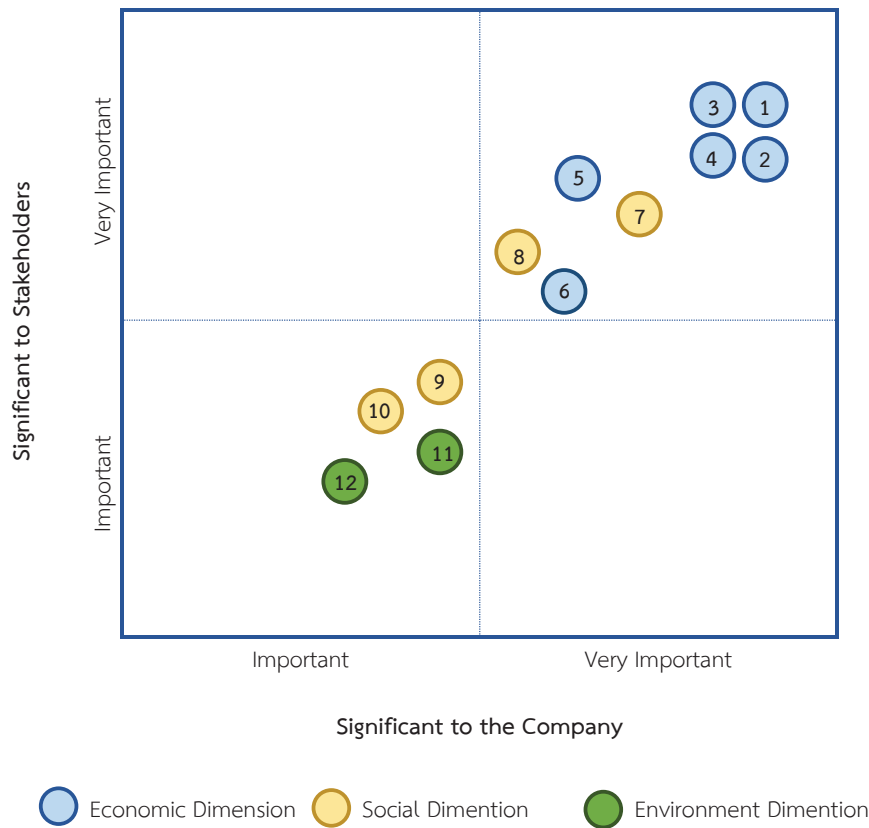
**1. Identification of sustainability materiality topics** by studying from issues of the industrial, country, and international levels, covering the economic, social, and environmental dimensions, which shall have impact on competency to operate sustainably. Then, the key issues shall be proposed to senior executives for consideration and approval.

**2. Prioritization of sustainability materiality topics** by analyzing information from the involvement of internal and external stakeholders through various channels and assessing issues that have impact on the Company and stakeholders to prioritize sustainability issues.


**3. Checking sustainability materiality topics** by Senior executives and involving agencies cooperate to review information and set operating guidelines for responding to sustainability key issues and stakeholder's expectation. Then, they shall propose to the Corporate Governance Committee and the Board of Directors for approval and published in annual reports.






**4. Reviewing sustainability materiality topics** by listening to opinions and suggestions of stakeholders through various channels regularly in order to develop the sustainability operations to be efficient and in accordance with changing business environment.

























### Sustainability Materiality Topics



- |  |   |
|--|---|
| 1. Corporate Governance and Business Ethics            | 7. Labour Management  |
| 2. Risk Management                                     | 8. Encourage of Access to Financial Services and Financial Literacy |
| 3. Business Performance & Growth                       | 9. Encourage and Support for Social Development Activities          |
| 4. Market Conduct and Customer Relationship Management | 10. Human Rights  |
| 5. Cyber Security and Personal Data Protection         | 11. Efficient Resources Management                                  |
| 6. Supply Chain Management                             | 12. Encourage and Involvement with Environment Conservation         |

Sustainability Materiality Topics	Scope of Impacts		Consistency with SDGs	State in the Report
	Internal	External		
1. Corporate Governance and Business Ethics	All business function	Shareholders, Customers, Trade partners and Business partners, Creditors, Competitors, Society, Community, and Environment, Government Sector		Page 55, 91-129

Sustainability Materiality Topics	Scope of Impacts		Consistency with SDGs	State in the Report
	Internal	External		
2. Risk Management	All business function	Shareholders, Customers, Trade partners and Business partners, Creditors, Society, Community, and Environment, Government Sector		Page 55-56, 40-45
3. Business Performance & Growth	All business function	Shareholders, Customers, Trade partners and Business partners, Creditors, Society, Community, and Environment, Government Sector		Page 56, 74-87
4. Market Conduct and Customer Relationship Management	All business function	Customers, Trade partners and Business partners,		Page 56-57
5. Cyber Security and Personal Data Protection	All business function	Shareholders, Customers, Trade partners and Business partners, Creditors, Government Sector		Page 58
6. Supply Chain Management	All business function	Customers, Trade partners and Business partners		Page 58-59

Sustainability Materiality Topics	Scope of Impacts		Consistency with SDGs	State in the Report
	Internal	External		
7. Labour Management	All business function	Government Sector	    	Page 60-64
8. Encourage of Access to Financial Services and Financial Literacy	All business function	Customers, Society, Community, and Environment, Government Sector	     	Page 64
9. Encourage and Support for Social Development Activities	All business function	Society, Community, and Environment	    	Page 65-68
10. Human Rights	All business function	Shareholders, Customers, Trade partners and Business partners, Creditors, Competitors, Society, Community, and Environment, Government Sector	 	Page 68-69
11. Efficient Resources Management	All business function	Society, Community, and Environment	  	Page 70-71
12. Encourage and Involvement with Environment Conservation	All business function	Society, Community, and Environment	  	Page 72-73



## Sustainability management in economic dimension

### Corporate Governance and Business Ethics

The Company has a goal to become the leading business organization which achieves sustainable success. Thus, it gives importance to conducting business according to the good corporate governance principles and business ethics, which shall support the Company to have efficient management system and increase its competency. It shall also assure all stakeholders for the fair treatment and reflects good image of the Company. Thus, the Board of Directors set the Corporate Governance Policy and Code of Conduct according to the corporate governance agency's guidelines by adhering to morality, integrity, and compliance with related laws, aiming to communicate to directors, executives, and employees of all levels to use as guidelines for operations. The key objective is to communicate such matters to all stakeholders. Further details can be considered under the topic of Corporate Governance Policy in this report.

Moreover, in order to assure that the organization management continues with efficiency, transparency, and good internal control system, the Company has set the corporate governance structure clarifying duties in the level of committees, sub-committees, and various departments under the Management. The check and balance of operations can be conducted independently and appropriately for the highest interests of business and internal and external stakeholders of organization and also for preventing potential conflicts of interest. Further details can be considered under the topic of Corporate Governance Structure and Internal Control in this report.

### Risk Management

The Company, realizing the importance of systematic business risk management, has cultivated corporate culture taking risks into account through the Risk Management Policy as guidelines for relevant persons to manage risks efficiently and to achieve operational objectives, to grow and to create return to all stakeholders appropriately. Such policy consists of key topics as follows:

- 1) The Company's risk management structure
- 2) The Company's risk identification
- 3) The Company's risk assessment
- 4) The Company's risk response
- 5) The Company's risk control
- 6) The Company's risk monitoring
- 7) Business continuity management
- 8) The Company's risk management policy review

In addition, the Company set up risk management teams according to types of major risks of the Company, such as strategic risk, credit risk, market risk, liquidity risk, operation and information technology risks, in order to develop tools to measure and assess company risks, to govern and control various types of risks to assure their compliance with the risk management policy and direction as identified by the Company and to monitor risk data and potential damages caused by various risks to propose to relevant committees and sub-committees for consideration respectively.

The risk management policy and plan, risk factors for the company's business operation, emerging risk, shareholder risk, and risk management from CORONA VIRUS 2019 (COVID-19) pandemic situation can be considered in further details under the topic of Risk Management in this report.

## Business Performance & Growth

The Company is committed to the continuous enhancement of operation quality and competitiveness development to create confidence to all stakeholders. As a business operator in financial service, the Company, aware of the responsible lending, considers lending approval in consideration of economic, social, and environmental factors. The process of risk analysis and assessment is defined. So is the concentration level of credit consideration in high-risk industries, such as mine business, service business, etc. The Company shall not consider credit for an individual, juristic person, or business of which actions are or are within the scope of illegal, immoral, or destroying national security. Performance in the past period is summarized as follows:

(unit : Million Baht)

Performance	2021
<b><u>Direct Economic Value Generated</u></b>	
Revenues	4,226.49
<b><u>Direct Economic Value Distributed</u></b>	
Operating costs	292.99
Employee wages and benefits	290.40
Payments to providers of capital	1875.92
Payments to government	468.59
Community investments	1.23
<b><u>Economic value retained</u></b>	1,297.36

Further details of business performance and factors or situations that could have significant on financial status or operations in the future can be considered under the topic of Management Analysis and Discussion in this report.

## Market Conduct and Customer Relationship Management

### Market Conduct and Responsibility

The Company is the business providing financial services which focus on managing services with fairness and responsibility, aiming for:

1. Customers to be assured that the Company focuses on providing fair, sincere, and no advantage taking services.
2. Customers to receive advices according to their purpose, financial ability, and ability to understand, without being disturbed. Customers shall receive clear, complete, and sufficient information to make decision based on correct understanding before, during and after sales and can compare product or service information of many service providers.

3. Customers to receive products and services at fair prices and conditions which meet their purpose, ability and expectation. Customer data must be kept properly and not be used in the wrong way.

4. Customers to be able to conduct after-sales activities conveniently and fairly.

5. Customers to understand their rights and duties for using financial services with support from the Company in promoting financial literacy.

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

#### Customer Relationship Management

The Company focuses on managing and developing customer relationship continuously with understanding and responding to customer's needs and creating good experiences between the Company and customers before, during, and after services, in order to build business bonding that creates long term incomes. In 2021, the Company was in the process of planning and developing customer relationship management of which details shall be revealed later.

#### Complaints Management

The Company gives priority to fast and efficient problem solving and thus has identified a mechanic to manage complaints systematically to make problem solving and complaint management clear, fast, independent, and fair. The complaint center under Customer Service department acts as a center to receive and manage complaints and coordinate with relevant departments to consider solving complaint issue within the period set in Service Level Agreement: SLA. In case there is a complaint requiring a remedy for occurred damage, the complaint center and relevant departments shall investigate details and facts and consider the real damage together to propose to the authority for approval on compensation of such damage.

#### Complaint Channels

Tel.	:	02-4319000
Fax	:	02-4319099
Postal	:	77/35-36 11UP Floor Sinnsathorn Tower Building, Krungthongburi Road, Klongtonsai Sub-district, Khlongsan District, Bangkok 10600
E-mail	:	Callcenter@thani.co.th
Website	:	www.ratchthani.com
Line Official	:	@Ratchthani

In 2021, the Company received 37 complaints about services and conducted fact investigation, solving issues, analyzing causes and setting measures to prevent the recurrence, including reporting to the relevant committees or executives within the period set in Service Level Agreement (SLA).

## Cyber Security and Personal Data Protection

### Cyber Security

Technology changing development partly improves business efficiency in terms of cost management and product and service development to meet customer's demand. In addition, the Company also concerns on cyber security and personal data protection and has set Information Technology Risk Management Policy, Information Security Policy, and Information Security Standard, which cover from risk identification, threat prevention, proactive monitoring and surveillance, timely response to threat incident, to treatment and recovery of damage caused by cyber threat, in order to manage risks from cyber threat. In 2021, the Company did not have damage or affect from cyber threat.

### Personal Data Protection

Regarding personal data, the Company holds the principle to collect, use and/or disclose personal data with limit, as necessary and in accordance with the provisions of law. The personal data protection working group and officers are appointed to operate or coordinate with relevant departments to perform various operations related to personal data according to the legal requirements in consideration of data owner's privacy. The measure of security is set to prevent the loss, access, use, change, correct, or disclose personal data without authorization or improperly, which will lead to build confidence and trust in long term. In 2021, the Company did not receive any violation case or complaint about personal data.

### Creating Awareness of Cyber Security and Personal Data Protection

The Company encourages its personnel to have knowledge, understanding and awareness of cyber security and personal data protection continuously. Over 80% of total executives and employees were trained on such matters.

## Supply Chain Management

The Company gives importance to supply chain management from upstream to downstream of business operation, aiming to create values to products and services to meet expectation of stakeholders in the economic, social, and environmental dimensions. To prevent and reduce risks from trade partners that could affect the Company's quality, image, and operations both directly and indirectly, the Company set the continuous relationship with trade partner management process with the following guidelines:

### Trade Partner Selection

In the procurement process or business relationship building, the Company considered to select trade partners who had knowledge, skills, experiences, and abilities related to products or services by taking into account cost-effectiveness, efficiency, and effectiveness in terms of quality, price, and service with highest benefits. In addition, trade partner must not have history of prosecution or dispute or any other action with reasonable grounds to believe that they have intention to violate or not to comply with law, regulation, or requirement related to anti-corruption, human rights and labor practices, or natural resource and environment management. Moreover, the Company gives importance to the green procurement to reduce impact on environment, such as using products made from natural material or environment-friendly material, etc.

#### Identification of significance and management of risks from trade partner

The Company conducts business with 3 types of trade partners, that is, 1) car dealer, 2) debt collection service provider, and 3) business support service provider or other product seller. The Company gives the most importance to car dealer partner since the Company's major business relates to sales of dealer's cars (further details can be found under the topic of Business Operations in this report.) The Company manages risks of reliance on major partners by building good relationship with variety of car dealers to diversify risks from such reliance. In 2021, the Company had reliance on large trading partners in the acceptable level of risk according to the index of strategic risk of the Company.

#### Business Ethics of Partners

The Company aims for trade partner to conduct business according to legal requirements and business ethics by requiring trade partners to control directors, executives, employees, business, or other individuals whose partners have authority to control, strictly comply with laws, regulations, or requirements related to anti-corruption, human rights and labor practices, and natural resource and environment management.

Moreover, to monitor trade partners' compliance with business ethics, the Company uses the self assessment approach with trade partners for the issues related to sustainability in economic, social, and environmental dimensions. In 2021, the Company submitted self assessment forms to 180 major trade partners. All responded trade partners have completely complied with business ethics in every dimension.

#### Credit Term

The Company gives importance to financial liquidity management of both the Company and business partners. Credit terms with trade partners were set at 7 - 45 days after product or service delivery. In 2021, the Company's payment to trade partner was in accordance with the set terms.

## Sustainability Management in Social Dimension

### Labour Management

The Company recognizes that employees are important resources in driving business to achieve sustainable success. The Company defined the labor equitability practice from hiring process, compensation payment, training and development, employee satisfaction, to safety, occupational health, and working environment management. This will not only reduce the risk of labor disputes or labor shortages. But it also helps employees to have morale and happiness at work. This will lead to the development of work to be efficient and effective to achieve sustainable goals of the organization.

#### Employment Information

Employees Information	2021			2020			2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Grand Total (person)</b>	<b>211</b>	<b>254</b>	<b>465</b>	<b>218</b>	<b>263</b>	<b>481</b>	<b>224</b>	<b>256</b>	<b>480</b>
<b>By Age</b>									
Less than 30 years old	16	57	73	17	64	81	21	89	110
30 - 50 years old	144	185	329	153	186	339	165	163	328
50 years old and over	51	12	63	48	13	61	38	4	42
<b>By Employee Level</b>									
Executive Management	5	1	6	5	1	6	6	1	7
Manager - First Vice President	24	15	39	22	16	38	19	14	33
Officer	182	238	420	191	246	437	199	241	440
<b>by Division</b>									
Executive Management	5	1	6	5	1	6	6	1	7
Hire Purchase and Marketing	56	19	75	57	19	76	58	19	77
Branch Administration	68	77	145	73	81	154	73	77	150
Credit Control	56	49	105	58	49	107	61	48	109
Operation Support	16	60	76	15	64	79	18	63	81
Strategy and Finance	2	36	38	2	37	39	0	36	36
Office of the directors and Administration	8	12	20	8	12	20	8	12	20
<b>By Location</b>									
Head Office	143	177	320	145	182	327	151	179	330
Branch office	68	77	145	73	81	154	73	77	150
<b>New Employees</b>									
Less than 30 years old	2	1	3	1	7	8	7	16	23
30 - 50 years old	7	3	10	4	7	11	6	4	10
50 years old and over	0	0	0	1	0	1	0	0	0
<b>Total</b>	<b>9</b>	<b>4</b>	<b>13</b>	<b>6</b>	<b>14</b>	<b>20</b>	<b>13</b>	<b>20</b>	<b>33</b>

Employees Information	2021			2020			2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Discharged Employees</b>									
Less than 30 years old	1	2	3	2	2	4	4	14	18
30 - 50 years old	12	11	23	7	5	12	7	15	22
50 years old and over	2	1	3	3	0	3	2	0	2
<b>Total</b>	<b>15</b>	<b>14</b>	<b>29</b>	<b>12</b>	<b>7</b>	<b>19</b>	<b>13</b>	<b>29</b>	<b>42</b>

Note : (1) The Company does not employ people with disabilities and contributes to the DEP Fund at the rate prescribed by law

(2) In 2019 - 2021 Employee discharged by retirement and resignation accounted for 100%

### Employee Potential Development

The Company realizes that the development of employee's knowledge, ability and potential is the key factor to business success. Thus, the Company has a policy of employee potential development which is in accordance with the organization's direction and strategy, consisting of: 1) Orientation of fundamental information and general operational practices, 2) Training courses to develop potential according to each field job, and 3) Training courses to encourage leadership and needed skills for business driving.

In 2021, the Company conducted 14 training courses for executives and employees to develop their skills and potentials. Executives and employees attended training courses at the average rate of 2.88 hours/ person/ year.

### Performance Evaluation

The Company has clear and transparent performance evaluation process of its personnel by setting criteria suitable for each individual's job characteristic which is in accordance with performance, objective, and expectation of the Company in both short term and long term. The evaluation period is once a year and will be used for remuneration consideration, employee development plan, and appropriate and fair job promotion. This shall also be job motivation for employees in the organization.

### Employees Welfare

The Company provides welfare for all employees equally. To promote good quality of life and create motivation for work, details as follows:

#### **1. Provident Fund Welfare**

The Company set up "Ratchthani Multiple Value Provident Fund" to promote savings for retirement period. Employees can allocate their portion at the rate of 5%-15% of wages and the Company will contribute 5% of their wages to the fund. Moreover, the provident fund also offers additional benefits for medical expenses, in the event of an accident for 5,000 Baht per person.

#### **2. Savings Cooperative Welfare**

The Company encourages employees to join as member of "Thanachart Employee Savings Cooperative Limited" to promote saving for employees. Besides, the members will receive additional benefits such as group life insurance and family insurance welfare, special interest rate for savings, applying for a loan, etc.

### 3. Annual Physical Check-Up Welfare

The Company provides the physical check-up every year with a checklist according to age range and the potential risk. In addition, employees' family can also get the physical check-up at special low rate of cost.

### 4. Group Life Insurance Welfare

The Company treasures the employee's quality of life. So the welfare named "Ratchthani Group Life Insurance" was set up for all employees to give them encouragement and to insure their working lives. Employees do not hold any cost to pay.

### 5. Funeral Allowance Welfare

The Company set up the welfare of "Ratchthani Care for Every Life - Employee Funeral Allowance" aiming to support employees when their father, mother, spouse or child passes away. The funeral allowance will be provided to help support the cost of funeral according to the stated criteria.

In addition, the Company has established the Welfare in Workplace Committee to perform the duty to provide consults and suggestions to the Company in terms of employee welfare arrangement. The committee also has duty to inspect and govern employee welfare arrangement provided by the Company to assure it is beneficial to promote good quality of life of employees in long term.

## Safety, Occupational Health, and Working Environment

The Company gives importance to safety, occupational health, and working environment. The Board of Directors defined the policy of safety, occupational health, and working environment which had the significant practices as follows:

- 1) Promote and support the improvement of working environment including the safe operational practices in consideration of good health of every employee.
- 2) Publicize and create awareness of safety, occupational health, and working environment to executives and employees continuously.
- 3) Superior of every level must behave as a role model in safety to lead, to train, and to motivate employees to operate their work with the correct and safe method.
- 4) Every employee must strictly comply with the safety, occupational health, and working environment standards and other relevant regulations.

In addition, the Company has set up the safety, occupational health, and working environment committee to take responsibility of the above tasks. The actions taken as follows:

#### 1. Compliance with Ministry Regulation

- The Company set the meeting of safety, occupational health, and working environment committee every month to consider the operation of safety, occupational health, and working environment of the Company. Mr. Phongpun Poomchew was the secretary of the safety, occupational health, and working environment committee, performing the duty of making meeting appointment, taking meeting minutes, and doing the tasks assigned by the committee.
- The Company managed to have the executives and employees of managerial level attend the training course of a safety officer at work executives and supervisor level to get knowledge and understanding of duty and responsibility of safety, occupational health, and working environment work.



- The Company installed 11 fire extinguishers to protect lives and assets from fire incidents in the head office area and 10 fire extinguishers at the branch offices.

## **2. Employee hygiene**

- The safety, occupational health, and working environment committee coordinated with Samitivej Thonburi Hospital to provide vaccination against four different strains of influenza and the hepatitis B vaccine to interested employees at special prices to reduce the risk of such diseases in employees.

- Purchase a nursing room program to record information and statistics of nursing work and use such information to analyze and do various statistical reports, such as report of overall health information of employees, management of nursing work expenses, etc. The Company also bought patient wheelchairs to provide convenience to patients who are unable to move easily.

- Due to the COVID-19 pandemic, the safety, occupation health and working environment committee set up the knowledge transfer of how to wash hands correctly to employees under the “Ratchthani Wash your hands, Wash away diseases, Wash it correctly” program to explain the method, significance, and benefits of washing your hands and to promote the good habits to employees. Moreover, the committee also ordered to change the hand cloth towels in the rest rooms to paper towels to reduce the accumulation and spread of various pathogens. The employees were also encouraged to use paper towels as necessary only to limit the impact on environment.

- Waste sorting before throwing away campaign was conducted to make it easy to manage waste and to reduce environmental impact; for example, food waste which can be decomposed quickly may be used as fertilizer, plastic bottle can be reused or resold to generate additional income to cleaning staff, etc.

## **3. Safety and environment in workplace**

- The Company sees the importance of safety and environment in the workplace. Since the head office is in Sinsathorn Tower building, the Company requires employees to get trained and practiced on the fire evacuation drill with the Sinsathorn Tower building’s juristic person, which included both theory and practice in fire evacuation drill and fire escape routes in case of fire incident occurred.

- Aware of the safety at work whether in hygiene or environment of the workplace, the Company requires employees to get trained on the safety at work, such as avoiding working in the insufficient light, avoiding unsafe working environment, using mask to avoid dust touching to prevent long-term health problem, etc.

## **Employee Engagement**

The Company gives importance to employee care since employee is the important resource for the business success and, thus, sets the evaluation of employee satisfaction and engagement to the organization. The evaluation result is used for analysis and development for employee care and efficient human resource management. In 2021, it was found that the score of employee satisfaction with work and working environment was 85.90% and the average score of the engagement to organization was 90.28% which was higher than the Company’s target.



### Other Information about Human Resources

Information	2019	2020	2021	Target
<b>Maternity leave</b>				
Number of employees entitled for maternity leave (person)	256	263	254	-
Number of employees taking maternity leave (person)	16	12	7	-
Number of employees coming back to work after maternity leave (person)	16	12	7	-
Rate of employees coming back to work after maternity leave (%)	100	100	100	100
Rate of employees coming back to work after maternity leave and continue to work for 1 year (person)	100	100	100	100
<b>Safety and occupational health</b>				
Injury Rate (IR)	0	0	0	0
Lost Time Injury Rate (LTIFR)	0	0	0	0
Lost Day Injury Rate (LDIR)	0	0	0	0
Occupational Disease Rate (ODR)	0	0	0	0
Absence Rate (AR)	0	0	0	0
<b>Complaints and labor disputes</b>				
Received issues (Issues)	0	0	0	0
Issues under investigation/ resolving (Issues)	0	0	0	0
Concluded issues (Issues)	0	0	0	0

### Encourage of Access to Financial Services and Financial Literacy

The Company aims to develop products and services in consideration of increasing access to financial services thoroughly and equally for every group of users in society, especially for low-income group, underprivileged, and fragile group, to uplift their quality of living and to reduce borrowing from informal financial system with unduly high interest rates. The Company has designed products and set appropriate interest rates based on comprehensive risk management. In addition, to provide convenience to users, the Company has published product information and provided various contact channels, such as [www.ratchthani.com](http://www.ratchthani.com), line application @Ratchthani, and contact points at head quarter and branches all over the country.

#### 2021 Performance

New loan	23,290 million Baht
New Customer	14,410 account
Total Income	4,226 million Baht
Net Profit	1,709 million Baht

## Encourage and Support for Social Development Activities

The Company gives importance to conducting business with responsibility to society and community. In addition to local labor employment to support economic growth and labor potential development, the Company also promotes and supports activities to develop society and community in various forms. The existing resources are used to develop quality of life and promote well-being of people to create good social changes which shall lead to value creation to business and society sustainably.

### Activities to Support Development of Youth Potential

The Company realizes the importance of youth's various skills development and leisure utilization. Thus, the Company has continuously supported the "Saturday School" project which was the project of youth potential development through learning activities in communities. In 2021, the Company supported the project for the amount of 200,000 Baht. The project result found that the youth attending activities had higher self-confidence and problem-solving skills by 56% (from volunteer teachers' evaluation.)



### Activities to Support Educational Readiness

The Company takes into consideration the readiness of and access to necessary educational resources to reduce inequality and create educational equality which will lead to efficient and effective learning. In 2021, the Company supported money to purchase educational equipments for educational institutes and students lacking funds as follows:

#### 1. Support to purchase books in "Learn & Love Earth" project

The Company cooperated with Anurak Magazine which was a media promoting conservation in all aspects to purchase books under the "Learn & Love Earth" project for many schools, such as Thai Rath Wittaya School, schools under the Border Patrol Police, Wat Phan Wat Thewarat Kunchorn Worawihan School, elementary schools under the Ministry of Education, in total of 100 sets at the value of 45,000 Baht.



## 2. Support to purchase school uniforms

The Company supported the purchase of school uniforms for 50 students, at the value of 36,400 Baht, of Makut Khiriwan School for The Blind (Khao Yai). The school was under the supervision of the Makut Khiriwan for The Blind Foundation which had purpose to provide free education for blind students to support the development of emotions, intelligence, nutrition, and maturity of the blind.



## 3. Support scholarships, materials, and equipments

The Company in cooperation with Thanachart Foundation for Thai Society supported scholarships, materials and equipments to the Border Patrol Police Learning Center Lang Ai Mee, Wang Ang subdistrict, Cha Uat district, Nakorn Srithammaratch province, at the value of 90,000 Baht.



### Activities to Support Public Health Care

The Company realizes the importance of health and life quality of patients in hospitals, especially in hospitals lacking fund and medical equipment. To support public health care and to enable hospitals to provide sufficient and efficient medical services to patients, in 2021, the Company provided the following supports:

### 1. Ramathibodi Hospital, Mahidol University

The Company supported the purchase of medical equipments at the value of 500,000 Baht for “Ramathibodi for Public Hospital Project”, received by Asst. Prof. Supattra Leelapiwat, Executive Director and Secretary of Ramathibodi Foundation and Prof. Honor. Dr. Pornchai Simaroj, Lecturer of Faculty of Medicine Ramathibodi Hospital.





The Company supported the purchase of 2 sets of Video Laryngoscope model IS3-L at value of 158,000 Baht for Bang Khun Thien Elderly Hospital to be used for patients infected with COVID-19 in yellow group and red group. The donation was received by Dr. Puriwat Akarapornkrailert, MD., Head of the Center for Geriatric Medicine.



The Company supported lock screen between beds for patients at the value of 36,000 Baht for Buddhasothorn Hospital to prevent and reduce risks of COVID-19 infection spread in internal medicine rooms.



The Company donated foods, drinking water, masks, alcohol gel, PPE suits, and other stuff to Princess Mother National Institute on Drug Abuse Treatment (PMNIDAT) to be used in field hospitals. The donation was received by Ms. Vimol Lakkhanaphichonchatch, Head of Outpatient Nursing.



The Company donated foods, drinking water, masks, alcohol gel, PPE suits, and other stuff to the Civil Defense Volunteer, Klong Toey District, to be used in field hospitals. The donation was received by the Klong Toey Rabbit Team.



### Activities to Support Religion and Culture

The Company giving importance to sustaining the religion, the Company, executives, and employees have contributed donation of chapel construction at Suan Luang temple, Ban Rai sub-district, Lad Yao district, Nokorn Sawan since 2017. In 2021, the executives and employees contributed donation for kathin merit to support the unfinished chapel construction at the amount of 222,679 Baht.



### **Human Rights**

The Company recognizes the respect for human rights as an important responsibility. Human rights are fundamental rights and freedoms that are inherent, and the equality of persons not to be discriminated against on the basis of race, religion, gender, skin color, language, ethnicity, culture, opinion, social status, or any other status.

Therefore, to prevent and avoid human rights violations against stakeholders from the Company's business operations, the Company has established the human rights policy in accordance with the provisions of important international human rights laws and principles such as the Universal Declaration of Human Rights, the United Nation's Guiding Principles on Business and Human Rights, etc., to serve as a framework for directors, executives, employees of the Company and its affiliates to adhere to the same guidelines

### Human Rights and Key Risk Issues Inspection

The Company aims to develop the comprehensive inspection process on human rights to ensure that the Company's operations will not cause any human rights violation along the value chain. The Company analyzes risk issues, evaluates chances and effects, and defines guidelines of risk prevention, problem solving, alleviation and remedy for human rights violation case. The Company shall monitor and report the issues continuously. The human rights risk issues are analyzed and summarized as follows:

Key issues of human rights risk	Stakeholder	Risk management guidelines
1. Personal data and privacy security	Shareholders, Committees, Employees, Customers, Trade partners and business partners, Creditors, Government sector	Personal data of stakeholders are required to be managed in accordance with legal criteria, be kept appropriately in secured place to prevent loss, access, destruction, usage, change or disclosure illegally or improperly, which is deemed privacy violation and leads to other human rights problems.
2. Fair service providing	Customers	Define policies and practices related to fair and equal customer service in an End-to-End Process. Especially for debt collection, the action needs to comply with legal requirements, without human rights violation, including intimidating speech or language or violence to cause damage to debtors or other persons.
3. Fair Labor Management	Employees	Create opportunities for fair and equal employment from nomination process, remuneration, welfare, potential development, and career promotion to employees considering knowledge, skills, and performance. In addition, the Company opens opportunity for employees to share opinions on employment, welfare, and human rights issues so that the issues can be solved efficiently with the Management.
4. Supply chain management in consideration of human rights issues.	Trade partners and business partners	Define human rights action in compliance with laws, regulations, or related requirements to be a condition in considering procurement with trade partners, such as labor exploitation, wage payment and welfare arrangement for employees. Moreover, the Company supports partners to respect individual difference and must support or ignore any human rights violation that may occur in workplace.

Moreover, the Company opens opportunity for stakeholders to share opinions, clues, or complaints through complaint channels of the Company. If there is any human rights violation situation related to directors, executives, employees of the Company or associated companies, the Company will take action to resolve such complaints and set measures to prevent such recurrence.

In 2021, the Company did not receive any clues or complaints on human rights. There was no human rights dispute during remedy process either.

## Sustainability Management in Environmental Dimension

### Efficient Resources Management

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

#### Goal and Operating Plans for Reducing Impacts on Environment

Resources Management	Goals		Operating Plans
	Short term (1-2 years)	Long term (3-5 years)	
Energy management	Reduce electricity consumption by 1-3% compared to the base year.	Reduce electricity consumption by 3-5% compared to the base year.	<ul style="list-style-type: none"> <li>- Purchase power saving equipment to replace damaged electric equipment.</li> <li>- Campaign to use electricity as necessary only and turn off devices after use.</li> <li>- Assign employees to directly be in charge for electric equipment.</li> <li>- Set regular maintenance and checking on the electric equipment working system.</li> <li>- Publicize knowledge of power saving and efficient resource consumption.</li> </ul>
Water management	Reduce water consumption by 1-3% compared to the base year.	Reduce water consumption by 3-5% compared to the base year.	<ul style="list-style-type: none"> <li>- Campaign to consume water as necessary only and turn off equipment after use.</li> <li>- Campaign not to throw food, tissue, or other things into toilet bowl.</li> <li>- Publicize knowledge of water saving and efficient resource consumption.</li> </ul>
Waste and pollution management	Reduce waste by 1-3% compared to the base year.	Reduce waste by 3-5% compared to the base year.	<ul style="list-style-type: none"> <li>- Campaign to recycle used paper.</li> <li>- Choose to use printer or copy-machine that can print or make copy of a 2-page document.</li> <li>- Develop systems especially for electronic transactions.</li> <li>- Publicize knowledge of paper saving and efficient resource consumption.</li> </ul>
Greenhouse gas management	Reduce greenhouse gas discharge by 1-3% compared to the base year.	Reduce greenhouse gas discharge by 3-5% compared to the base year.	<ul style="list-style-type: none"> <li>- Purchase power saving equipment to replace damaged equipment.</li> <li>- Campaign to use electric devices as necessary only and turn off devices after use.</li> <li>- Assign employees to directly be in charge for electric equipment.</li> <li>- Set regular maintenance and checking on the electric equipment working condition.</li> <li>- Publicize knowledge of power saving and efficient resource consumption.</li> </ul>



## Performance on Environment

Key Performance Indicators	2019	2020	2021
<b>Electricity consumption</b>			
Electricity consumption (kilowatt/ hour)	574,971	568,101	643,998
Increase/ decrease in electricity consumption rate (%)	-	(-1.19)	12.01
Electricity consumption per employee (kilowatt/ hour/ person)	1,197.86	1,181.08	1,384.94
Increase/ decrease in electricity consumption per employee (%)	-	(-1.40)	15.62
Electricity consumption expenditure (Baht)	2,740,264	2,706,107	2,898,040
Increase/ decrease in electricity consumption expenditure rate (%)	-	(-1.25)	5.62
<b>Water consumption</b>			
Water consumption (cubic meter)	4,012	4,085	3,801
Increase/ decrease in water consumption rate (%)	-	1.82	(-5.26)
Water consumption per employee (cubic meter/ person)	12.54	12.49	11.52
Increase/ decrease in water consumption rate (%)	-	(-0.36)	(-8.13)
Water consumption expenditure (Baht)	80,280	81,707	76,020
Increase/ decrease in water consumption expenditure rate (%)	-	1.78	(-5.31)
<b>Paper consumption</b>			
Paper consumption (ream)	-	5,483	5,150
Increase/ decrease in paper consumption rate (%)	-	-	(-6.07)
Paper purchase expenditure (Baht)	-	548,381	474,481
Increase/ decrease in paper purchase expenditure (%)	-	-	(-13.48)
<b>Greenhouse gas emissions (Scope 2)</b>			
Greenhouse gas emissions amount (TonCO <sub>2</sub> e)	287.43	283.99	321.93
Increase/ decrease in greenhouse gas emissions rate (%)	-	(-1.19)	12.01
Greenhouse gas emissions per employee (TonCO <sub>2</sub> e per person)	0.60	0.59	0.69
Increase/ decrease in greenhouse gas emissions rate per employee (%)	-	(-1.40)	15.62

Note : (1) Increasing/ decreasing rate was calculated by comparing data with the base year, meaning 2019 data was used for electricity consumption, water consumption, and greenhouse gas emissions, and 2020 data was used for paper consumption and was also the first year that the Company started collecting data.

(2) The Company is on process of data collection to measure long-term performance (3-5 years.)

(3) Electricity consumption in 2021 increased due to the overtime work for system development of the Company.

(4) Water consumption was measured only at head office.

(5) Greenhouse gas emissions in Scope 2 was the indirect greenhouse gas emission from electricity consumption by referring to the Carbon Footprint calculation from Thailand Greenhouse Gas Management Organization (Public Organization).

## Encourage and Involvement with Environment Conservation

### Training and Cultivating Environmental Awareness

The Company realizes environmental problems occurred and had a wide impact all over the world. In order to make the Company's employees have knowledge, understanding and realization on such problems, the Company requires employees to get training on environment topic every year. In 2021, employee representatives attended 4 training courses via electronics media of Department of Environmental Quality Promotion, Ministry of Natural Resources and Environment, that is, Green office, Zero waste operation, Sustainable consumption, and PM2.5 the danger closer than you think. Employees who attended the training courses would relay knowledge to other colleagues to be further applied in the organization.



### Campaign to Reduce Plastic Bag Usage for Environmental Conservation

The Company gives importance to the environmental conservation for the sustainability of the ecosystem. With the popular campaign of no plastic bag in daily life in society these days, the Company decided to join the campaign by encouraging every employee to use no plastic bag in daily life and giving away fabric bags to employees.

### Contribution to Climate Change Solution

Climate change has had impact on the lives of people in the society as a result of pollutions from industrial factories, transportation, and deforestation. To make employees aware of such problems, the Company launched a campaign for employees to plant trees and put small trees on their working desks under the "RATCHTHANI TREE DAY IN THE COMPANY" program. This program aimed to stimulate the contribution to climate change management and to improve the working environment.

Moreover, the Company gives importance to the health care of employees. The problems of climate change, PM2.5 dust, and COVID-19 pandemic caused the risk of having diseases of the respiratory system. Thus, the Company bought 13 Atmosphere Sky air purifiers to be installed in the office to reduce the spread and accumulation of various pathogens.

### “Your Old Calendars We Ask For”

The Company established the “Your Old Calendars We Ask For” project to encourage employees to maximize the use of non-renewable resources by collecting unused desk calendars and giving to the Foundation for The Blind (Educational Technology Center for The Blind) to produce braille code as media for the blind. The donation was welcome and received by Ms. Chanidapa Petcharaks, Director of the Center, who explained the production procedures and how to read brailles to the Company representatives.



### Ratchthani Plastic Reborn

The Company established “Ratchthani Plastic Reborn” project to promote employee’s awareness of waste sorting and resource maximization. The total of 44 boxes or 2,860 water PET bottles had been collected, sorted and cleaned by employees and were given to PTT Oil and Retail Business Public Company Limited to produce PPE suits which would be delivered to medical personnel who worked with COVID-19 infectious patients in the bottle separation project.



## Management Discussion and Analysis

### Overview of the Past Performance

In 2019, the Company and its subsidiaries had net profits of 1,963.57 million Baht, increasing from the previous year by 322.87 million Baht or 19.68%. The total revenue of 2019 was 4,238.15 million Baht, increasing from the previous year by 410.78 million Baht or 10.73%. The increase came from the growing market shares and the sustained current customer base. The Company and its subsidiaries had financial expense of 1,011.35 million Baht, increasing from the previous year by 141.55 million Baht or 16.27%. The increase came from balancing the loan procurement and credit approval and maintaining the interest rate gap at the consistently profitable level.

In 2020, the Company and its subsidiaries had net profits of 1,860.21 million Baht, decreasing from the previous year by 103.36 million Baht or 5.26% from economic contraction due to the Coronavirus Disease 2019 (COVID-19) pandemic. The Company has carefully approved credit applications. The total revenue of 2020 was 4,262.73 million Baht, increasing from the previous year by 24.58 million Baht or 0.58%. The Company and its subsidiaries had financial expense of 1,063.47 million Baht, increasing from the previous year by 52.12 million Baht or 5.15%. The increase came from balancing the loan procurement and credit approval and maintaining the interest rate gap at the consistently profitable level.

In 2021, the Company and its subsidiaries had net profits of 1,709.19 million Baht, decreasing from the previous year by 151.02 million Baht or 8.12% from economic contraction due to the Coronavirus Disease 2019 (COVID-19) pandemic continuously for the second year. The Company has carefully approved credit applications. The total revenue of 2021 was 4,226.49 million Baht, decreasing from the previous year by 36.24 million Baht or 0.85%. The Company and its subsidiaries had financial expense of 913.21 million Baht, decreasing from the previous year by 150.25 million Baht or 14.13%. The decrease came from balancing the loan procurement and credit approval and maintaining the interest rate gap at the consistently profitable level.

### Revenue

In 2019, the Company expanded the commercial car credits for the “Fleet” customer group along with continuously maintaining the current credit customer base of the Company in order to increase its market shares, resulted in total revenues of 4,238.15 million Baht, increasing from 2018 by 410.78 million Baht or 10.73% (with the hire purchase debtors and financial debtors increasing from 2018 by 3,296.98 million Baht or 7.10%).

The main contribution of 2019 income of the Company and its subsidiaries consisted of the interest incomes from hire purchase agreements and finance lease agreements of 3,538.65 million Baht or 83.50% of total revenues, the fee and service income of 328.16 million Baht, and other incomes of 371.34 million Baht or 7.74% and 8.76% respectively

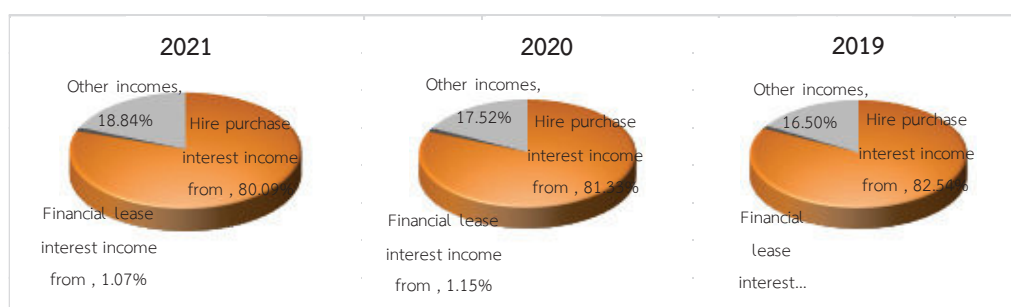
In 2020, the Company approved loans with special caution due to the economic contraction resulting from Coronavirus Disease 2019 (COVID-19) pandemic. The Company and its subsidiaries had total incomes of 4,262.73 million Baht, slightly increased from the year 2019 for 24.58 million Baht or 0.58% (while hire purchase and financial lease account receivables decreased from 2019 for 2,960.65 million Baht or 5.96%).

The main contribution of 2020 income of the Company and its subsidiaries consisted of the interest incomes from hire purchase agreements and finance lease agreements of 3,515.77 million Baht or 82.48% of total revenues, the fee and service income of 316.17 million Baht, and other incomes of 430.82 million Baht or 7.42% and 10.11% respectively.

In 2021, the Company gave importance to provide support to customers throughout the period of COVID-19 pandemic situation. Under the uncertain situation, the Company continued to operate its credit lending policy with caution. In the condition of decreasing purchasing power and household income of debtors, the total incomes of the Company and its associates were 4,226.49 million Baht, slightly decreased from 2020 by 36.24 million Baht or 0.85% (whereas the amount of hire purchase debtors and financial debtors increased from 2020 by 1,163.07 million Baht or 2.49%.)

The main contribution of 2021 income of the Company and its subsidiaries consisted of the interest incomes from hire purchase agreements and finance lease agreements of 3,430.25 million Baht or 81.16% of total revenues, the fee and service income of 379.54 million Baht, and other incomes of 416.71 million Baht or 8.98% and 9.86% respectively.

The proportion of interest incomes from hire purchase agreements and finance lease agreements to other incomes (hereby means fee and service incomes and other incomes) of the Company and its subsidiaries in 2021, 2020 and 2019 are as follows:



## Expense

In 2019, the Company and its subsidiaries had financial expenses of 1,011.35 million Baht, sales and administrative expenses of 570.03 million Baht, bad debts and doubtful debts of 193.53 million Baht, and income tax of 499.67 million Baht.

The financial cost in 2019 was 1,011.35 million Baht, increasing by 141.55 million Baht or 16.27%, compared with 2018's. The increase came from the balance of loan procurement and credit approval and the debt structure management in order to maintain the interest rate gap at the consistently profitable level, resulted in the increase in the interest expense ratio in 2019 by 2.48%.

The sales and administrative expenses in 2019 were 570.03 million Baht, increasing from 2018 by 66.47 million Baht or 13.20%. The main contribution of the sales and administrative expenses were employee expenses, loss from the depreciated value of confiscated cars and office expenses.

The bad debts and doubtful debts in 2019 were 193.53 million Baht, decreased from the same period of the previous year by 209.07 million Baht or 51.93%. The normal reserve of the Company, compared with 2018's,

increased by 50.93 million Baht. In addition, the Company considered preparing 90.00 million Baht of general reserve for the changing Accounting Standards and Thai Financial Reporting Standards no.9 (TFRS 9).

In 2020, the Company and its subsidiaries had financial expenses of 1,063.47 million Baht, sales and administrative expenses of 537.61 million Baht, expected credit losses of 337.91 million Baht, and income tax of 463.53 million Baht.

The financial cost in 2020 was 1,063.47 million Baht, increasing by 52.12 million Baht or 5.15%, compared with 2019's. The increase came from the balance of loan procurement and credit approval and the debt structure management in order to maintain the interest rate gap at the consistently profitable level, resulted in the interest expense ratio in 2020 at 2.70%.

The sales and administrative expenses in 2020 were 537.61 million Baht, decreasing from 2019 by 32.42 million Baht or 5.69%. The main contribution of the sales and administrative expenses were employee expenses, loss from the depreciated value of confiscated cars and office expenses.

Expected Credit Loss (ECL) of 2020 was 337.91 million Baht, which was increasing compared to the bad debt and doubtful account amount in 2019 which was 193.53 million Baht, representing 0.70% of the average amount of hire purchase receivables. This was resulted from the higher credit risk condition due to the slowdown economy caused by COVID-19 pandemic. The increasing reserves in 2020 reflected the ECL model that predicted future trend and Management Overlay to support the risk that may occur from the uncertainty of the pandemic situation under the Thai Financial Reporting Standards 9 (TFRS 9.)

In 2021, the Company and its subsidiaries had financial expenses of 913.21 million Baht, sales and administrative expenses of 584.62 million Baht, expected credit losses of 585.90 million Baht, and income tax of 433.57 million Baht.

The financial cost in 2021 was 913.21 million Baht, decreasing by 150.25 million Baht or 14.13%, compared with 2020's. The decrease came from the balance of loan procurement and credit approval and the debt structure management in order to maintain the interest rate gap at the consistently profitable level, resulted in the interest expense ratio in 2021 at 2.49%.

The sales and administrative expenses in 2021 were 584.62 million Baht, increasing from 2020 by 47.00 million Baht or 8.74%. The main contribution of the sales and administrative expenses were employee expenses, loss from the depreciated value of confiscated cars and office expenses.

Expected Credit Loss (ECL) of 2021 was 585.90 million Baht, which was increasing compared to the expected credit loss in 2020 which was 337.91 million Baht, representing 1.24% of the average amount of hire purchase receivables. This was resulted from the higher credit risk condition due to the slowdown economy caused by COVID-19 pandemic. The increasing reserves in 2021 reflected the ECL model that predicted future trend and Management Overlay to support the risk that may occur from the uncertainty of the pandemic situation under the Thai Financial Reporting Standards 9 (TFRS 9.)



## Net Profit

	2021	2020	Increase (Decrease)	
	Million Baht	Million Baht	Million Baht	%
Net Profit (MB)	1,709.19	1,860.21	(151.02)	(8.12)
Net Profit Ratio (%)	40.44	43.64	(3.20)	(7.33)
Yield (%)	7.15	7.04	0.11	1.56
Cost of fund (%)	2.49	2.70	(0.21)	(7.78)
Interest Spread (%)	4.66	4.35	0.31	7.13

In 2021, the Company and its subsidiaries had net profit of 1,709.19 million Baht, decreased from the year 2020 for 151.02 million Baht or 8.12%. The Company had net profit margin of 40.44%, decreased from the previous year by 7.33% due to the economic contraction caused by COVID-19 pandemic. Thus, the Company's credit approval was considered carefully. The Company's interest income was 7.15% while the interest paid increased from the previous year by 2.49%, resulting in the interest spread of 4.66.

## Financial Status

	2021	2020	Increase (Decrease)	
	Million Baht	Million Baht	Million Baht	%
Total assets	49,223.46	48,518.01	705.44	1.45
Hire-purchase account receivable, Net	47,371.49	46,058.42	1,313.07	2.85
Financial lease-account receivable, Net	539.54	689.54	(150.00)	(21.75)
Hire-purchase account receivable to total assets (%)	96.24	94.93	1.31	1.38
Foreclosed assets	98.32	67.31	31.01	46.07

The asset structure of the Company and its subsidiaries mainly consisted of hire purchase debtors. As of the end of 2020, the Company had hire-purchase accounts receivables of 46,058.42 million Baht (net after doubtful debt allowance) accounted for 94.93% of total assets of the Company.

In 2021, the Company and its associates had total assets of 49,223.46 million Baht, increasing by 1.45% compared to the year 2020. Hire-purchase debtors (net of allowance for expected credit losses) were accounted for 96.24% of total assets, which increased from the previous year, under the situation of CORONA VIRUS (COVID-19) Pandemic in the consecutive second year which severely affected the economic and social structures of the country. The Company still focused on careful risk management and credit quality assessment under continuous support for the uncertain situation caused by the pandemic of continuous mutation of virus deceases. However, the Company focused on the hire-purchase credit service which was the main business of the Company and maintain customer base to continuously sustain market shares and the Company's competency.

## Credit Quality and Allowance for Expected Credit Losses

### Hire-Purchase Account Receivable

The hire-purchase accounts receivables as of 31 December 2021, 2020, and 2019 were recorded at 47,371.49 million Baht, 46,058.42 million Baht, and 49,048.86 million Baht, respectively as following details

Unit : Thousand Baht	2021	2020	2019
Hire-purchase account receivable	54,175,051	52,503,014	57,247,438
<u>Less</u> Unearned financial income	<u>(5,333,132)</u>	<u>(5,228,483)</u>	<u>(5,982,890)</u>
Present value of the minimum lease payment receivables	48,841,919	47,274,531	51,264,548
<u>Less</u> Allowances for doubtful accounts	-	-	<u>(2,215,685)</u>
<u>Less</u> Allowance for expected credit losses	<u>(1,470,427)</u>	<u>(1,216,108)</u>	-
<b>Hire-purchase account receivable, Net</b>	<b><u>47,371,492</u></b>	<b><u>46,058,423</u></b>	<b><u>49,048,863</u></b>

As of 31 December 2021 and 2020, the balances of hire purchase receivables are classified by credit risk and allowance for expected credit loss as follows:

As of 31 December 2021		
	Accounts receivable - net of unearned financial income	Allowance for expected credit loss
	(Unit : Thousand Baht)	(Unit : Thousand Baht)
Hire purchase receivables where there has not been a significant increase in credit risk (Performing)	41,923,360	240,378
Hire purchase receivables where there has been a significant increase in credit risk (Under-performing)	5,079,375	689,252
Hire purchase receivables that are credit impaired (Non-performing)	1,839,184	540,797
<b>Total</b>	<b>48,841,919</b>	<b>1,470,427</b>

As of 31 December 2020		
	Accounts receivable - net of unearned financial income	Allowance for expected credit loss
	(Unit : Thousand Baht)	(Unit : Thousand Baht)
Hire purchase receivables where there has not been a significant increase in credit risk (Performing)	39,976,003	180,370
Hire purchase receivables where there has been a significant increase in credit risk (Under-performing)	5,810,580	642,625
Hire purchase receivables that are credit impaired (Non-performing)	1,487,948	393,113
<b>Total</b>	<b>47,274,531</b>	<b>1,216,108</b>



As of 31 December 2019, the classifications of hire-purchase account receivables less deferred interest incomes were shown in the following table.

As of 31 December 2019					
Period of Overdue	Number of Customers	Allowances for Doubtful Accounts Rate (%)	Account Receivables Less Deferred Hire-purchase Interest	Net Account Receivables Less Deferred Hire-purchase Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Thousand Baht)	(Unit : Thousand Baht)	(Unit : Thousand Baht)
Normal receivables	47,306	1%	38,077,382	2,409,039	24,090
1 month overdue	7,816	1%	5,521,293	343,149	3,431
2-3 month overdue	8,019	2%	5,625,320	248,953	4,979
4-6 month overdue	1,136	20%	718,243	718,243	143,649
7-12 month overdue	443	50%	219,127	219,127	109,564
Over 12 month overdue	456	100%	182,939	182,939	182,939
Account receivables under court judgment	744	100%	503,171	503,171	503,171
Account receivables under negotiation agreement	174	100%	97,898	97,898	97,898
Receivables from sales of property foreclosed/damages	1,138	100%	319,175	319,175	319,175
Uncollected surplus allowance for doubtful accounts					826,789
<b>Total</b>	<b>67,232</b>		<b>51,264,548</b>	<b>5,041,694</b>	<b>2,215,685</b>

Note : The allowance for doubtful account receivable and payable overdue for 4 months up did not deduct the collaterals.

#### Financial Lease Accounts Receivable

The financial lease accounts receivable as of 31 December 2021, 2020, and 2019 were recorded at 539.54 million baht, 689.54 million Baht, 659.75 million Baht, respectively as following details

Unit : Thousand Baht	2021	2020	2019
Financial lease receivables	611,091	782,362	752,082
<u>Less</u> Unearned financial income	<u>(57,034)</u>	<u>(80,680)</u>	<u>(83,341)</u>
Present value of the minimum lease payments receivables	554,057	701,682	668,741
<u>Less</u> Allowance for doubtful accounts	-	-	<u>(8,992)</u>
<u>Less</u> Allowance for expected credit losses	<u>(14,518)</u>	<u>(12,145)</u>	-
Financial lease receivables, Net	<u>539,539</u>	<u>689,537</u>	<u>659,749</u>

As at 31 December 2021 and 2020, the balances of financial lease receivables are classified by credit risk and allowance for expected credit loss as follows:

As of 31 December 2021		
	Accounts receivable - net of unearned financial income	Allowance for expected credit loss
	(Unit : Thousand Baht)	(Unit : Thousand Baht)
Finance lease receivables where there has not been a significant increase in credit risk (Performing)	525,476	143
Finance lease receivables where there has been a significant increase in credit risk (Under - performing)	4,379	-
Finance lease receivables that are credit-impaired (Non - performing)	24,202	14,375
<b>Total</b>	<b>554,057</b>	<b>14,518</b>

As of 31 December 2020		
	Accounts receivable - net of unearned financial income	Allowance for expected credit loss
	(Unit : Thousand Baht)	(Unit : Thousand Baht)
Finance lease receivables where there has not been a significant increase in credit risk (Performing)	671,063	2,878
Finance lease receivables where there has been a significant increase in credit risk (Under - performing)	18,120	105
Finance lease receivables that are credit-impaired (Non - performing)	12,499	9,162
<b>Total</b>	<b>701,682</b>	<b>12,145</b>

As of 31 December 2019 , the classifications of financial lease accounts receivable less deferred interest incomes were shown in the following table.

As of 31 December 2019					
Period of Overdue	Number of Customers	Allowances for Doubtful Accounts Rate (%)	Account Receivables Less Deferred Financial lease Interest	Account Receivables Less Deferred Financial lease Interest and Collateral	Allowances for Doubtful Accounts
			(Unit : Thousand Baht)	(Unit : Thousand Baht)	(Unit : Thousand Baht)
Normal receivables	427	1%	613,295	39,521	395
1 month overdue	15	1%	30,621	3,087	31
2-3 month overdue	11	2%	16,268	462	9
4-6 month overdue	-	20%	-	-	-
7-12 month overdue	-	50%	-	-	-
Over 12 month overdue	-	100%	-	-	-
Account receivables under court judgment	4	100%	4,462	4,462	4,462
Account receivables under negotiation agreement	2	100%	4,095	4,095	4,095
<b>Total</b>	<b>459</b>		<b>668,741</b>	<b>51,627</b>	<b>8,992</b>

As of 31 December 2019, the Company had doubtful debt allowance, hire purchase debts, and finance lease debts of 2,224.68 million Baht, increased by 90.95 million Baht or 4.26%, compared with 2018. The normal reserve of the Company, compared with 2018, was increased by 50.93 million Baht. In addition, the Company prepared the general reserve of 90.00 million Baht for the changing Accounting Standard and Thai Financial Reporting Standard 9 (TFRS 9), resulted in the increase in overall bad debt and doubtful debt expenses compared with the previous year.

As of 31 December 2020, the Company's allowance for expected credit loss of hire purchase receivables and financial lease receivables was 2,157.75 million Baht, decreased for 66.93 million Baht or by 3.01% compared to the doubtful accounts in 2019. The reserve for credit loss compared to that of 2019 was increased for 144.38 million Baht which was the result of higher credit risk condition due to the slowdown economy caused by COVID-19 pandemic. The increasing reserves in 2020 reflected the ECL model that predicted future trend and Management Overlay to support the risk that may occur from the uncertainty of the pandemic situation under the Thai Financial Reporting Standards 9 (TFRS 9.)

As of 31 December 2021, the Company had allowance for expected credit losses of hire-purchase debtors and financial lease debtors of 1,484.94 million Baht, increasing by 256.69 million Baht or 20.90%, compared to the allowance for expected credit losses in the end of 2020. The Company's provision for credit losses compared to the year 2020 increased by 247.99 million Baht, as a result of the increasing credit risks from the economic slowdown caused by economic activity disruption, decreasing household incomes, and slowdown private sector expenditure and investment. The increasing reserves in 2021 reflected the ECL model which predicted the future trend for the expected risks which could occur from such pandemic situation under the Thai Financial Reporting Standard 9 (TFRS 9).

The Company has the policy on amortization of loan debtors from the account when the court had judgment that debtors and guarantors pay their debts to the Company and the Company is unable to confiscate their properties or execute the judgment. Also, when the Company could not collect from the debtors. The amortization of loan debtors as bad debts will lead to the decrease in the allowance for doubtful accounts and bad debt recovery will be recorded in the other incomes. For the year 2021, 2020, and 2019, the Company cut off bad debts of 264.29 million Baht, 438.26 million Baht and 102.58 million Baht, respectively.

The above table shows that account receivables whose net of interest was not recognized as income in the year 2021, 2020 and 2019, most were normal receivables with not more than 3 installments over due, in total of 47,532.59 million Baht, 46,475.77 million Baht and 49,888.44 million Baht, accounted for 96.23%, 96.87%, and 96.05% of the total hire-purchase and financial lease accounts receivable respectively. This reflected that most debtors of the Company were in the normal level.

#### **Adequacy for Allowance for Expected Credit Losses**

The Company applies the General Approach to calculate the expected credit losses on its financial assets, 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. For hire purchase receivables that the court has issued judgements in favour, the Company presents such receivables under other non-current assets in the financial statements and set aside full allowance for estimated credit loss without deducting collateral value.

Expected credit loss is the probability-weighted estimate of credit loss over the expected lifetime of the financial asset, consider the present value of all cash expected not to be recoverable. The Company consider historical loss experience on the basis of shared credit risk characteristics, taking into account, type of collateral, month on book, and other relevant factors, adjusts this for current observable data, as well as forward looking information that is supportable and reasonable provide. It can be shown as well as exercising appropriate of judgement, to estimate the amount of an expected credit loss based on macroeconomic data and determines both current and future economic scenario, and probability-weighted in each scenario (base scenario, best scenario and worst scenario) for calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit loss. However, the Company has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. Furthermore, expected credit loss was included management overlay.

Moreover, the Company cautiously set the Management Overlay over the potentially in collectible debts and improved the efficiency of debt collection in order to be in line with the credit portfolio expansion. In 2021,

2020 and 2019, the Company had non-performing loans (NPL) from hire purchase and finance lease debts of 1,863.39 million Baht, 1,500.45 million Baht, 2,049.11 million Baht respectively, and the expected credit losses /doubtful debt allowance of 1,484.95 million Baht, 1,228.25 million Baht, and 2,224.68 million Baht, respectively.

In 2021, 2020, and 2019, the Company had the expected credit losses/doubtful debt allowance ratio of 79.69%, 81.86% and 108.57%, of total non-performing loans respectively. If the credit approval was considered concisely and the debt collection was strictly followed up, the Company believed that such expected credit losses allowances were appropriate, sufficient, and efficient, under the normal operations of the Company.

#### Total Liabilities

	2021	2020	2019
	Million Baht	Million Baht	Million Baht
Total Liabilities	37,656.89	37,699.32	43,209.91
Short-term Loan and Overdraft	17,796.32	10,991.23	29,085.49
Long-term Loan	2,044.76	7,589.98	600.91
Long-term Bond	16,794.34	18,098.73	12,496.33
Other Liabilities	1,021.47	1,019.39	1,027.18

Note: Short-term Loan and overdraft amounts include a portion of the payment within 1 year.

The Company and associates had total debts as of 31 December 2021, 31 December 2020, and 31 December 2019 of 37,656.89 million Baht, 37,699.32 million Baht, and 43,209.91 million Baht respectively. Total debts on 31 December 2021 decreased by 0.11% from the end of 2020 and total debts in 2020 decreased by 12.75% from the end of 2019. The Company's total debts slightly decreased since in 2021 the Company implemented the credit approval policy carefully and managed the Company's capital and liquidity efficiently to be in line with the credit approval and maintained the interest rate spreads at the consistently profitable level.

As of 31 December 2020, the Company and its subsidiaries' loans mainly consisted of short-term loans of 10,991.23 million Baht, long-term loans of 7,589.98 million Baht and long-term debentures of 18,098.73 million Baht.

Other debts mainly included accrued corporate income tax, other creditors, accrued car insurance fees of returned cars, deferred transfers, and accrued interests. As of 31 December 2020, the Company had other debts of 1,019.39 million Baht, decreased from 2019's by 7.78 million Baht or 0.76%.

As of 31 December 2021, the Company and its subsidiaries' loans mainly consisted of short-term loans of 17,796.32 million Baht, long-term loans of 2,044.76 million Baht and long-term debentures of 16,794.34 million Baht.

Other debts mainly included accrued corporate income tax, other creditors, accrued car insurance fees of returned cars, deferred transfers, and accrued interests. As of 31 December 2021, the Company had other debts of 1,021.47 million Baht, decreased from 2020's by 2.08 million Baht or 0.27%.

#### Equity

On 2 April 2019, the Annual General Meeting of Shareholders' resolution approved the allocation of 2018 net profits at the amount of 61.00 million Baht to be legal reserve and the decrease in registered capital from 3,020,284,011 Baht to 3,020,283,681 Baht (at the par value of 1.00 Baht per share). The dividend payment on 27 April

2018 resulted in 330 remaining shares. The Company has registered the decreasing capital with the Ministry of Commerce on 17 April 2019. The resolution also approved the increase in registered capital from 3,020,283,681 Baht to 3,775,354,601 Baht by issuing new 755,070,920 ordinary shares (at the par value of 1.00 Baht per share) for the dividend payment in Company's ordinary shares which gave 0.25 Baht per share to current shareholders at the ratio of 4 current shares to 1 dividend share. In the case that the ordinary shares occurred from cash dividend were calculated into odd lot, the Company will pay dividend for the odd lot in cash to shareholders. The Company registered the increase in capital with the Ministry of Commerce on 18 April 2019 and paid dividend in cash at the rate of 0.29 Baht per share to shareholders, in total of 1,630,953,187.74 Baht or 99.40% of 2018 net profits.

On 20 August 2019, the Extra Ordinary Meeting of Shareholders no. 1/2019 had resolution to approve the decrease in registered capital from 3,775,354,601 Baht to 3,775,353,450 Baht (at the par value of 1.00 Baht per share). The share dividend on 26 April 2019 resulted in 1,151 remaining shares. The Company registered such decrease with the Ministry of Commerce on 26 August 2019.

On 30 August 2019, the Board of Directors meeting no. 5/2019 had resolution to approve for the interim dividend payment of the first 6 month of 2019 performance in cash at the rate of 0.16 Baht per share to current shareholders, in total of 604,056,552 Baht or 59.97% of the net profits of the first 6 month of 2019.

As of 31 December 2019, the Company's shareholders were accounted for 7,671.03 million Baht, increased from end of 2018 by 476.07 million Baht or 6.62%. The increase came from 2018 net profits after legal reserve and paid dividend.

On 26 May 2020, the Board of Directors meeting no. 5/2020 had resolution to approve for the second interim dividend payment of the 2019 performance at the rate of 0.16 Baht per share, total dividends were paid twice at the rate of 0.32 Baht per share which is equivalent to 65.31 percent of the 2019 net profit based on the Company's separate financial statements or 61.53 percent of the 2019 net profit based on the Company's consolidated financial statements.

On 10 July 2020, the Annual General Meeting of Shareholders' resolution approved the allocation of 2019 net profits at the amount of 75.00 million Baht to be legal reserve and the increase in registered capital from 3,775,353,450 Baht to 5,663,030,175 Baht by issuing 1,887,676,725 of ordinary shares (at the par value of 1.00 Baht per share) to existing shareholders in a proportion to their rights holding (Right Offering), allocation of 2 existing ordinary shares to 1 newly issued ordinary share.

As of 31 December 2020, the Company's shareholders were accounted for 10,818.69 million Baht, increased from end of 2019 by 3,147.66 million Baht or 41.03%. The increase came from 2020 net profits after legal reserve, dividend payment and right offering.

On 8 April 2021, the Annual General Meeting of Shareholders' resolution approved the allocation of 2020 net profits at the amount of 93.50 million Baht to be legal reserve and had resolution to approve for the interim dividend payment in cash at the rate of 0.17 Baht per share to current shareholders, in total of 962.71 million Baht or 51.74% of the net profits of the year 2020.

For the year 2021, the Company's shareholders were accounted for 11,566.57 million Baht, increased from end of 2020 by 747.88 million Baht or 6.91%. The increase came from 2021 net profits accounted for 1,709.19 million Baht, dividend payment in cash of 962.71 million Baht and legal reserve of 86.00 million Baht.

## Liquidity

Cash flow	2021	2020	2019
	Million Baht	Million Baht	Million Baht
Cash flow from (for) operations	1,403.75	5,924.69	(213.94)
Cash flow from (for) investment activities	(13.47)	(16.31)	(11.71)
Cash flow from (for) funding activities	(1,957.85)	(5,293.72)	440.84
Net cash flow increase (decrease)	(567.57)	614.66	215.18
Cash & deposit	476.22	1,043.79	429.13

As of 31 December 2019, the Company and its subsidiaries had 429.13 million Baht of cash. The increased net cash flow was 215.18 million Baht, increased from 213.95 million Baht at the end of 2018, as a result of the net cash flow gained from the fund raising for the Company's credit approval activities of 440.84 million Baht deducting the net cash flow expenses for the normal credit approval operation of 213.94 million Baht and the net cash flow expenses for investment activities of 11.71 million Baht

As of 31 December 2020, the Company and its subsidiaries had 1,043.79 million Baht of cash. The increased net cash flow was 614.66 million Baht, increased from 429.13 million Baht at the end of 2019, as a result of the net cash flow gained from the fund raising for the Company's credit approval activities of 5,924.69 million Baht deducting the net cash flow expenses for the normal credit approval operation of 5,293.72 million Baht and the net cash flow expenses for investment activities of 16.31 million Baht.

As of 31 December 2021, the Company and its subsidiaries had 476.22 million Baht of cash. The decreased net cash flow was 567.57 million Baht, decreased from 1,043.79 million Baht at the end of 2020, as a result of the net cash flow from the fund raising for the Company's credit approval activities of 1,403.75 million Baht deducting the net cash flow expenses for the normal credit approval operation of 1,957.85 million Baht and the net cash flow expenses for investment activities of 13.47 million Baht.

### Liquidity Ratio

As of 31 December 2020, the Company and its subsidiaries had the liquidity ratio of 1.61 with total current assets of 19,209.90 million Baht and total current liabilities of 11,957.54 million Baht. Total current assets were less than total current liabilities for 7,252.36 million Baht. However, the Company and its subsidiaries still had short-term financial liquidity because most of total current liabilities were from short-term loans from financial institutions (BE and PN) and the debentures due within 1 year. Most of both short-term loans could be renewed when they met their due dates. The Company also had reserved short-term credit limit from Thanachart Bank Public Company Limited, the related company ready to support additional short-term liquidity, and the short-term credit limits from other financial institutions. So the liquidity risk of the Company could be managed to the acceptable level and did not affect the main business operation of the Company

The quick ratio was 1.59, not different from the current ratio since most of current assets of the Company and its subsidiaries had high liquidity ratio at 99.29% of total current assets.

As of 31 December 2020, the Company and its subsidiaries had the liquidity ratio of 1.01 with total current assets of 18,965.59 million Baht and total current liabilities of 18,778.15 million Baht. Total current assets were less than total current liabilities for 187.44 million Baht. However, the Company and its subsidiaries still had short-term financial liquidity because most of total current liabilities were from short-term loans from financial institutions (BE and PN) and the debentures due within 1 year. Most of both short-term loans could be renewed when they met their due dates. The Company also had reserved short-term credit limit from various financial institutions. So the liquidity risk of the Company could be managed to the acceptable level and did not affect the main business operation of the Company

The quick ratio was 1.00, not different from the current ratio since most of current assets of the Company and its subsidiaries had high liquidity ratio at 99.04% of total current assets.

### Factors or situations that could have significant on financial status or operations in the future

2021 was another year that the economy was affected by COVID-19 pandemic. The economic and social structures of Thailand were severely affected. The economic conditions were challenged by the pandemic. Although domestic demand was recovered in the last quarter of the year, as a result of the gradual relaxation of disease control measures and the country opening for foreign tourists, the situation was still uncertain. The Company, thus, focused on conducting business with caution which included closely managing asset quality for uncertain future situations, continuing supporting measures set by the Company and Bank of Thailand to alleviate the suffering of debtors affected by the COVID-19 pandemic which reduced their incomes and ability to pay off debts.

Such situation created the factors or situations that could have significant effect on financial status or operations in the future as following summary:

1. The prevention and control of pandemic situation in the country, including the implementation of disease prevention and control measures, and the preparation of supporting plan for the pandemic re-emergence in order to reduce the impact of economic activities disruption.

2. The support for the recovery of business sector together with the care for the economic sector that still had limitations in recovery by expediting follow-up on various financial and fiscal measures in order to efficiently reach target groups. The additional measures were also considered for the groups with limited access to supporting measures.

3. The labor shortage problem in manufacturing sector has not fully recovered yet, compared to the period before the pandemic. Thailand had to prepare to deal with the structure of trade, export, and investment that had tendency to change, resulted from the new pattern of product and service needs including the potentially increasing trade terms.

4. The government spending measures to expedite budget disbursement and government spending in fiscal year 2022 to accelerate the ministry, budget receiving agencies, state enterprises, and project owner agencies that had been approved to use loans according to the Royal Decree empowering the Ministry of Finance to borrow more money to solve economic and social problems from the COVID-19 outbreak, B.E. 2021.



## Auditor and Audit Report Summary

The Company considered the selection and appointment of independent auditors, getting approval from the Securities and Exchange Commission, to be the Company's auditors. The auditor fee was proposed to the Annual General Meeting of Shareholders. In the year 2021, the Meeting passed a resolution approving the appointment of EY Office Limited as the auditors of the Company, details are as follows:

1. Ms. Ratana Jala Certified Public Accountant (Thailand) No.3734 and/or
2. Ms. Saranya Pludsri Certified Public Accountant (Thailand) No.6768 and/or
3. Ms. Somjai Kunpasut Certified Public Accountant (Thailand) No.4499

For the year 2021, the audit fee of the Company is 1,900,000 Baht and its subsidiary is 300,000 Baht, with no other service fee (Non-Audit Fee).

The list of auditors and a summary of audit report in the year 2019 - 2021, details are as follows:

Year	Name of Auditor	Audit Report Summary
2021	Ms. Saranya Pludsri Certified Public Accountant no. 6768 EY Office Limited	The auditor comment with no condition with the opinion that the financial statement of financial position as of 31 December 2021, the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.
2020	Ms. Ratana Jala Certified Public Accountant no.3734 EY Office Limited	The auditor comment with no condition with the opinion that the financial statement of financial position as of 31 December 2020, the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.
2019	Ms. Ratana Jala Certified Public Accountant no.3734 EY Office Limited	The auditor comment with no condition with the opinion that the financial statement of financial position as of 31 December 2019, the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## General Information and Other Important Information

### Company Information

Company Name	: Ratchthani Leasing Public Company Limited
Stock Symbol	: THANI
Type of Business	: Hire purchase and finance leasing for commercial cars, vehicles, other assets and related services
Head Office Location	: 77/35-36, 11UP Floor Sinnsathorn Tower Building, Krungthonburi Road, Khlongtonsai Sub-district, Khlongsan District, Bangkok 10600
Registration Number	: 0107545000209
Tel.	: 0-2431-9000
Fax	: 0-2431-9099
Website	: <a href="http://www.ratchthani.com">www.ratchthani.com</a>
Registered Capital	: 5,663,030,175 Baht Divided into 5,663,030,175 ordinary shares with a par value of 1 Baht per share
Paid-up Capital	: 5,663,028,199 Baht Divided into 5,663,028,199 ordinary shares with a par value of 1 Baht per share

### Subsidiary information

Company Name	: RTN Insurances Brokers Company Limited
Type of Business	: Non-life insurance broker, Life insurance broker, and related services
Office Location	: 77/20, 2 <sup>nd</sup> Floor Sinnsathorn Tower Building, Krungthonburi Road, Khlongtonsai Sub-district, Khlongsan District, Bangkok 10600
Registration Number	: 0105561189971
Tel.	: 0-2431-9500
Fax	: 0-2431-9567
Website	: <a href="http://www.rtnbroker.com">www.rtnbroker.com</a>
Registered Capital	: 4,000,000 Baht Divided into 40,000 ordinary shares with a par value of 100 Baht per share
Paid-up Capital	: 4,000,000 Baht Divided into 40,000 ordinary shares with a par value of 100 Baht per share
The Company's Shareholding:	100% (including direct and indirect shareholding)

**Securities Registrar**

Thailand Securities Depository Company Limited  
93, 14<sup>th</sup> Floor, The Stock Exchange of Thailand Building,  
Ratchadaphisek Road, Dindaeng Sub-district,  
Dindaeng District, Bangkok 10400  
Tel. : 0-2009-9000  
Fax : 0-2009-9992

**Company Secretary**

Mr. Ponlaphe Sakayapapwicharnon  
Ratchthani Leasing Public Company Limited  
77/35-36, 11UP Floor Sinnsathorn Tower Building,  
Krunghonburi Road, Khlongtong Sai Sub-district,  
Khlongsan District, Bangkok 10600  
Tel. : 0-2431-9000 ext. 1666  
Fax : 0-2431-9099

**Head of Compliance**

Mr. Vivat Kongyotkullaphat  
Ratchthani Leasing Public Company Limited  
77/35-36, 11UP Floor Sinnsathorn Tower Building,  
Krunghonburi Road, Khlongtong Sai Sub-district,  
Khlongsan District, Bangkok 10600  
Tel. : 0-2431-9000 ext. 1990  
Fax : 0-2431-9099

**The Person Supervising Accounting**

Mr. Wachirakorn Thongin  
Ratchthani Leasing Public Company Limited  
77/35-36, 11UP Floor Sinnsathorn Tower Building,  
Krunghonburi Road, Khlongtong Sai Sub-district,  
Khlongsan District, Bangkok 10600  
Tel. : 0-2431-9000 ext. 2157  
Fax : 0-2431-9099

**Debenture Registrar**

Bank of Ayudhya Public Company Limited  
1222, Rama III Road,  
Bangphongphang Sub-district,  
Yannawa District, Bangkok 10120  
Tel. : 0-2296-2030

**Head of Investor Relations**

Ms. Rungtip Chaipatanapruk  
Ratchthani Leasing Public Company Limited  
77/35-36, 11UP Floor Sinnsathorn Tower Building,  
Krunghonburi Road, Khlongtong Sai Sub-district,  
Khlongsan District, Bangkok 10600  
Tel. : 0-2431-9000 ext. 2161  
Fax : 0-2431-9099  
E-Mail : irthani@thani.co.th

**Head of Internal Audit**

Mr. Wichai Sathiarujikanon  
Thanachart Capital Public Company Limited  
444, MBK Tower, 16<sup>th</sup> - 17<sup>th</sup> Floor,  
Phayathai Road, Wangmai Sub-district,  
Pathumwan District, Bangkok 10330  
Tel. : 0-2613-6000 ext. 6052  
Fax : 0-2217-8312

**Auditor**

Ms. Saranya Pludsri  
Certified Public Accountant Registration No.6768  
EY Office Limited  
193/136-137, 33<sup>rd</sup> Floor Lake Ratchada Building  
Ratchadapisek Road, Klongtoey Sub-district,  
Klongtoey District, Bangkok 10110  
Tel. : 0-2264-0777  
Fax : 0-2264-0789-90

### Legal Counselor

Weerawong, Chinnavat & Partners Company Limited  
540, 22<sup>nd</sup> Floor, Mercury Tower,  
Ploenchit Road, Lumpini Sub-district,  
Pathumwan District, Bangkok 10330  
Tel. : 0-2264-8000  
Fax : 0-2657-2222

### Frequently Contacted Financial Institutions

TMB Thanachart Bank  
3000 Phahonyothin Rd. Khwang Chomphon,  
Khet Chatuchak, Bangkok 10900  
Tel. : 0-2299-1111

Government Savings Bank  
470 Phahon Yothin Road, Phayathai District  
Bangkok 10400  
Tel. : 0-2299-8000

Bank of Ayudhya Public Company Limited  
1222, Rama III Road, Bangphongphang Sub-district,  
Yannawa District, Bangkok 10120  
Tel. : 0-2296-3582  
Fax : 0-2683-1298

Land and Houses Bank Public Company Limited  
1, Q.HOUSE Lumpini Building,  
G,1<sup>st</sup>,5<sup>th</sup>,6<sup>th</sup>,24<sup>th</sup>,32<sup>th</sup> Floor South Sathon Road,  
Thungmahamek, Sathon, Bangkok 10120  
Tel. : 0-2359-0000

Kasikornbank Public Company Limited  
400/22, Phahon Yothin Road, Samsen Nai Sub-district,  
Phayathai District, Bangkok 10400  
Tel. : 0-2470-2022

Krung Thai Bank Public Company Limited  
35 Sukhumvit Road, Klong Toey Nua Sub-district,  
Wattana District, Bangkok 10110  
Tel. : 0-2208-3689

### **Other Important Information**

The Company has entered into membership of various organizations established for economic and social benefits in order to share experiences, knowledge, and adopt operational practices for sustainable development.

- 1) Thai Hire-Purchase Association
- 2) Thai Listed Companies Association
- 3) Thai Institute of Directors Association
- 4) Collective Action Against Corruption (CAC)
- 5) The Thai Chamber of Commerce and Board of Trade of Thailand
- 6) Thai Bond Market Association

### **Legal Dispute**

The company has no legal disputes that may cause a negative impact to the Company or subsidiary more than 5% of shareholders' equity. And there are no legal disputes that may cause affect the business operations of the Company or subsidiaries significantly.

## Corporate Governance Policy

### Corporate Governance Policy and Code of Conduct

The Board of Directors sees the importance of being in compliance with the Corporate Governance Code of the Stock Exchange of Thailand in order to have the Good Corporate Governance and thus assigned the entire Board of Directors to be the Corporate Governance Committee. The agenda of Board of Directors meeting must include the corporate governance issue. The Board of Directors initiated and participated in setting up and approving the Corporate Governance Policy and the Company's Code of Conduct by applying Corporate Governance Code for Listed Companies 2017 (CG Code) of the Securities and Exchange Commission, the criteria of risk regulation of financial business group, and the good governance of financial institutes announced by Bank of Thailand, with commitment to moral, honesty, and compliance with related laws. Such policy and code of conduct were reviewed continuously every year to be updated with the changes.

Moreover, the Company published the corporate governance policy and code of conduct on the Company's website ([www.ratchthani.com/investor-relations/corporate-governance](http://www.ratchthani.com/investor-relations/corporate-governance)) to communicate to directors, executives and employees at all levels for their awareness of further details and for use as operational guidelines. The communication was also made for all stakeholders, trade partners, employees, society and regulatory agencies, to build the confidence of fair and equal treatment, to reflect the Company's good image and to increase the Company's competency within the ethical framework and social responsibility in order for the Company and society to grow with sustainability together.

### Significant Changes and Development in Corporate Governance

In the past year, the Company has encouraged and monitored to ensure the implementation of the good corporate governance on the following issues: 1) Employee treatment with equality, 2) Anti-unfair competition, 3) Environment, hygiene, and safety in the organization, 4) Information security, 5) Conflict of interest prevention, 6) Use of inside information to seek benefits, 7) Anti-corruption, and 8) Whistleblowing. The result of the monitoring found that the Company and its subsidiaries have complied with the direction of each issue completely. Moreover, in 2021 the Company implemented the corporate governance development as follows:

1. The Company reviewed the good corporate governance policy to ensure its compliance with the Corporate Governance Code for Listed Companies 2017 (CG Code) of the Securities and Exchange Commission and to apply the practice guidelines in consistent with the environment and the company's business conduct. The guidelines that have not yet been practiced are as follows:

Not Applied Issues	Reasons/ Necessity
Independent Director can be in position consecutively for no longer than 9 years starting from the date of the first appointment or as specified by other official agencies.	The Board thought that each director joining the Company was considered as an individual of high potential, expertise, capability and judgment in decision making. His/her experiences from working with the Company gave him/her better understanding of business and be able to plan business strategy

Not Applied Issues	Reasons/ Necessity
	that shall bring continuous growth to the Company. Every Independent Director had complete qualification according to the independent director qualification defined by the Securities and Exchange Commission.
The number of Independent Directors was not higher than 50% of the Board of Directors.	The Board of Directors thought that the number of Independent Directors depended on the responsibility and efficiency of the operation which was in compliance with the SEC criteria. Although the number of Independent Directors was not higher than 50% of the Board of Directors members, the Independent Directors were able to balance the executive authority, performed their duties independently from the Management and gave their opinions in all matters independently. Thus, the Board agreed to maintain the number of Independent Directors as such.

2. The Company requires every employee to do the tests for knowledge and understanding of the practice in compliance with the good corporate governance and anti-corruption principles. 100% of executives and employees of the Company and subsidiaries have done the tests. The result of the tests showed 95.24% of employees having knowledge and understanding of the practice in compliance with the good corporate governance and anti-corruption principles, which was higher than the expected target of 85.00%.

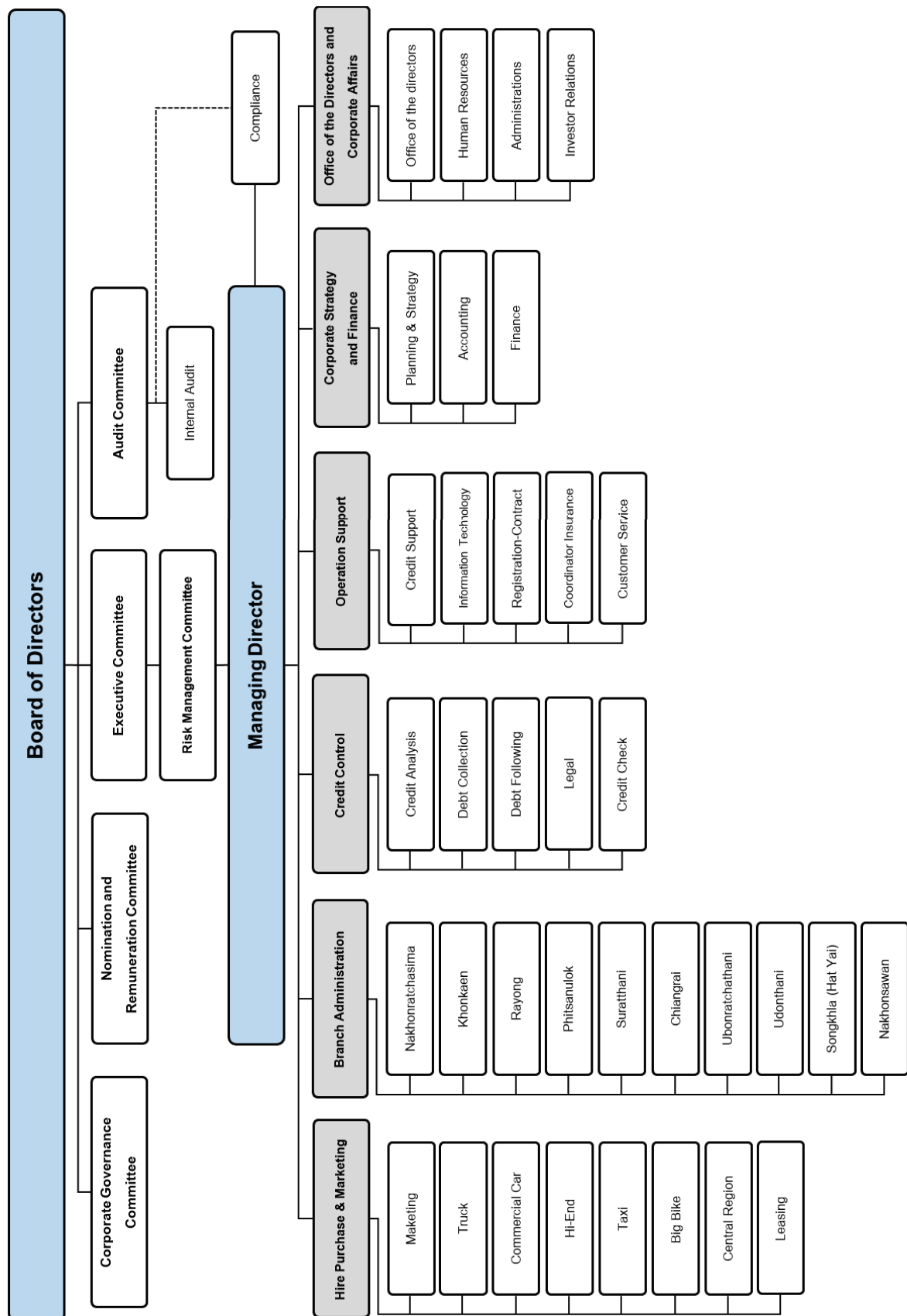
3. The Company received the assessment “Excellent” score for the fourth consecutive year from the Corporate Governance Report of Thai Listed Company (CGR) for the year 2021 held by the Thai Institute of Directors.

4. The Company was selected for the outstanding performance in the Environmental, Social and Governance (ESG) by Thaipat Institute and was in the Universe of ESG 100 Securities Group in 2021 for the seventh consecutive year.

5. The Company was certified for membership renewal of the Thai Private Sector Collective Action Against Corruption (CAC) until 30 September 2023.

6. The Company was selected as one of the sustainable stock or Thailand Sustainability Investment (THSI) for the year 2021 by the Stock Exchange of Thailand, reflecting the Company’s commitment to conduct business with responsibility to stakeholders according to the good corporate governance principles.

## Corporate Governance Structure



## Board of Directors

The Board of Directors consisted of qualified persons with knowledge, skills, experience, abilities, and various unique qualifications (Board Diversity) which were necessary to achieve the main goal of the organization and be beneficial to the Company's business operations. The appropriate corporate governance structure was set for the highest efficient governance and administration.

As of 31 December 2021, the Company's Board of Directors consists of 12 members as follows:

- Executive Directors 2 directors, representing 16.66% of the Board.
- Non-Executive Directors 5 directors, representing 41.66% of the Board.
- Independent Directors 5 directors, representing 41.66% of the Board.

Name			Position
1.	Mr. Virat	Chinprapinporn	Chairman (Executive Director)
2.	Mr. Kovit	Rongwattanasophon	Director (Executive Director)
3.	Mr. Charoensook	Kititti	Director (Non-Executive Director)
4.	Mr. Somjate	Moosirilert	Director (Non-Executive Director)
5.	Ms. Suvarnapha	Suvarnaprathip	Director (Non-Executive Director)
6.	Mr. Kamtorn	Tantisirivat	Director (Non-Executive Director)
7.	Mr. Sorasak	Chayarak	Director (Non-Executive Director)
8.	Mr. Thakol	Nanthirapakorn, Ph.D.	Director (Independent Director)
9.	Mr. Suvit	Arunanondchai	Director (Independent Director)
10.	Mr. Varavudh	Varaporn	Director (Independent Director)
11.	Mrs.Naree	Boontherawara, Ph.D.	Director (Independent Director)
12.	Mr. Surapon	Satimanont	Director (Independent Director)

Mr. Pontaphe Sakayapapwicharnon is the Board of Directors Secretary.

### Authorized Directors on behalf of the Company

The authorized directors on behalf of the Company as specified in the Company certificates were Mr. Virat Chinprapinporn, Mr. Kovit Rongwattanasophon, Mr. Charoensook Kititti, Mr. Somjate Moosirilert, Ms. Suvarnapha Suvarnaprathip, Mr. Kamtorn Tantisirivat and Mr. Sorasak Chayarak 2 out of 7 of these Directors to co-sign and the Company's seal.

### Duties, Responsibilities and Approval Authority of the Board of Directors

1. Perform the duty according to the laws, regulations of the Company, and shareholders' meeting resolutions with responsibility, honesty, conciseness, for the best interests and fairness of all stakeholders.
2. Approve the objectives, goals, policies, business plans and significant resource allocation and supervise the corporate governance practice for sustainability and to be suitable for corporate structure and business nature for the best interests of business and all stakeholder.



3. Regulate the company business operations to be in accordance with the laws, company regulations, shareholders' meeting resolutions and the defined objectives, goals, and policies, within the framework of legal requirements and business ethics and evaluate result to improve operational efficiency.

4. Supervise to assure there are good Risk Governance Framework, auditing process, internal control system, sufficient and appropriate risk management and cultivate the corporate Risk Culture.

5. Supervise to assure the financial reporting and significant information disclosure are correct, sufficient, and complied with relevant rules and practices. Support the participation of and communication with shareholders and all stakeholders as appropriate and equitable.

6. Define and review the structure of committees in terms of size, composition, proportion of independent directors and ensure that the committees are composed of directors with various qualifications in terms of knowledge, skill, experience, competency, specific characteristics, gender, and age, which are necessary to achieve the corporate main goals.

7. Supervise the director recruitment and selection process to ensure its transparency and clarity to get directors whose qualifications are in accordance with the defined composition and to ensure that the composition and operation of the Board of Directors support the judgment in independent decision making.

8. Supervise to ensure that each director has knowledge and understanding of his role and duty, business nature, and relevant business law, and to support every director to strengthen his skill and knowledge of duty performing as a director regularly.

9. Supervise to ensure that the committees conduct their duties properly and be able to access necessary information that will be beneficial to their performance, with the support from the company secretary who has knowledge and experience as needed.

10. Supervise to ensure that every director be responsible for his duty and time management.

11. Consider the compensation rate and structure to suit the responsibility and to motivate the committee to lead the corporate to achieve success according to the short-term and long-term goals.

12. Appoint sub-committees as deemed appropriate to help study, screen, and control various aspects of work.

13. Supervise the human resource development and management in accordance with the direction and strategy of business to ensure that employees of every level have knowledge, competency, skill, and experience as appropriate and receive fair labor treatment with the suitable compensation structure and evaluation.

14. Supervise the sufficiency of financial liquidity and ability to repay debt.

15. Supervise subsidiary for the interests of the Company's investment.

16. Supervise the business to have mechanism for receiving complaints, information review process and proper complaint management.

17. Support the innovation and technology development that create value added and benefits to all stakeholders.

18. Evaluate performance regularly every year to develop performance of director further.

19. Approve credit limit of customer group which is approved by the credit analysis department when such credit is over the limit of Executive Committee's authority.

20. Authorize sub-committees, management, executives, or any other persons to perform on their behalf within the scope of duty and authority of the Board of Directors.

21. All businesses of the Company shall be under the authority of the Board unless they are against the laws, company regulations or shareholders' meeting resolutions.

### Executive Committee

The Board of Directors appointed the Executive Committee to perform the duty of controlling the company operations to be in accordance with objective, goals, policies, and business plans defined by the Company and implementing other tasks assigned by the Board of Directors.

As of 31 December 2021, the Company have 4 Executive Committee as follows:

Name			Position
1.	Mr. Kovit	Rongwattanasophon	Chairman of the Executive Committee
2.	Mr. Virat	Chinprapinporn	Member of the Executive Committee
3.	Mr. Somjate	Moosirilert	Member of the Executive Committee
4.	Mr. Kamtorn	Tantisirivat	Member of the Executive Committee

Ms. Waraporn Tanrin is the Executive Committee Secretary.

### Scope of Authority of Executive Committee

1. Manage the Company's operations to comply with the policies, goals, and plans as approved by the Board under the laws, rules, and regulations of relevant government agencies.

2. Manage the Company's transactions, such as investment, credit application, asset management, etc.

3. Manage the organizational matters, such as organization structure, human resource management, etc.

4. Manage liquidity and interest rates.

5. Assigned, command, or delegate administrative powers under the authority of the Executive Committee.

6. Consider and screen policies, strategies, business plans, annual budget, including any issues that cause significant change to the Company after implementation, any issues that the Executive Committee deems appropriate to propose for approval on a per-item basis or according to the defined criteria.

7. Perform any duties authorized by the Board of Directors. Such authorization to Executive Committee must be under the rules of law, regulations of the Company and related law. Any transaction, in which an Executive Director or an individual may have conflict of interest with the Company or its subsidiaries and which is not a normal business transaction nor according to trade conditions, shall not be approved by such Executive Director. Such transaction must be reported to the Board of Directors for acknowledgement in accordance with the rules and regulations of the Stock Exchange of Thailand.

### Audit Committee

The Board of Directors appointed the Audit Committee on 5 September 2002 to supervise the management to perform up to the correct and transparent standard in accordance with the government regulations and to have the good internal control, credible reporting system, for the interests of all involved parties. The Audit Committee consisted of not less than 3 independent directors who had complete qualification according to the criteria that

government agencies required, had independence in performing their duties, and reported directly to the Board of Directors.

As of 31 December 2021, the Company's Audit committee has 5 Directors as follows:

Name			Position
1.	Mr. Thakol	Nanthirapakorn, Ph.D.	Chairman of the Audit Committee
2.	Mr. Suvit	Arunanondchai	Member of the Audit Committee
3.	Mr. Varavudh	Varaporn	Member of the Audit Committee
4.	Mrs. Naree	Boontharawara, Ph.D	Member of the Audit Committee
5.	Mr. Surapon	Satimanont	Member of the Audit Committee

Ms. Waraporn Tanrin is the Executive Committee Secretary.

#### Qualification of Audit Director

1. The Audit Committee consists of Independent Directors appointed by the Board of Directors or shareholders' meeting. One Audit Director shall be appointed as the Chairman of Audit Committee.

2. Audit Director shall not be assigned by the Board of Directors to make decision in business operation of the Company, subsidiary company, associated company, same-level subsidiary company, and shall not be a major shareholder or authorized person of the Company.

3. Audit Director must not be the Director of the parent companies, subsidiaries, or subsidiaries of the same level that are listed companies.

4. Audit Committee must consist of at least 3 directors and must have at least one director graduated from Accounting and/or Finance with sufficient knowledge and experiences to review the reliability of financial statements.

5. Audit Committee must also have other qualifications defined by the Securities and Exchange Commission. In addition to the qualifications and specific elements of audit committee, the Audit Committee shall have qualifications and elements as Independent Directors.

#### Scope of Authority of Audit Committee

##### **1. Financial Statement**

- Review the Company's financial statement to ensure accurate financial reporting and disclose information sufficiently, reliably, in accordance with financial reporting standards and relates laws.
- Review the significant issues of accounting and financial statement including the complex or unusual transactions and the transactions that need judgment.
- Inquire Management and auditor about the audit result, the significant risks about financial report and the plan to reduce such risks.
- Review the efficiency of the internal control on financial statement preparation process.

##### **2. Internal Control**

- Review if the management has defined the internal control of the information technology properly and the guideline to communicate the significance of internal control and the risk management to the entire company, including the Anti-Corruption Measure.

- Review to assure that the recommendation on the internal control by internal auditors and auditors has been implemented by the management

### **3. Internal Audit**

- Review and approve the Internal Audit Charter, year plan, human resource and resource necessary for operations.
- Review activities and performance of Internal Audit to be assured that internal auditors can work independently.
- Review the effectiveness of Internal Audit performance to see if they comply with the Internal Audit Standards.
- Consider and approve the nomination, appointment, dismissal, transfer or termination of internal auditors.

### **4. Auditor**

- Consider the nomination and dismissal of the Company's auditors, propose the remuneration of auditors to the Board of Directors in order to ask for the appointment from the Annual General Meeting of Shareholders, and evaluate the auditor's performance every year.
- Meet with auditors without management for at least once a year.

### **5. Compliance with Regulations**

- Consider business conduct of the Company to be in accordance with the law and relevant regulations and regularly review the changes proposed by management department.
- Regularly considering the Company's business operations to be in accordance with the laws and regulations relating to anti-corruption and reviewing self-assessment on anti-corruption measures as identified by the Thai Institute of Directors Association (IOD) and reviewed and assessed by the internal audit team.
- Review the findings or notices of the regulatory unit by internal auditors, monitor the results and report to the Board of Directors.
- Review the effectiveness of the monitoring system on the compliance with law and regulation and on the results of incompliance case via internal auditors.

### **6. Risk Management**

- Review the sufficiency of the policy and duty regulation concerning risk management of the Company.
- Review the efficiency of the Company's risk management and the risk management from Anti-Corruption.

### **7. Compliance with the Code of Conduct for Executives and Employees**

- Review to ensure that business ethics, code of conduct for executives and employees and the policy to prevent conflicts of interest has been written. Also, all executives and employees acknowledge and comply.

- Review to ensure that Anti-Corruption policy and measure has been written. Also, all executives and employees acknowledge and comply.
- Promote compliance with ethical principles, codes of conduct, and policies for the prevention of conflicts of interest.

#### 8. Other Responsibilities

- Perform other duties as assigned by the Board of Directors.

### Nomination and Remuneration Committee

The Board of Directors appointed the Nomination and Remuneration Committee to perform the duty of proposing the policy, format, and criteria of nomination and remuneration of directors, directors in sub-committees, and managing director to ensure the nomination and remuneration comply with the good corporate governance and in accordance with the vision, mission, and core values.

As of 31 December 2021, the Company's Nomination and Remuneration Committee has 3 Directors as follows:

Name			Position
1.	Mr. Suvit	Arunanondchai	Chairman of the Nomination and Remuneration Committee (Independent Director)
2.	Mr. Varavudh	Varaporn	Member of the Nomination and Remuneration Committee (Independent Director)
3.	Mr. Somjate	Moosirilert	Member of the Nomination and Remuneration Committee (Non-Executive Director)

Ms. Rungtip Chaipatanapruk is the Nomination and Remuneration Committee Secretary.

### Scope of Authority of Nomination and Remuneration Committee

#### 1. Nomination

- Define policy, criteria and method of nomination for the Board of Directors consideration.
- Select and propose the qualified candidates for various positions to the Board of Directors for consideration.
- Supervise the committees to ensure that their size and components are suitable to the corporate and should there be any change needed, it shall be in accordance with the changing environment. The Board of Directors and Committees must consist of knowledgeable and talented individuals who have right skills for their positions.
- Prepare the succession plan for Managing Director and Senior Executives for the Company's business continuity.
- Consider and review the Board Skill Matrix to review the structure, components, and expertise of the Board of Directors and Committees and to be used for consideration of the Director nomination and to see the necessity of the absent components to the committees.

## 2. Remuneration

- Define the policy and criteria for the determination of remuneration and other benefits of the Company's Directors, Committee's Directors and Managing Director to propose to the Board of Directors for consideration.
- Supervise to ensure that the Company's Directors, Committee's Directors and Managing Director receive the remuneration that justifies their duty, responsibility and performance.
- Define the performance evaluation indicators of Managing Director for consideration on annual adjustment of compensation (salary increase, bonus, other compensation) and propose to the Board of Directors for approval.
- Review the remuneration and other benefits structure of the Company's Directors, Committee's Directors and Managing Director to justify their duty and responsibility and in line with market situation.

## 3. Others

- Consider other issues as assigned by the Board of Directors.

## Corporate Governance Committee

The Board of Directors realizes the importance of the corporate governance. In order to have the good governance system according to the good practices of the listed companies and to disclose the information of corporate governance practices in the annual report, the Company deemed it appropriate to appoint the entire Board to be the Corporate Governance Committee. In every Board of Directors meeting, the corporate governance issue shall be included in the agenda.

As of 31 December 2021, the Company's Corporate Governance Committee has 12 Directors as follows:

Name			Position
1.	Mr. Virat	Chinprapinporn	Chairman of the Corporate Governance Committee
2.	Mr. Kovit	Rongwattanasophon	Member of the Corporate Governance Committee
3.	Mr. Charoensook	Kititti	Member of the Corporate Governance Committee
4.	Mr. Somjate	Moosirilert	Member of the Corporate Governance Committee
5.	Ms. Suvarnapa	Suvarnaprathip	Member of the Corporate Governance Committee
6.	Mr. Kamtorn	Tantisirivat	Member of the Corporate Governance Committee
7.	Mr. Sorasak	Chayarak	Member of the Corporate Governance Committee
8.	Mr. Thakol	Nanthirapakorn, Ph.D.	Member of the Corporate Governance Committee
9.	Mr. Suvit	Arunanondchai	Member of the Corporate Governance Committee
10.	Mr. Varavudh	Varaporn	Member of the Corporate Governance Committee
11.	Mrs. Naree	Boontherawara, Ph.D.	Member of the Corporate Governance Committee
12.	Mr. Surapon	Satimanont	Member of the Corporate Governance Committee

Mr. Ponlaphe Sakayapapwicharnon is the Corporate Governance Committee Secretary.

#### Scope of Authority of Corporate Governance Committee

1. Define policy and practices of the Company's Corporate Governance.
2. Examine and suggest the Company's Corporate Governance Code to the Board of Directors to encourage the implementation of Corporate Governance according to the Stock Exchange of Thailand.
3. Consider and screen the Corporate Governance Policy, Company's Code of Conduct and regularly update the significant issues in the policy to be modern and international. Define the practice guideline in accordance with the defined code of conduct to propose to the Board of Directors for approval.
4. Appoint working team to facilitate the operations as deemed appropriate.
5. Perform other duties as assigned by the Board of Directors.

#### **Risk Management Committee**

The Board of Directors appointed the Risk Management Committee to perform the duty of managing risks for the whole organization and supervising the management to strictly comply with the policy and direction of risk management. Since the Executive Committee had the duty of controlling the company operations which include the consideration of variety of risks, the Board of Directors, thus, assigned the Executive Committee to perform another duty of the Risk Management Committee.

As of 31 December 2021, the Company's Risk Management Committee has 4 Directors as follows:

Name			Position
1.	Mr. Virat	Chinprapinporn	Chairman of the Risk Management Committee
2.	Mr. Kovit	Rongwattanasophon	Member of the Risk Management Committee
3.	Mr. Somjate	Moosirilert	Member of the Risk Management Committee
4.	Mr. Kamtorn	Tantisirivat	Member of the Risk Management Committee

Mr. Kunjanart Siva is the Risk Management Committee Secretary.

#### Scope of Authority of Risk Management Committee

1. Consider the Company's Risk Management Policy and the acceptable level of risks before proposing to the Executive Committee and Board of Directors for approval.
2. Assess internal and external factors that could have significant impact on business operations which can be used to improve the risk management direction.
3. Define the measures to manage risks properly in internal and external situations to prevent damages that could happen in the future.
4. Consider the overall risk to assess whether various measures used in risk management are sufficient and can be implemented efficiently.
5. Consider various tools or directions to be used in risk measurement and assessment properly.

## Executive Management

As of 31 December 2021, the Company has 6 executives according to definition of the Office of the Securities and Exchange Commission as follows:

Name			Position
1.	Mr. Virat	Chinprapinporn	Chairman
2.	Mr. Kovit	Rongwattanasophon	Managing Director
3.	Mr. Khomsan	Boonyoiyad	Deputy Managing Director, Hire Purchase & Marketing and Branch Administration
4.	Mr. Ponlaphe	Sakkayapapwicharnon	Senior Assistant Managing Director, Credit Control
5.	Mr. Jaturaput	Nudaeng	Assistant Managing Director, Commercial loans
6.	Ms. Unchan	Srisom	Senior Vice President of Accounting and Planning & Strategy (CFO)

### Compensation for Executives

The Company has the policy to pay compensation to executives according to their knowledge, competency, duty and responsibility, and performance evaluation result. In 2021, the Company paid compensation to executive are as follow:

**1.Compensation** in terms of salary, annual bonus, and social security contribution to executives in the total amount of 48,159,200 Baht.

**2.Other Compensations** The Company contributions to the provident fund for executives at the rate of 5% of the wages in the total amount of 842,400 Baht.

## Employee

### Number of Employees

Number of Employees by Division	2021	2020	2019
Executive Management	6	6	7
Hire Purchase and Marketing	75	76	77
Branch Administration	145	154	150
Credit Control	105	107	109
Operation Support	76	79	81
Strategy and Finance	38	39	36
Office of the directors and Administration	20	20	20
<b>Grand Total (person)</b>	<b>465</b>	<b>481</b>	<b>480</b>

### Compensation for Employee

The Company has the policy to pay compensation to employee according to their knowledge, competency, duty and responsibility, and performance evaluation result. In 2021, the Company paid compensation to employee are as follow:



**1.Compensation** in terms of salary, annual bonus, and social security contribution to employee in the total amount of 156,892,195 Baht.

**2.Other Compensations** The Company contributions to the provident fund for employee at the rate of 5% of the wages in the total amount of 6,662,695.95 Baht.

Further details of employee can be considered under the topic of Business Sustainability Management section Labour Management.

## The Secretary of the Company

The Board of Directors Meeting no. 4/2013 held on 13 November 2013 had resolution to appoint Mr. Ponlaphe Sakkayapapwicharnon as the Secretary of the Company. Since he was qualified with appropriate maturity, qualification and experience. To be complied with the Good Corporate Governance of the Company and for the efficient administration.

The Secretary of the Company shall perform the duties as stated in section 89/15 and section 89/16 of the Securities and Exchange Act (No. 4) BE 2008 effective on 31 August 2008 and the Corporate Governance Policy of the Company with responsibility, caution, and honesty. He must be in compliance with the law, the Company's objectives and regulations, Committee Meeting Resolutions and the shareholders meeting resolution. Role and Responsibility of the Secretary of the Company as follows:

- 1.Manage and be responsible for the activities of Board of Directors.
- 2.Provide the primary recommendation to the Directors regarding legal issues, rules and regulations, including the good corporate governance principles and the ethics which the Directors should practice, and monitor to ensure they were applied correctly and regularly. Any significant changes must be reported to the Directors.
- 3.Prepare documents and useful information for the new Directors and introduce the business nature and business direction to new Directors.
- 4.Arrange the shareholders meetings and Board of Directors meetings in compliance with the law, the Company's regulations and other practices.
- 5.Take minutes of shareholders meeting and Board of Directors meetings and follow up on the actions taken according to the meeting resolutions.
- 6.Arrange and keep Board of Directors registration documents, invitation letters to Board of Directors meetings, Board of Directors meeting minutes, the Company annual reports, invitation letters to shareholders' meetings, shareholders meeting minutes and reports of conflict of interest transactions reported by directors or executives.
- 7.Manage to have the information and information report under responsibility revealed to Corporate Governance Department according to the official regulations.
- 8.Contact and communicate to general shareholders for their awareness of shareholder rights and the Company's news.
- 9.Continuously get training and development on legal, accounting or Company Secretary's duty.
- 10.Operate other activities required by Capital Marketing Supervisory Board.
- 11.Perform other duties assigned by Board of Directors.

## Report on Key Performance in Corporate Governance

### Summary of Performance of the Board of Directors in the past year

In 2021, the Board of Directors set and reviewed the Company's vision, mission, and corporate value to be in accordance with business direction in consideration of sustainable value creation to business and all stakeholders. In addition, the Company approved the business operation plan and reviewed the sufficiency of internal control process and appropriate risk management process by supervising the management to assure their work to be in accordance with the Company's policies, strategies, business operation plans, laws, regulations, and resolutions of shareholders' meeting. The management was required to continuously report the business performance to the Board of Directors.

### Nomination, Appointment, and Term of Director Position

#### Director Nomination

The Board of Directors appointed the Nomination and Remuneration Committee to perform the duty of selection and nomination of the qualified persons to hold the position of company director by considering the following criteria:

1. Have complete qualification and do not have any prohibited characteristics as required by law and regulations prescribed by a regulatory agency.
2. Have knowledge, skills, experiences, competencies, and special characteristics as necessary to achieve the corporate goals and beneficial to the business (Board Skill Matrix.)
3. Have responsibility, honesty, carefulness, and morality.
4. Able to perform duty and express opinion with independent judgment.
5. Can dedicate sufficient time to perform duty as a director.

#### Independent Director

The Company defines the definition and qualification of independent directors in line with the announcement of the Securities and Exchange Commission and the good corporate governance principles as follows:

1. Independent Director shall hold no more than 0.5% of total shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholders, or regulator of the Company, including the shareholding of a person related to such Independent Director.
2. Independent Director neither is nor was a director involved in administration, employee, regularly paid consultant or regulator of the Company, parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or regulator of the Company, unless he/she is free from such position for at least 2 years before the appointment date.
3. Independent Director does not have relationship by blood or by legal registration as a parent, spouse, brother/ sister, child and spouse, of any executive, major shareholder, regulator or individual being proposed to be executive or regulator of the Company or subsidiary company.
4. Independent Director neither has nor had business relationship with the Company, parent company, subsidiary company, associated company, major shareholder or regulator of the Company and is not or was not

significant shareholder or regulator of an individual who has business relationship with the Company, parent company, subsidiary company, associated company, major shareholder or regulator of the Company, unless he/she is free from such position for at least 2 years before the appointment date.

5. Independent Director neither is nor was an auditor of the Company, parent company, subsidiary company, associated company, major shareholder or regulator of the Company and is not a significant shareholder, regulator or partner of the audit company of which auditor of the Company, parent company, subsidiary company, associated company, major shareholder or regulator of the Company is affiliated with unless he/she is free from such position for at least 2 years before the appointment date.

6. Independent Director neither is nor was a service provider of any profession, including legal counselor or financial consultant which receives service fees for over two million Baht per year from the Company, parent company, subsidiary company, associated company, major shareholder or regulator of the Company and is not a significant shareholder, regulator or partner of such professional service provider unless he/she is free from such position for at least 2 years before the appointment date.

7. Independent Director is not a director appointed as a representative of the Company's Director, major shareholder, or any shareholder related to major shareholder.

8. Independent Director shall not conduct business of the same characteristics as and significantly competitive to the business of the Company or subsidiary company. Independent Director shall not be a significant partner in the partnership or director involved in administration, employee, staff, consultant receiving a regular salary or shareholder with over 1% of total shares with voting rights of any company in the same business industry and significantly competitive to the Company and its subsidiary company.

9. Independent Director does not have any aspects that prevent him/her from giving opinion independently on the Company's business.

Independent Director not only has a role and duty like other directors in the Board of Directors but also has a role and duty in maintaining independence in providing opinion or advice in order to keep the interest of all stakeholders without being influenced by any party.

Independent Director shall hold the meetings among themselves, without the presence of Executives or any other individuals who may relate to the Company or may not maintain their neutrality in the meeting, before the Board of Directors meeting. The objective is to study the meeting agenda and to define the recommendations before proposing to the Board in order to improve the administrative management and business operation to bring development and efficiency to corporate and benefits to all stakeholders.

#### Directors who are Executives

Directors who holds an executive position or take roles in the management of the Company or participate in any action like executive.

#### The Appointment of Directors

The appointment of Directors can occur in 2 cases:

1. Appoint Director to replace Director who retires by rotation and must be approved by shareholders' meeting resolution.

2. Appoint Director during the term due to the vacant position. The approval shall be considered based on the proposal of the Nomination and Remuneration Committee.

In appointing the directors by the shareholders' meeting, one shareholder has votes equals to the number of holding shares. Each shareholder can use up the votes for an individual or many individuals for directors but cannot split the votes for anyone unequally. The individuals who receive the highest votes in descending order shall be elected to be directors, depending on the number of directors to be elected at that time. In the case that the individuals elected in the next order receive equal votes and they exceed the number of directors to be elected at that time, the Chairman of the meeting shall be the arbitrator.

#### Term of Director Position

In every Annual General Meeting of Shareholders, 1 out of 3, or the closest number, of directors holding a position for the longest period shall retire from office but can be re-selected to hold the position. Independent director's term of office is no longer than consecutive 9 years from the first appointment unless the board has opinion for that director to further continue his position.

In the 2021 Annual General Meeting of Shareholders held on 8<sup>th</sup> April 2021, the Board of Directors, excluding directors with conflict of interest, agreed to the proposition of the Nomination and Remuneration Committee to reappoint the Directors retire by rotation back to the Director position and the positions in the sub-committee for another term. The summary of Directors retire by rotation is as follows:

- |                                    |  |
|------------------------------------|--|
| 1) Mr. Varavudh Varaporn           | was appointed as Independent Director. |
| 2) Mrs. Naree Boontherawara, Ph.D. | was appointed as Independent Director. |
| 3) Mr. Kamtorn Tantisirivat        | was appointed as Director.             |
| 4) Mr. Sorasak Chayarak            | was appointed as Director.             |

#### The Divided Roles & Responsibilities of Board of Directors and Management

The Company has the roles and responsibilities of Board of Directors and Management divided clearly as follows:

Conducted by Board of Directors	Conducted by Board of Directors and Management	Board of Directors assigned Management to take responsibility
1. Set objectives, policy, goal and key concept for corporate business conduct. 2. Supervise directors and executives to perform their duty of care and duty of loyalty to the corporate for the Company's benefits. 3. Supervise the business conduct to ensure its compliance with the law, objectives, regulations, shareholders meeting resolutions and good corporate governance principles.	1. Set strategy, measure and annual business plan. 2. Manage the sufficient appropriateness of the internal control system and the risk management. 3. Manage the sufficient appropriateness of the internal control system and the risk management.	1. Execute the strategy and policy set by Board of Directors. 2. Make decision on the procurement, personnel recruitment, etc. according to the policy framework. 3. Manage all areas to be in accordance with the law, rules, and related regulations within the authority and budget assigned by Board of Directors.

### The Separated Roles and Duties of Chairman of the Board of Directors and Managing Directors

Chairman of the Board of Directors is not the same person as the Chief Executive Officer and Managing Director in order to separate the duties of the policy designation, supervision and management of the routine administration work.

### Roles and Duty of Chairman of the Board

Chairman of the board's role as a leader of the board is to conduct business according to the corporate governance principles and supervise the board meeting to be efficient for the best interests of the Company and all stakeholders. In addition, his role also includes the support of good relationship between the board and the management.

### Role and Duty of Managing Director

Managing Director has a role in overall management to ensure the compliance with the policies, strategies, and goals defined by the board, such as establishing the regulations, approving loans according to the authorized credit limit, hiring and appointing personnel, procurement, and general management of the Company, etc.

### Development of Directors and Executives

The Board of Directors has a policy to promote and support the Directors, Executives, Company Secretary and persons relating to the Company's corporate governance to participate in the training and seminar about the role, duty and responsibility according to the corporate governance guidelines, conducted by IOD: Thai Institute of Directors, the Stock Exchange of Thailand or independent organizations, in order to strengthen their skills and knowledge to further improve the efficiency of their performance. Every member of the Board of Directors has passed the training program relevant to Duties of Directors, conducted by IOD: Thai Institute of Directors.

In 2021, Directors, Executives, Company Secretary and the person supervising accounting participated in the training programs or seminars to enhance their operational knowledge and to continuously develop knowledge as follows:

**1.Participation in developing knowledge skills of directors**

No.	Name	Position	Training / seminar program	Institution / Agencies
1	Mr. Somjate Moosirilert	Director / Executive Committee / Risk Management Committee / Nomination and Remuneration Committee	Cyber Resilience Leadership : Herd Immunity 2021	Bank of Thailand
2	Mr. Kamtorn Tantisirivat	Director / Executive Committee / Risk Management Committee	Financial Analysis to Analyze Business Situations and Improve Performance	Dharmniti Seminar and Training
			ESG Risk & Investment for Asset Managers and Market Participants	SEC Sustainalytics and Morningstar Research Thailand
3	Mr.Thakol Nanthirapakorn, Ph.D.	Independent Director/ Chairman of the Audit Committee	Director's Briefing : Governing in Tomorrow's World, Class 1/2021	Thai Institute of Directors (IOD)
			TCFD (Task Force on Climate-related Financial Disclosures) & SDGs Workshop for Beginners	The Stock Exchange of Thailand
			Preparation Sustainability Disclosure according to One Report	
			TCFD & SDGs Workshop : ESG Risk Analysis and GHG Accounting	

**2.Participation in developing knowledge skills of Executives and Company Secretary**

No.	Name	Position	Training / seminar program	Institution / Agencies
1	Mr.Ponlaphe Sakkayapapwicharnon	Senior Assistant Managing Director/ Company Secretary	IOD Open House 2021 : Role of Company Secretary to Encourage Corporate Governance	Thai Institute of Directors (IOD)
2	Ms. Unchan Srisom	Senior Vice President of Accounting and Planning & Strategy	Financial Statement Analysis	Federation of Accounting Professions
			Important Accounting Adjustments	
			Cash Flow Statement	

### 3.Participation in developing knowledge skills of accounting supervisors

No.	Name	Position	Training / seminar program	Institution / Agencies
1	Mr. Wachirakorn Thongin	Accounting Manager	Workshop on Financial Reporting Standards that Affect the Company	EY Office Company Limited

### Performance Evaluation of Board of Directors

The Company arranged self-evaluation for the Board of Directors and Committees every year in order to reflect the efficiency of their working performance according to the Corporate Governance Code. In 2021, there were 3 groups of evaluation: performance evaluation of the entire Board, performance evaluation of sub-committee, and performance evaluation of the board by individual (self-evaluation). The Board shall consider, review and further improve such evaluations with the performance evaluation process of entire Board, individual and entire committee as follows:

1. The Company Secretary prepares the self-evaluation form by adapting the guidelines of the Thai Institute of Directors Association and the Stock Exchange of Thailand to fit the Company which shall cover the role, duty and responsibility of the Board of Directors in every aspect. And propose to the Board for self-evaluation.
2. The Company Secretary summarizes the evaluation results of entire board, entire committees, and individual (self-evaluation).
3. The Company Secretary reports the performance evaluation results of entire board, entire committees, and individual (self-evaluation) to the Board of Directors in order to improve the operations to be more efficient.

Criteria for performance evaluation of Board of Directors are as follows:

1.Performance evaluation of entire board of directors includes 6 topic:

- (1) Structure and qualification of the board
- (2) Role, duty and responsibility of the board
- (3) Meetings of the board
- (4) Duty performance of Directors
- (5) Relationship with management
- (6) Self-development of Directors and development of Executives

2.Performance evaluation of entire committees includes 3 main topics:

- (1) Structure and qualification of committees
- (2) Meetings of committee
- (3) Role, duty and responsibility of committees

3) Performance evaluation of the board by individual (self-evaluation) includes 3 main topics:

- (1) Structure and qualification of the board
- (2) Meetings of the board
- (3) Role, duty and responsibility of the board

The scores range is 0- 4 from Strongly disagree or No action on that topic to Strongly agree or Excellent action on that topic. In 2021, the result of each performance evaluation is as follows:

Performance Evaluation	Average Score (4 Full Score)	Percentage
Performance evaluation of the Board of Directors	3.97	99.25%
Performance evaluation of the Audit Committee	3.95	98.70%
Performance evaluation of the Executive Committee	4.00	100.00%
Performance evaluation of the Risk Management	3.99	99.67%
Performance evaluation of the Nomination and Remuneration Committee	4.00	100.00%
Performance evaluation of Directors by self-evaluation	3.93	98.13%

#### Performance Evaluation of Managing Director

The Company requires the performance evaluation of Managing Director to be conducted every year. The Nomination and Remuneration Committee defines the criteria and evaluates performance against the Key Performance Indicator (KPI) which are set in consistent with short-term and long-term strategies and goals in the economic and social dimensions, and the ability of management. However, the conclusion of performance evaluation of Managing Director is deemed confidential and cannot be disclosed.

#### Performance Evaluation of Executives

The Company requires the performance evaluation of Executives to be conducted every year. The Managing Director defines the criteria and evaluates performance against the Key Performance Indicator (KPI) which are set in consistent with short-term and long-term strategies and goals, and the ability of management. However, the conclusion of performance evaluation of Executives is deemed confidential and cannot be disclosed.

#### Succession Plan

The Board of Directors assigned the Nomination and Remuneration Committee to prepare the succession plan for the Chief Executive Officer and Managing Director and top executive positions in order to be ready and to develop the potential persons for the top executive positions in the future for the continuous growth of the Company.

### **Board of Directors Meeting and the Remuneration to Directors**

#### Board of Directors Meeting

The Company requires at least 6 Board of Directors meetings per year and extraordinary meeting as necessary. The Company Secretary shall prepare the invitation letter, meeting agenda and relevant documents and send them to Directors at least 5 working days before the meeting date so that the Board shall have enough time to study before attending the meeting. The schedule of Board of Directors meetings and Committee meetings is set in advance each year and shall be informed to each Director for his/her acknowledgement and time management to attend the meetings. The meeting attendance of each Director of each Committee in 2021 is as follows:



Unit : time (Attendance / Right to attend meeting)

List of Directors	Board of Directors	Board of Directors without Executive Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee
Mr. Virat Chinprapinporn	6 / 6	-	-	-	11 / 12	11 / 12	6 / 6
Mr. Kovit Rongwattanasophon	6 / 6	-	-	-	12 / 12	12 / 12	6 / 6
Mr. Charoensook Kititti	6 / 6	1 / 1	-	-	-	-	6 / 6
Mr. Somjate Moosirilert	6 / 6	1 / 1	-	2 / 2	12 / 12	12 / 12	6 / 6
Ms. Suvarnapha Suvarnaprathip	6 / 6	1 / 1	-	-	-	-	6 / 6
Mr. Kamtorn Tantisirivat	6 / 6	1 / 1	-	-	12 / 12	12 / 12	6 / 6
Mr. Sorasak Chayarak	6 / 6	1 / 1	-	-	-	-	6 / 6
Mr. Thakol Nanthirapakorn,Ph.D.	6 / 6	1 / 1	4 / 4	-	-	-	6 / 6
Mr. Suvit Arunanondchai	6 / 6	1 / 1	4 / 4	2 / 2	-	-	6 / 6
Mr. Varavudh Varaporn	6 / 6	1 / 1	4 / 4	2 / 2	-	-	6 / 6
Mrs.Naree Boontherawara,Ph.D.	6 / 6	1 / 1	4 / 4	-	-	-	6 / 6
Mr. Surapon Satimanont	6 / 6	1 / 1	4 / 4	-	-	-	6 / 6
<b>Average attendance (%)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>98%</b>	<b>98%</b>	<b>100</b>

#### Remuneration to Directors

The Nomination and Remuneration Committee considered the compensation for director according to the appropriateness and the comparison with other companies in the same industry, reflecting the duty and responsibility of the position, and proposed to Board of Directors and shareholders' meeting for approval. The 2021 Annual General Meeting of Shareholders approved the compensation composition of director in 2021 as follows:

1.Monthly compensation and meeting allowance are not over than 5,000,000 Baht in total.

Committee	Position	Monthly Compensation (per month/ per person)	Meeting Allowance (per meeting/ per person)
Board of Directors	Chairman	12,000	30,000
	Director	10,000	25,000
Audit Committee	Chairman	12,000	30,000
	Member	-	25,000
Nomination and Remuneration Committee	Chairman	-	30,000
	Member	-	25,000
Executive Committee <sup>(1)</sup>	Chairman	-	-
	Member	-	10,000
Risk Management Committee	Chairman	-	-
	Member	-	-
Other benefits		- none -	

Note : <sup>(1)</sup>The remuneration of Executive Committee included the meeting allowance to Directors who are not Executives only.

2.The remuneration in pension for Directors was 0.5% of dividend paid in cash to shareholders. Net profits of 2020 were 4,813,573.97 Baht in total.

In 2021, the Company paid remuneration to 4 groups of directors, that is, Board of Directors, Audit Committee, Nomination and Remuneration Committee, and Executive Committee, in total of 9,051,573.97 Baht The remuneration payment was in the form of meeting allowance, monthly compensation, and premium for directors (accounting for 0.5% of dividend paid to shareholders from 2020 net profits) as follows:

List of Directors	Meeting allowance (Baht)					Monthly compensation for directors (Baht)	Premium for directors (Baht)	Total of remuneration payment (Baht)
	Directors	Audit Committee	Nomination & Remuneration Committee	Executive Committee	Total of meeting allowance			
					(1)	(2)	(3)	(1) + (2) + (3)
Mr. Virat Chinprapinporn	180,000	-	-	-	180,000	144,000	522,403.38	846,403.38
Mr. Kovit Rongwattanasophon	150,000	-	-	-	150,000	120,000	435,336.15	705,336.15
Mr.Charoensook Kititti	150,000	-	-	-	150,000	120,000	435,336.15	705,336.15
Mr. Somjate Moosirilert	150,000	-	50,000	120,000	320,000	120,000	373,145.27	813,145.27
Ms.Suvarnapha Suvarnaprathip	150,000	-	-	-	150,000	120,000	310,954.39	580,954.39
Mr. Kamtorn Tantisirivat	150,000	-	-	120,000	270,000	120,000	124,381.75	514,381.75
Mr. Sorasak Chayarak	150,000	-	-	-	150,000	120,000	124,381.75	394,381.75
Mr. Thakol Nanthirapakorn,Ph.D	150,000	120,000	-	-	270,000	144,000	435,336.15	849,336.15
Mr. Suvit Arunanondchai	150,000	100,000	60,000	-	310,000	120,000	435,336.15	865,336.15
Mr. Varavudh Varaporn	150,000	100,000	50,000	-	300,000	120,000	435,336.15	855,336.15
Mrs. Naree Boontharawara,Ph.D.	150,000	100,000	-	-	250,000	120,000	373,145.27	743,145.27
Mr. Surapon Satimanont	150,000	100,000	-	-	250,000	120,000	373,145.27	743,145.27
<b>Directors retired from position in 2020</b>								
Mr. Anuwat Luengtaweekul	-	-	-	-	-	-	186,572.63	186,572.63
Mr. Pompert Rasanon	-	-	-	-	-	-	248,763.51	248,763.51
<b>Total</b>	<b>1,830,000</b>	<b>520,000</b>	<b>160,000</b>	<b>240,000</b>	<b>2,750,000</b>	<b>1,488,000</b>	<b>4,813,573.97</b>	<b>9,051,573.97</b>

Note : (1) The 2021 Annual General Meeting of Shareholders had a resolution to approve the remuneration for Directors at the rate of 0.5% of cash dividend for shareholders. The Nomination and Remuneration Committee thus considered to allocate the remuneration of 2020 business performance to Directors who were in position during the year as such.

(2) Mr. Kamtorn Tantisirivat was appointed as a Director, in place of Mr. Anuwat Luengtaweekul, effective from 13<sup>th</sup> August 2020 onwards. Mr. Anuwat Luengtaweekul resigned from the Company's Director, effective from 13<sup>th</sup> August 2020 onwards.

(3) Mr. Sorasak Chayarak was appointed as a Director, in place of Mr. Pompert Rasanon, effective from 13<sup>th</sup> August 2020 onwards. Mr. Pompert Rasanon resigned from the Company's Director, effective from 13<sup>th</sup> August 2020 onwards.

## Supervision of Subsidiary

The Company has management and governance over its subsidiaries in terms of strategy, policy, and goal, by appointing a person to hold the position of Director or Executive in the subsidiary to maintain the interests of Company's investments. Moreover, the Company requires subsidiaries to comply with the regulations and policies of the Company, such as financial reporting, connected transaction, compliance with the good corporate governance policy, etc. The Company manages to have the performance review and audit of subsidiaries every year to ensure that subsidiary companies have proper, concise, and sufficient internal control system.

## Ensuring Compliance with Corporate Governance Policies and Guidelines

### Treatment to Stakeholders

The Company gives importance to all stakeholders, both internal and external of the organization, equitably according to the good corporate governance principles, aiming to improve quality of operations and to create sustainable values of business. The critical expectation of stakeholders was assessed and reviewed to identify practices and responses to such expectation appropriately and continuously. The details under section the Business Sustainability Management, the Managing Impact on Stakeholders in Business Value Chain.

### Conflict of Interest Prevention

The Company set the principles to prevent directors, executives, employees, and relevant persons from seeking benefits for themselves or others. In case there is any person who is a stakeholder or relating to any issue consideration, such person must not participate in such transaction consideration to let that consideration process go independently and to prevent any conflict of interest. In this regard, the Company defined measures to manage conflict of interest in the good corporate governance policy and code of conduct manual.

In addition, in case that the Company and subsidiaries have any connecting transactions or acquire or release the Company's significant securities as per SET criteria, the Company must follow the SET principles. In case that the Company needs agreement from shareholders to do connection transactions or acquire or release the Company's significant securities, the Company must receive not less than one third of total votes of attending shareholders or proxies of shareholders who are entitled to vote while the vote of shareholders who are stakeholders are not counted.

### Inside Information Usage Protection

The Company has managed the usage of internal information in compliance with the laws and the good corporate governance by defining in written the good corporate governance policy, the information disclosure and inside information usage policy, and the code of conduct manual, which require directors, executives, and employees to keep secrets and refrain from using inside information or confidential information to seek benefits in a way that is wrong for themselves or others.

In addition, the Company designated that its directors and executives must report about stock trading at least 1 day to the committee or the person assigned by the Board or the Company Secretary, including to the Office of Securities and Exchanges Commission. Section 59 of the Securities and Exchange Act BE 1992. Moreover, the Company establish policy on information disclosure and the use of inside information which prohibits any person who having inside information to disclose such information to external persons who are not related to the duty in the Company and to sell or buy the Company's securities or enter into derivatives contracts related to the Company's securities during 15 days before the end of each quarter until the following 2 day of the information disclosure day when the Company discloses its financial statement and status to the Stock Exchange of Thailand.

For the year 2021, there was no fault of directors, executives, and employees relating to inside information usage in any way.

## Information Disclosure and Transparency

### **1. Information Disclosure**

The Company realizes that the information disclosure, which can or may have an effect on the changes in the Company's security prices or on the investment decision or on the shareholders' rights and benefits, is important for shareholders, general investors and institutional investors to receive the significant news quickly, equally and sufficiently for decision making. However, the Company also realizes the need to keep the confidentiality of business details and key operational strategy and shall not disclose any information that could have effect on the Company's competitiveness.

The Company disclosed the information according to the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition to the information disclosure in the annual report (Form 56-1 One Report), annual registration statement (Form 56-1) and annual report (Form 56-2), the Company provides many channels to access to the information. Most information is published on the Company website ([www.ratchthani.com](http://www.ratchthani.com)) in both Thai and English languages to help interested shareholders or interested investors access to information easily, conveniently, thoroughly and equally. The Management Discussion and Analysis: MD&A is also published for disclosure of quarterly and annual financial statements on the news section of the Stock Exchange of Thailand.

As for the 2021 financial statement, the Company appointed EY Office Co., Ltd. to be its auditor. This auditor appointment and audit fees were approved by the 2021 Annual General Meeting of Shareholders. The appointed company is an independent company certified by the Office of the Security and Exchange Commission. The auditor certified the financial statements of the Company with no condition.

### **2. Investor Relations**

The Company assigned the Office of the directors and Administration and the Planning and Strategy Department to be responsible for the Investor Relations which is the contact point of information, questions and answers about the Company. Another channel to publish the Company's information, financial information and general information to shareholders, analysts, general interested investors, credit rating agencies, and relevant regulatory agencies, is by phone number 02-431-9000 or by e-mail: [irthani@thani.co.th](mailto:irthani@thani.co.th).

#### **Investor Relations Activities in 2021**

1) 6 Analyst Meeting and the activity "Opportunity day" were held, with 40-60 participants per meeting, to inform the quarterly performance to analysts, institutional investors, and general investors, by the Company's top executives.

2) 1 Conference Call was made to provide further details to domestic and international investors and analysts after releasing information to the public.

## Equitable Treatment of Shareholders

### **1. Rights of Shareholders**

The Board of Directors realized the ownership rights and the rights to make decision on significant changes of the Company. Thus, the Board of Directors encouraged shareholders to use their basic shareholder rights, such as buying, selling or transferring shares, taking profits sharing, receiving sufficient information of the Company. By disclosing the information in a correct, complete and timely through the information system of the Stock Exchange of Thailand and the Company's website.

### **2. The Shareholder Meeting**

The Board of Directors realized that the shareholders have equal rights to participate in meetings and has the policy to support and encourage all groups of shareholders including institutional investors participate in the meetings of shareholders. The Board of Directors has established a policy to organize shareholders' meetings regarding rights and equality in attending meetings, voting, proposing additional agenda items, nominating person, the completeness of a notice of the meeting and disclosure of information, as well as the venue and appropriate date and time of the meeting. It is clearly defined in the good corporate governance policy. In addition, there is a unit responsible for arranging meeting in accordance with the aforementioned policy and guidelines of related agencies.

The 2021 Annual General Meeting of Shareholders was held on 8 April 2021 in the meeting hall of Sinsathorn Tower, on 11<sup>th</sup> floor, Krungthongburi Road, Klongtongsa sub-district, Klongsan district, Bangkok. The Annual General Meeting of Shareholders was held in compliance with the laws, company regulations, and the good corporate governance practices as follows:

#### **Before the Shareholders' Meeting Day**

1) Opened the chances for shareholders to propose the meeting agenda and nominate candidates for consideration and appointment of director position in the 2021 Annual General Meeting of Shareholders from 1 October 2020 to 31 December 2020. It appeared that no one proposed the meeting agenda or candidates for consideration of director position for the 2021 meeting.

2) Publicized the meeting invitation letter and supporting documents in both Thai and English versions at least 30 days before the meeting date on the Company's website on 8 March 2021 including the following topics: (1) Date, time, place of the meeting, (2) Meeting agenda identifying objectives, reasons, opinions of committees and complete supporting documents for consideration, (3) Process, proof of identity and registration for the meeting, (4) Company's rules relevant to shareholders' meeting, (5) Proxy form A, B, C, (6) Information of the independent directors proposed by the Company as a proxy for shareholders, and (7) Map of the shareholders' meeting place.

In this regard, the meeting invitation letter and supporting documents were sent to shareholders by mail in advance for at least 14 days before the meeting day. The meeting invitation letter was also publicized in the daily newspaper for 3 consecutive days and at least 3 days before the meeting day.

#### **Shareholders' Meeting Day**

The Company set the date, time and place for the shareholder's meeting at the head office of the Company which has convenient transportation. The registration point is convenient and has enough space. Shareholders can register 2 hours before the meeting starts. Postage stamps are provided for shareholders who attend

the meeting by themselves and for proxies of shareholders. In this meeting, the Company assigned Chairman of the Board to explain the details of quorum and Company Secretary to explain the voting method, the vote counting practice, ballots use and reveal the voting results for each agenda. The meeting provided opportunities for shareholders to question or share opinions appropriately and sufficiently.

In the 2021 Annual General Meeting of Shareholders, 12 directors attended the meeting. However, the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee were present the meeting, and then introduced the Chief Finance Officer (CFO) and auditors were attending the meeting. In addition, introduce the independent legal counsel appointed by the Company as the meeting observer to monitor the voting and counting of votes in the meeting. To ensure the meeting in accordance with the law and the Company's Articles and Association.

#### **After the Shareholders' Meeting Day**

The Company publicized the shareholders' meeting resolutions on the SET community portal after the meeting date on the same day. The minute of meeting included the list of attended directors, the voting method and scores, the meeting resolutions, and the votes for agreeing, disagreeing, and abstaining, including the questions and explanations during the meeting. In this regard, the Company sent the meeting minute and publicized the minute on the Company's website within 14 days after the meeting day. The publicizing day was 20 April 2021.

#### **Assessment of Shareholders' Meeting Quality**

For the Annual General meeting of the year 2021, The Company received the full 100 scores with an "Excellent and Good Example" level from the Annual General Meeting of Shareholders (AGM) Assessment Project organized by the Thai Investors Association

#### **Non-Infringement of Intellectual Property**

The Company conducts business by complying with the intellectual property law and has a policy of not supporting any action that has characteristics of intellectual property infringement, such as any usage of software in the company system must be legally permitted and copyrighted only. Employees are prohibited to install illegal copyright software in the company's computer.

#### **Anti-Corruption**

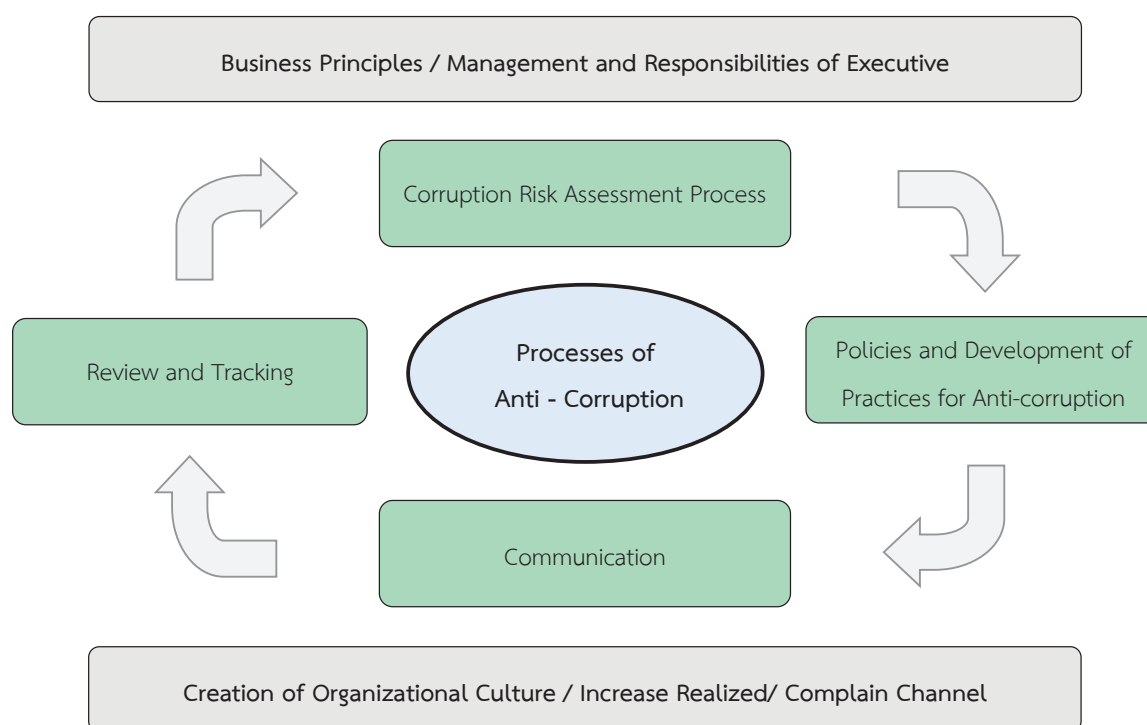
##### **Anti-Corruption Policy**

The Company realizes that the corruption can give the bad effect and be the obstacle to social and economic development of the country. It significantly is the wrong doing that leads to the unfair business and can affect the Company's reputation in the aspects of business code of conduct, core competency and international acceptance. It will make shareholders, investors and all stakeholders lose confidence in the organization. Thus, the Company takes as the key principles that the Company's business conduct must not support any business, group or individual involving in the pursuit of unreasonable benefits, both directly and indirectly, from the misuse of authority. The Company is willing to cooperate with the government sector, civil social sector, public media and international organizations to reflect its commitment to all forms of anti-corruption.

The Company's Board of Directors had the resolution to approve the Anti-Corruption Policy and Measure by applying the official guidelines of "The Private Sector Collective Action Coalition Against Corruption Project" as the clear guidelines for business conduct and must be strictly complied with by the Company's Directors, Executives and all employees. The Anti-Corruption Policy and Measure were publicized in the Company's website ([www.ratchthani.com](http://www.ratchthani.com)).

#### Corruption Risk Assessment Process

The company set up the process of corruption risk assessment, in accordance with the Anti-Corruption Policy, to be the guideline. The objective was to build ethics and practices of anti-corruption to the whole organization where they were practiced until becoming the corporate culture.



#### Principles of Control and Prevent the Risk of Corruption

The Company set up the process of corruption risk assessment, including the corruption risk management process which started from the risk identification on the key process, risk assessment, risk control, risk monitoring and risk review. The corruption risks included 4 forms as follows:

1. Giving or accepting bribes.
2. Giving or accepting gifts, entertainment and other benefits.
3. Political support.
4. Donation for charity, public interest and financial support.

#### **Guideline to follow up and evaluate the Anti-Corruption Policy and Measure's Compliance**

1. Board of Directors have duty and responsibility to determine and approve the Anti-Corruption Policy and Measure and to provide the efficient system supporting the anti-corruption to be assured that the management realizes its importance and takes into practice until becoming the corporate culture.
2. The Audit Committee has duty and responsibility to review the internal control to ensure its sufficiency, efficiency and compliance with the Anti-Corruption Policy and Measure.
3. The Management has duty and responsibility to promote, support and control employees and related parties to follow the Anti-Corruption Policy and Measure and to review the appropriateness of various regulations and measures to ensure its compliance with the changing business, regulations and legal requirements.
4. Internal Audit Department has duty and responsibility to review and examine the practices to ensure that they are correct and in compliance with the policy, principles, regulation and related law. The internal control system must be assured to be proper and sufficient to handle any potential corruption risks. The Internal Audit Department reports directly to the Audit Committee.
5. The Company's committee, high level executives, management and staff have duty to follow the Anti-Corruption Policy and Measure by not getting involved with any corruptions directly or indirectly.
6. Subsidiaries, business agents, or the Company's employees under the Company's control must accept to follow the Company's Anti-Corruption Policy and Measure.

#### **Anti-Corruption Training**

The Company promoted the staff training to Directors, Executives and employees at all levels to provide knowledge, understanding and practices according to the required policy of "Anti-Corruption Program" as follows:

1. The committee and high level executives of the Company and Thanachart Group participated in the Anti-Corruption for Executives Course of Thailand. The training course was lectured by Dr. Bandid Nijathaworn, President and CEO of Thai Institute of Directors (IOD).
2. Staff at managerial level participated in the Anti-Corruption for Managers Course.
3. Every employee at operational level has studied the practice guideline from the Anti-Corruption handbook and the Company's public relations. Employees are required to do self-assessment about Anti-Corruption annually.

#### **"Thailand's Private Sector Collective Action Coalition Against Corruption"**

The Company signed up to the declaration of intention in joining the Thailand's Private Sector Collective Action Coalition Against Corruption on 18 April 2014 and did the self-evaluation tool for countering corruption in order to enter the process of membership certification from the Thailand's Private Sector Collective Action Coalition Against Corruption Council.

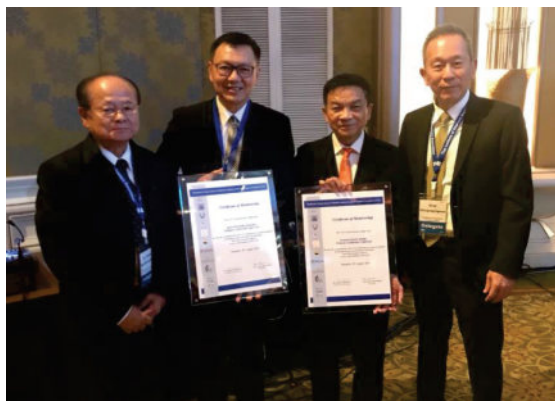
On 3 October 2014, the Thailand's Private Sector Collective Action Coalition Against Corruption Council meeting had a resolution of approval for Ratchthani Leasing Public Company Limited to be a member of Collective Action Against Corruption (CAC), together with Thanachart Capital Public Company Limited and another 10 companies of Thanachart Group. The certificate is valid for 3 years, effective from the date of approval.

In 2017, the Company requested for the re-certification following the process and procedures required by CAC. On 18 August 2017, the CAC Quarterly Meeting 2/2017 had a resolution of approval for the re-certification of Ratchthani



Leasing Public Company Limited to be a member of Collective Action Against Corruption (CAC), together with Thanachart Capital Public Company Limited and another 14 companies of Thanachart Group.

On 21 November 2017, Mr. Kovit Rongwattanasophon, Managing Director of Ratchthani Leasing Public Company Limited received the certificate of member of Thailand's Private Sector Collective Action Coalition Against Corruption in the international conference, Thailand's 8th National Conference on Collective Action Against Corruption "Bright spot: Lighting the way to a corruption free society", at Napalai Ballroom, Dusit Thani Hotel. The conference was organized by Thai Institute of Directors (IOD).



In 2020, the Company submitted for the Re-certification according to the procedure and process of CAC. The CAC committee meeting in Quarter 3/2020 had a resolution to support the Company to re-certify its membership of the Thai Private Sector Collective Action Against Corruption effective from 30 September 2020 to 30 September 2023.

In addition, the RTN Insurances Brokers Company Limited which is a subsidiary company of the Company signed to join the announcement of intent of the Thai Private Sector Collective Action Against Corruption and did arrange the self-assessment of anti-corruption measures to enter the process of obtaining the certificate of membership. The meeting of Thai Private Sector Collective Action Against Corruption (CAC) had a resolution to certify the RTN Insurances Brokers Company Limited to be a member of CAC effective from 31 December 2020 to 31 December 2023.

The Company has announced and campaigned the No Gift Policy for general awareness and sent the letter of cooperation for complying with the Anti-Corruption Policy in no gift giving or receiving to trade partners, customers and business agents in order to reflect the Company's commitment in business ethics, transparency and anti-corruption in all forms both directly and indirectly.



### The Receiving of Information, Whistleblowing, and Complaints

The Company opens a chance for customers, employees, and stakeholders to provide information, complaints, and clues (whistle blowing) if they find any situation or receive any impact from illegal act, violation of the code of conduct, human rights violation, or corruption related to directors, executives, or employees of the Company. Details are as follows:

1. The Company has identified the following channels for whistleblowing:

- (1) Notify directly to Chairman
- (2) Notify directly to Chairman of Audit Committee
- (3) Notify directly to Managing Director
- (4) Notify directly to Internal Audit Head
- (5) Notify directly to supervisor
- (6) Notify via contact channel or company website at <http://www.ratchthani.com>

2. When a person receiving notification of whistleblowing considered evidence and found a reason to believe that such an event actually happened, he/she would take action to solve the problem or to stop the incident urgently. If such case was beyond his/her power to act, he/she would report to supervisor on the next level for consideration and order.

3. The Company requires the team responsible for the fact investigation to consider the evidence and fact fairly. When the conclusion is made, the team shall report to relevant committees or executives and inform the whistleblower or affected persons on the result of investigation and problem solving.

4. The Company has set to provide the remedy for a victim or affected person fairly and reasonably and shall conduct disciplinary penalty to offender according to the Company's rules and regulations. Moreover, the relevant units shall together consider setting the measures to prevent and alleviate risks that may cause such situation to repeat in the future.

5. The Company has established a mechanism to protect those who cooperate with the Company in providing information, complaints, and clues, to assure that such whistleblowing action will not cause any troubles to whistleblowers as follows:

- (1) The Company shall keep the information of a victim or affected person or whistleblower confidential by limiting the access to such information to persons with responsibility on fact investigation only.
- (2) The Company shall not make any negative impact on whistleblower even if such action will cause business opportunity loss to the Company.
- (3) In the case that the victim, affected person, or whistleblower finds themselves insecure or getting potential damage, they can request for the appropriate protection measures from the Company.
- (4) If it is found that director, executive or employee act on other persons in a way that is unfair or can cause damage and a motive of such action comes from that other person providing information, clues, complaints, or denying corruption, such action is deemed disciplinary offense.

In 2021, the Company had received whistleblowing from stakeholders in various issues and investigated facts, solved problems, analyzed causes, and set measures to prevent such recurrence, including reporting to relevant committees or executives within the Service Level Agreement (SLA) as following details:

Issues of clues and complaints	Received issues	Issues under investigation/ resolving	Concluded issues
1) Law violation	-	-	-
2) Code of conduct violation	-	-	-
3) Human rights violation	-	-	-
4) Corruption	-	-	-
5) Labor violation	-	-	-

## Internal Control and Related Party Transactions

### Internal Control

Ratchthani Leasing Public Company Limited has executed strategic management, risk management and good internal control which result in the Company's competency to conduct business properly and efficiently.

The good internal control system is an important management tool to achieve the Company's goals. The internal control framework of the Committee of Sponsoring Organization of the Tread Way Commission (COSO) is applied for the Company's management, which is summarized as follows:

#### 1. Internal Environment

- The Board of Directors and the management designated code of conduct and business ethics for the Board of Directors, management and employees to implement.
- The Board of Directors consists of Independent Directors in the proportion of 41.67% of total Directors, which is higher than the minimum legal requirement. As a result, the Board can effectively work on assessment and decision making on the internal control system independently, without influence from the management.
- The Board of Directors and the management established the Company structure, chain of command, appropriate responsibilities and segregation of duties so that the good internal control can be implemented according to its specified objectives.

#### 2. Risk Assessment

- The Company analyzed and identified risks that effect the business operation and specific risk response in the corporate levels and functional levels including the risks of fraudulent or inappropriate conduct.
- The Company specified clear objective of the operations, financial and non-financial reporting, and the practices in compliance with related laws, and identified the level of risks that are acceptable and align with the business operation.

#### 3. Control Activities

- The Company organized the internal control activities to reduce the potential risks to the acceptable level including preventive control, such as segregation of duties, the level access to data and information control of each authorization level, the appropriate authorization of business operations and transactions, and physical assets control, etc.
- The Company designated the Business Continuity Policy and management plan in case the uncontrollable emergency occurred. The plan has been testing regularly to ensure that the Company can operate its business continually.

#### 4. Information and Communication

- The Company implemented an efficient information system to provide accurate, complete, and timely information for business decisions making.
- The Company has communication channels to inform any information to staff via electronic email and central bulletin board where information and knowledge can be shared among the employees.

- The Company has determined the channels for notification of fraud and corruption actions, in compliance with the Anti-Corruption Policy as an alliance of Thai Private Sectors on Collective Action against Corruption, on the Company's website.

#### 5. Monitoring and Assessment

- The Company's significant issues have regularly been assessed and the results have continuously been monitored by the Audit Committee through the independent internal auditor of the Company.
- The Company assigned the management to identify any defects on the assessment of the Company's independent internal auditors and to define the solutions appropriately and in time.

In the Board's Meeting in 2021, the Board of Directors evaluated the internal control system under the guidelines of the Office of the Securities and Exchange Commission. The result was that the Company had appropriate and effective internal control system.

#### The Internal Audit

The Company has no Internal Audit Department but does assign an independent external auditor to perform the duty of internal auditor and to report the performance of internal audit practices directly to the Audit Committee and the management performance of departments to the Managing Director.

The Company assign the Head of Audit of Thanachart Capital Public Company Limited to be the independent internal auditor of the Company, who report directly to the Audit Committee and has duty on examining and assessing the efficiency and the effectiveness of the internal control system and information system. The independent internal auditor examines the compliance with the Anti-Corruption Policy practices to ensure that normal business operations and financial activities of the Company are conducted according to the guidelines and have adequate efficiency. The independent internal auditor examines the practices to ensure the compliance with the laws and related regulations of the Company (Compliance Control). Moreover, the annual internal audit plan must be proposed and approved by the Audit Committee under the criteria of the risk based audit approach and the audit guidelines under the internal control practices of the Committee of Sponsoring Organization of the Tread Way Commission (COSO). The Company has assigned the secretary of the audit committee to coordinate with the internal audit division of Thanachart Capital Public Company Limited.

## Related Party Transactions

In 2020 and 2021, the Company had related party transactions with persons with a conflict of interest. After consideration, the Audit Committee believed that such transactions were reasonable as normal transactions or they supported the Company's normal business with general trade conditions, except special transactions. The appropriateness of transactions and the committee's opinions are detailed as follows:

Name of Related Parties	Relationship with the Company	Business Type
Thanachart Capital Public Company Limited	The parent company of the Group	A holding company that primarily invests in financial business.
RTN Insurance Broker Company Limited	Subsidiary Company	Non-life insurance brokerage and life insurance
Baan Rock Garden Public Company Limited	Have common directors and shareholders	Property development
Thanachart Insurance Public Company Limited	Affiliates	Insurance
MBK Life Assurance Public Company Limited	Affiliates	Insurance
Thanachart Securities Public Company Limited	Affiliates	Securities
Thanachart Bank Public Company Limited	Have common shareholders (was a related company until 4 July 2021)	Commercial bank
TMBThanachart Bank Public Company Limited (Changed the name to Thanachart Bank Public Company Limited since 12 May 2021)	Have common shareholders	Commercial bank

## Loan and Outstanding from Related Persons or Businesses

Transactions	Outstanding (Unit : Thousand Baht)	
	31 December 2021	31 December 2020
<u>Deposit</u>		
Thanachart Bank Public Company Limited	-	939,594
TMBThanachart Bank Public Company Limited	409,283	-
<u>Short-term loans</u>		
Thanachart Bank Public Company Limited	-	1,000,000
TMBThanachart Bank Public Company Limited	700,000	-
<u>Long-term loans</u>		
TMBThanachart Bank Public Company Limited	2,000,000	-
<u>Debentures</u>		
Thanachart Capital Public Company Limited	243,000	243,000
Thanachart Insurance Company Limited	-	455,000
MBK Life Assurance Public Company Limited	-	120,000

Transactions	Outstanding (Unit : Thousand Baht)	
	31 December 2021	31 December 2020
<u>Other payables</u>		
Thanachart Capital Public Company Limited	-	681
<u>Accrued interest</u>		
Thanachart Capital Public Company Limited	1,878	1,878
Thanachart Insurance Company Limited	-	4,174
MBK Life Assurance Public Company Limited	-	1,054
Thanachart Bank Public Company Limited	-	64
TMBThanachart Bank Public Company Limited	301	-

#### Related Party Transactions

Transactions	For Year (Unit : Thousand Baht)		Transfer pricing policy	Reason / Appropriateness
	2021	2020		
Thanachart Capital Public Company Limited				
Interest Expenses	8,215	5,807	As stipulated in agreements and prospectus	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company’s benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
Service fee expenses	1,200	-	As stipulated in agreements	
Thanachart Bank Public Company Limited				
Interest receivable	2,617	9,535	The same rates as charged to general customers	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company’s benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
Interest Expenses	2,384	17,038	As stipulated in agreements	
Bank fee expenses	2,988	6,738	As stipulated in agreements	
Service fee expenses	1,379	3,154	As stipulated in agreements	

Transactions	For Year (Unit : Thousand Baht)		Transfer pricing policy	Reason / Appropriateness
	2021	2020		
TMBThanachart Bank PublicCompany Limited				
Interest receivable	1,696	-	The same rates as charged to general customers	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company’s benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
Interest expenses	24,592	-	As stipulated in agreements	
Bank fee expenses	2,137	-	As stipulated in agreements	
Service fee expenses	1,485	-	As stipulated in agreements	
Baan Rock Garden Public Company Limited				
Interest expenses	-	252	As mutually agreed	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company’s benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
Thanachart Insurance Company Limited				
Interest expenses	6,232	15,306	As stipulated in prospectus	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company’s benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
Insurance Interest expenses	-	351	As stipulated in agreements	



Transactions	For Year (Unit : Thousand Baht)		Transfer pricing policy	Reason / Appropriateness
	2021	2020		
MBK Life Assurance Public Company Limited				
Interest Expenses	1,790	3,805	As stipulated in prospectus	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company’s benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
Thanachart Securities Public Company Limited				
Fee expenses	785	1,323	As mutually agreed	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company’s benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.
Management, directors and related persons				
Interest expenses	-	30	As mutually agreed	Related party transactions were in accordance with normal business and supported the operation of the Company group, to maximize the Company’s benefit. Conditions of Such transactions were set based on market price and were approved by Audit Committee and Board of Directors.

### Necessity and Appropriateness

Presently, related party transactions are in accordance with a normal business and support the operation of the Company group, to maximize the Company's benefit. The related party transactions are necessary and reasonable. For price setting, market prices or costs plus proper profits, such as rental fee, are taken into consideration. Such cost is forecasted from rental fee plus proper profits according to the referenced market prices. The Company will revise costs and profit rate annually. The Company will propose to the Audit Committee to consider reasons and appropriateness of prices. Prior approvals of the Board of Directors or shareholders are required on the case by case basis.

### Measures or Procedure on Approving Related Party Transactions

For the approval procedure of related party transactions due to a normal business such as bank fee, the Company will determine conditions in line with a normal business i.e. market prices applied to general customers, or actual costs plus proper profits according to the referenced market prices. For other related party transactions, the Company will determine conditions in line with a normal business i.e. marketing prices applied to general customers with proper conditions. This aims to maximize the benefits of the Company and shareholders. Prior approvals of the Board of Directors or shareholders are required, as a case may be. The Audit Committee or auditors or experts will consider reasons of transactions and appropriateness of prices. The opinions will be proposed to the Board of Directors or shareholders for consideration, as a case may be.

Accordingly, in terms of compliance with information disclosure and acquisition or sales of major assets, the Company will comply with the laws on securities and exchange, regulations, notifications, orders, or requirements of the Stock Exchange of Thailand, including accounting standards stipulated by the Federation of Accounting Professions.

### Policy on further related party transactions

According the Securities and Exchange Act BE 2535 (1992) section 89/12 and the Capital Market Supervisory Board Notification, Tor Jor 21/2551 (2008) regarding the principles for doing connected transactions, including the amendment in the future, required the transactions of connected persons as defined by law, that is, the transactions between the Company and its directors, executives or related persons must be approved by the shareholders meeting first, except for the exempted transactions, such as the trade agreement which normal people will do with contract partners in the same situation using the trade negotiation power without any influences as the directors, executives or related persons as the case may be and which is the fair and at arm's length trade agreement that is approved by the Committee or comply with the approved principles.

For this matter, the Board of Directors meeting on 12 November 2018 had a resolution to approve the principles of trade agreement when doing the interpersonal transactions of related persons to be in compliance with the legal requirement as mentioned above. The principles are as follow, "The Management can do any transactions or actions or trade agreements that have characteristics of the interpersonal transactions of related persons as defined by the Securities and Exchange Commission. Such transactions or actions must be common with the general practices that normal people will do with contract partners in the same situations, using the trade negotiation power without any influences as the Executive Directors or related persons ("general trade agreement transaction".) They

include the transactions being continued from the past and that may happen in the future. The Management can set the regulation framework as the guideline for the operations and submit the summary report of such transactions to the meetings of the Audit Committee and the Board of Directors within the reasonable time.”

In the future, related party transactions will comprise transactions due to a normal business such transactions shall bring benefits to the Company and shall be in line with the approval measures or procedures mentioned above.

## Report of the Audit Committee

The Audit Committee of Ratchthani Leasing Public Company Limited is appointed by the Board of Directors, which comprises qualified independent directors who are professionals in many aspects and have knowledge and experiences sufficient to perform the duty of examining financial statements. 5 Independent Directors, comprising of Mr. Thakol Nanthirapakorn, Ph.D. as Chairman of Audit Committee, Mr. Suvit Arunanondchai, Mr. Varavudh Varaporn, Mrs. Naree Boontharawara, Ph.D., and Mr. Surapol Satimanont as Member of the Audit Committee.

All members of the Audit Committee are not executives or employees of the Company and possess qualifications as required by the regulations of the Stock Exchange of Thailand and the Office of Securities and Exchange Commission. The Audit Committee has been assigned to supervise and review the Company's information related to the financial report and financial information disclosure, internal control system and regulatory practices in compliance with the relevant regulatory agencies. The Audit Committee also has a duty to promote the Company's good corporate governance.

In 2021, the Audit Committee held 4 meetings (average of 100% of the directors attended) with the certified auditor, the Company's internal auditor, management and executives from relevant departments to consider and review the financial statements, connected transactions, listen to the explanation and give suggestion beneficial to the accuracy, completion and reliability of financial reports including the efficiency improvement of the internal control. The resolutions of each meeting shall be summarized to the Board of Directors on the significant issues for acknowledgement and undertaking for improvement. The implementation of the Audit Committee is mainly summarized as follows:

### The Accuracy, Completion and Reliability of Financial Reports

The Audit Committee reviewed the quarterly and annual financial statements of the Company by consulting with the auditor and management of finance and accounting department. To ensure that the financial statements had been conducted in accordance with General Accepted Accounting Principles, with correct key information and adequate, accurate, reliable information disclosure. In addition, the committee observed and acknowledged the solution approach beneficial to the Company. Besides, the Audit Committee arranged the meetings with the auditor, excluding the participation of the management, to consider on the independence of the auditor in performing his duties and expressing his opinion. In addition, the auditor has reported significant issues from the audit to the Audit Committee.

### The Sufficiency and Examination of Internal Control System

The Audit Committee reviewed the internal control system to ensure the Company has good and efficient internal control system including anti-corruption control system. To consider on such system, the committee monitored the internal control system together with the independent internal auditor on the planning and approval of the annual audit plan, including the sufficiency and suitability of employees, and independence in conducting the internal audit. The Audit Committee followed up on the performance and corrective actions according to the audit report on any significant issues continuously. This shall lead to good internal control system, efficient risk management, and good corporate governance.

## Compliance with Regulations, Laws or Other Relevant Requirements

The Audit Committee has reviewed the operation of the Company in accordance with the rules and regulations of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand including the laws or other requirements relevant to the Company's business to ensure that the Company has complied with such regulations completely.

## Risk Management

In the previous year, the Audit Committee reviewed the Company's various aspects of the risk management, considered and proposed the risk factors which had significant effects on the Company's operations and business plan to the Board of Directors.

## Auditor

The Audit Committee selected, nominated for appointment and proposed the auditor remuneration of 2021. The Audit Committee considered qualification, independence, performance and appropriate remuneration rate for auditor and proposed to the Board of Directors before further proposing to the shareholder's meetings.

## Related Transactions or Transaction with Conflict of Interest

The Audit Committee considered and examined the related transactions, or transactions with conflict of interest by considering the necessity, reasonability, transparency, information disclosure, including other requirements received from the Company before proposing to the Board of Directors for such transactions approval.

## Audit Committee Charter Review

The Audit Committee has considered and reviewed the Audit Committee Charter regularly at least once a year to ensure that the Audit Committee's operations were efficient and updated.

The Audit Committee considered and agreed that the Company has prepared the reports and disclosed the accurate financial information properly, adequately and in accordance with the generally accepted accounting principles. The internal control system and the examination of internal control system were effective, adequate, and appropriately organized. The risk management was efficient. The Company's operations were in compliance with the relevant regulations strictly. The auditor was supported to perform his/her duties on expressing an opinion on the financial reports independently. In addition, the connected transactions and any conflicts of interest were undertaken with transparency, reasonability and sufficient disclosure.



(Mr. Thakol Nunthirapakorn, Ph.D.)  
Chairman of the Audit Committee

## Responsibilities of the Board of Directors for Financial Report

The Board of Directors of Ratchthani Leasing Public Company Limited is responsible for consolidated financial statements of the Company and its subsidiaries and separate financial statements of the Company, including the information and information disclosure and the financial presentation in 2021 annual report. Such financial statements were regularly prepared according to the financial reporting standard and appropriate accounting policy. The discretion and estimates were used carefully and reasonably as needed. The information disclosure in the financial statement appendix was sufficient. Such financial statements passed the check and comment from the independent Certified Public Accountants of the Company with no condition.

The Board of Directors realized the importance of the duties and responsibilities that must continuously be in accordance with the good corporate governance policy in order to conduct the business with efficiency, transparency and credibility and established proper and effective control system, risk management system and internal control system of various aspects in order to rationally assure that the accounting information was correctly and completely recorded and adequate to sustain the Company's assets as well as to prevent any frauds or significantly irregular operations.

Moreover, The Board of Directors has appointed the Audit Committee comprising of the independent directors to review accounting policies, take responsible on the quality of financial statements, review the adequacy of the internal control system and internal audit, including the risk management system as well as consider the disclosure of related transactions. The opinions of the Audit Committee on such issues were displayed in the Audit Committee Report in the annual report.

The Board of Directors has viewed that the overall internal control system of the Company was at satisfactory level and the internal audit could ensure that the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the year ending 31 December 2021 was reliable along with the financial reporting standards and was conducted precisely according to the related laws and regulations



(Mr. Virat Chinprapinporn)  
Chairman



(Mr. Kovit Rongwattanasophon)  
Managing Director

## **Independent Auditor's Report**

To the Shareholders of Ratchthani Leasing Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Ratchthani Leasing Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Ratchthani Leasing Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ratchthani Leasing Public Company Limited and its subsidiary and of Ratchthani Leasing Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Emphasis of Matter**

I draw attention to Note 1.2 and Note 7.1 to the consolidated financial statements regarding the COVID-19 pandemic is impacting various businesses and industries. This situation could create uncertainties and may affect the future operating results of the Group. Moreover, due to the impact of this situation, in preparing the financial statements, the Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy issued by the Federation of Accounting Professions. My opinion is not modified in respect of this matter.

## 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 loss on hire-purchase and financial lease receivables**

As discussed in Note 7 and 8 to the consolidated financial statements, as at 31 December 2021, the Group had hire purchase and financial lease receivables - net of Baht 47,911 million (accounting for 97 percent of total assets) and allowance for expected credit loss of Baht 1,485 million, which are material to the financial statements. In determining an allowance for expected credit losses, the Group has developed models to calculate the allowance for expected credit losses. The models required complex calculation and involves significant judgements and estimates from the management. The areas of significant management's judgement include the identification of criteria for a significant increase in credit risk since initial recognition, the probability of default, the loss given default, the exposure at default, the calculation of expected credit loss, the selection of future economic variables to be incorporated into the model and the management overlay adjustment to the allowance for expected credit loss due to limitations of the model.

Because of the significant and the extent of judgement and estimates as mentioned above, I addressed the adequacy of the allowance for expected credit loss of hire purchase and financial lease receivables as a key audit matter.



I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relevant to the loan origination and collection processes, the assessment of probability of default, loss given default and exposure at default, as well as the calculation of allowance for expected credit loss, and tested, on a sampling basis, internal control systems over the relevant information technology systems. In addition, I evaluated and tested the reasonableness of the expected credit loss models, the rules and criteria applied by the Group in the assessment of significant increases in credit risk since initial recognition, including the data used in the model design, the effectiveness of models for significant group of receivables and the governance process over the model development, by reviewing model development documentation, testing, on a sampling basis, the accuracy and completeness of data used in model development, and assessing the methods and assumptions applied in the calculation. I assessed the reasonableness of macroeconomic factors and probability weights in each scenario, as well as the reasonableness of the management overlay adjustments. In addition, I compared accounting policies of the Group with financial reporting standards and assessed the adequacy of disclosure in accordance with the relevant financial reporting standards.

Moreover, I examined the allowance for expected credit loss by testing, on a sampling basis, the classification based on the change in credit risks since initial recognition and recalculating the allowance for expected credit loss as at the end of the accounting period, including testing the completeness of data used in the calculation of allowance for expected credit loss.

### **Recognition of interest income**

For the year 2021, the Group recognised interest income on hire-purchase and financial lease receivables amounting to Baht 3,430 million (accounting for 81 percent of total income).

The Group recognises interest income using the effective interest rate method, and interest income is generated from loans provided to a large number of customers with a high volume of transactions. I therefore focused my audit on whether interest income on loans to customers is recognised appropriately and in a timely manner, in accordance with Thai Financial Reporting Standards.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relating to the processes of loan origination, the processes of interest income recognition and loan collection, including relevant internal controls over information systems, by inquiring of management to gain an understanding, assessing the methods applied by the management, as well as testing, on a sampling basis, the accuracy of data and calculation. In addition, I applied a sampling method in selecting loan agreements to test whether the recording of hire purchase and financial lease receivables as well as the income recognition complies with the conditions stipulated in the contracts and is adjusted in line with the effective interest rate according to the income recognition policy, and in accordance with Thai Financial Reporting Standards. I also performed analytical procedures on interest income and tested, on a sampling basis, significant adjustments made through journal vouchers.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Saranya Pludsri  
Certified Public Accountant (Thailand) No.6768

EY Office Limited  
Bangkok: 15 February 2022

**Ratchthani Leasing Public Company Limited and its subsidiary**

**Statements of financial position**

**As at 31 December 2021**

(Unit: Baht)

		Consolidated financial		Separate financial	
		statements		statements	
	Note	2021	2020	2021	2020
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	476,222,151	1,043,794,649	253,636,722	867,595,830
Current portion of hire purchase receivables - net	7.1	17,985,276,348	17,724,120,201	17,985,276,348	17,724,120,201
Current portion of financial lease receivables - net	8.1	218,532,668	237,817,536	218,532,668	237,817,536
Other receivables		81,269,120	75,591,780	68,049,096	65,148,267
Property foreclosed - net	12	98,317,408	67,307,160	98,317,408	67,307,160
Undue input vat		92,847,656	52,627,807	92,847,579	52,627,807
Other current assets		7,777,979	8,642,674	7,097,746	8,115,489
<b>Total current assets</b>		<b>18,960,243,330</b>	<b>19,209,901,807</b>	<b>18,723,757,567</b>	<b>19,022,732,290</b>
<b>Non-current assets</b>					
Restricted bank deposit		2,000,000	2,000,000	-	-
Hire purchase receivables - net of current portion	7.1	29,386,215,547	28,334,302,842	29,386,215,547	28,334,302,842
Financial lease receivables - net of current portion	8.1	321,006,791	451,719,886	321,006,791	451,719,886
Other non-current financial assets		-	187,572	-	187,572
Investment in subsidiary	10	-	-	3,999,700	3,999,700
Investment properties	13	19,326,498	19,326,498	19,326,498	19,326,498
Land, building and equipment - net	14	66,994,863	80,191,139	66,341,252	79,220,970
Right-of-use assets - net	15.1	12,824,541	20,386,106	12,824,541	20,386,106
Intangible assets - net	16	31,800,995	22,984,697	31,662,179	22,779,449
Deferred tax assets - net	17.1	421,586,988	375,560,584	421,450,508	375,443,055
Other non-current assets	18	1,455,776	1,449,775	1,445,775	1,439,776
<b>Total non-current assets</b>		<b>30,263,211,999</b>	<b>29,308,109,099</b>	<b>30,264,272,791</b>	<b>29,308,805,854</b>
<b>Total assets</b>		<b>49,223,455,329</b>	<b>48,518,010,906</b>	<b>48,988,030,358</b>	<b>48,331,538,144</b>

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

**Ratchthani Leasing Public Company Limited and its subsidiary**

**Statements of financial position (continued)**

**As at 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial		Separate financial	
		statements		statements	
		2021	2020	2021	2020
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	19				
Related parties		700,000,000	1,000,000,000	700,000,000	1,000,000,000
Unrelated parties		8,702,666,984	4,371,892,537	8,702,666,984	4,371,892,537
Other payables	20	332,660,217	313,591,819	260,790,630	257,401,151
Accrued interest		139,492,166	168,288,955	139,492,166	168,288,955
Current portion of lease liabilities	15.2	5,432,731	8,521,341	5,432,731	8,521,341
Current portion of long-term loans	21				
Unrelated persons and unrelated parties		2,584,876,587	-	2,584,876,587	-
Current portion of debentures	22				
Related parties		129,935,776	-	129,935,776	
Unrelated parties		5,678,839,565	5,619,335,607	5,678,839,565	5,619,335,607
Income tax payable		244,372,341	250,886,186	227,472,738	236,716,996
Other current liabilities		259,871,982	225,023,428	257,564,762	222,851,194
<b>Total current liabilities</b>		<b>18,778,148,349</b>	<b>11,957,539,873</b>	<b>18,687,071,939</b>	<b>11,885,007,781</b>
<b>Non-current liabilities</b>					
Lease liabilities - net of current portion	15.2	6,805,209	11,219,250	6,805,209	11,219,250
Long-term loans - net of current portion	21				
Related parties		1,994,758,570	7,589,976,848	1,994,758,570	7,589,976,848
Unrelated persons and unrelated parties		50,000,000	-	50,000,000	-
Debentures - net of current portion	22				
Related parties		112,837,105	817,026,597	112,837,105	817,026,597
Unrelated parties		16,681,504,889	17,281,703,434	16,681,504,889	17,281,703,434
Provision for long-term employee benefits	23	32,833,104	41,857,237	32,256,486	41,269,595
<b>Total non-current liabilities</b>		<b>18,878,738,877</b>	<b>25,741,783,366</b>	<b>18,878,162,259</b>	<b>25,741,195,724</b>
<b>Total liabilities</b>		<b>37,656,887,226</b>	<b>37,699,323,239</b>	<b>37,565,234,198</b>	<b>37,626,203,505</b>

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

**Ratchthani Leasing Public Company Limited and its subsidiary**

**Statements of financial position (continued)**

**As at 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Shareholders' equity</b>					
Share capital	24				
Registered					
5,663,030,175 ordinary shares of Baht 1 each		5,663,030,175	5,663,030,175	5,663,030,175	5,663,030,175
Issued and fully paid-up					
5,663,028,199 ordinary shares of Baht 1 each		5,663,028,199	5,663,028,199	5,663,028,199	5,663,028,199
Share premium		319,888,163	319,888,163	319,888,163	319,888,163
Retained earnings					
Appropriated - statutory reserve	25	557,500,000	471,500,000	557,500,000	471,500,000
Unappropriated		5,026,140,661	4,364,262,505	4,882,379,798	4,250,918,277
<b>Equity attributable to owners of the Company</b>		<b>11,566,557,023</b>	<b>10,818,678,867</b>	<b>11,422,796,160</b>	<b>10,705,334,639</b>
Non-controlling interests of the subsidiary		11,080	8,800	-	-
<b>Total shareholders' equity</b>		<b>11,566,568,103</b>	<b>10,818,687,667</b>	<b>11,422,796,160</b>	<b>10,705,334,639</b>
<b>Total liabilities and shareholders' equity</b>		<b>49,223,455,329</b>	<b>48,518,010,906</b>	<b>48,988,030,358</b>	<b>48,331,538,144</b>
		-	-	-	-

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



**Ratchthani Leasing Public Company Limited and its subsidiary**

**Statements of comprehensive income**

**For the year ended 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit or loss:</b>					
<b>Revenues</b>					
Hire purchase interest income		3,384,915,558	3,466,925,734	3,384,915,558	3,466,925,734
Financial leases interest income		45,332,965	48,818,799	45,332,965	48,818,799
Fees and service income		379,536,304	316,167,100	178,612,481	161,936,429
Dividend income		-	-	112,922,532	113,265,891
Other income		416,706,649	430,817,059	417,394,050	431,282,317
<b>Total revenues</b>		<u>4,226,491,476</u>	<u>4,262,728,692</u>	<u>4,139,177,586</u>	<u>4,222,229,170</u>
<b>Expenses</b>					
Selling expenses		182,500,516	187,893,608	182,500,516	187,893,608
Administrative expenses		402,116,483	349,719,127	381,002,727	336,978,851
Expected credit losses		585,900,273	337,912,215	585,900,273	337,912,215
<b>Total expenses</b>		<u>1,170,517,272</u>	<u>875,524,950</u>	<u>1,149,403,516</u>	<u>862,784,674</u>
<b>Profit before finance cost and income tax expenses</b>		<u>3,055,974,204</u>	<u>3,387,203,742</u>	<u>2,989,774,070</u>	<u>3,359,444,496</u>
Finance cost		(913,212,540)	(1,063,465,148)	(913,212,540)	(1,063,465,148)
<b>Profit before income tax expenses</b>		<u>2,142,761,664</u>	<u>2,323,738,594</u>	<u>2,076,561,530</u>	<u>2,295,979,348</u>
Income tax expenses	17.2	(433,566,235)	(463,526,783)	(397,708,859)	(435,332,913)
<b>Profit for the year</b>		<u>1,709,195,429</u>	<u>1,860,211,811</u>	<u>1,678,852,671</u>	<u>1,860,646,435</u>
<b>Other comprehensive income:</b>					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain		1,752,072	4,798,588	1,646,289	4,646,763
Less: Income tax effect	17.2	(350,414)	(959,718)	(329,258)	(929,353)
<b>Other comprehensive income for the year</b>		<u>1,401,658</u>	<u>3,838,870</u>	<u>1,317,031</u>	<u>3,717,410</u>
<b>Total comprehensive income for the year</b>		<u><u>1,710,597,087</u></u>	<u><u>1,864,050,681</u></u>	<u><u>1,680,169,702</u></u>	<u><u>1,864,363,845</u></u>

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

**Ratchthani Leasing Public Company Limited and its subsidiary**

**Statements of comprehensive income (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

		Consolidated financial		Separate financial	
		statements		statements	
	Note	2021	2020	2021	2020
<b>Profit attributable to:</b>					
Equity holders of the Company		1,709,184,685	1,860,203,350	<u>1,678,852,671</u>	<u>1,860,646,435</u>
Non-controlling interests of the Subsidiary		<u>10,744</u>	<u>8,461</u>		
		<u>1,709,195,429</u>	<u>1,860,211,811</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		1,710,586,337	1,864,042,211	<u>1,680,169,702</u>	<u>1,864,363,845</u>
Non-controlling interests of the Subsidiary		<u>10,750</u>	<u>8,470</u>		
		<u>1,710,597,087</u>	<u>1,864,050,681</u>		
<b>Earnings per share</b>					
	27				
Basic earnings per share		0.30	0.40	0.30	0.40
Weighted average number of ordinary shares (Share)		<u>5,663,028,199</u>	<u>4,621,196,780</u>	<u>5,663,028,199</u>	<u>4,621,196,780</u>

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

**Ratchthani Leasing Public Company Limited and its subsidiary**

**Statements of changes in shareholders' equity**

**For the year ended 31 December 2021**

(Unit: Baht)

	Consolidated financial statements					
	Issued and fully paid-up share capital	Share premium	Retained earnings		Equity attributable to owners of the Company	Non-controlling interests of the subsidiary
			Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 January 2020</b>	3,775,353,450	319,888,163	378,000,000	3,197,776,638	7,671,018,251	8,825
Profit for the year	-	-	-	1,860,203,350	1,860,203,350	8,461
Other comprehensive income for the year	-	-	-	3,838,861	3,838,861	9
Total comprehensive income for the year	-	-	-	1,864,042,211	1,864,042,211	8,470
Non-controlling interests of the subsidiary decrease	-	-	-	-	-	(8,495)
Issuing new ordinary shares (Note 24)	1,887,674,749	-	-	-	1,887,674,749	-
Appropriate statutory reserve (Note 25)	-	-	93,500,000	(93,500,000)	-	-
Dividend paid (Note 24)	-	-	-	(604,056,344)	(604,056,344)	-
<b>Balance as at 31 December 2020</b>	5,663,028,199	319,888,163	471,500,000	4,364,262,505	10,818,678,867	8,800
<b>Balance as at 1 January 2021</b>	5,663,028,199	319,888,163	471,500,000	4,364,262,505	10,818,678,867	8,800
Profit for the year	-	-	-	1,709,184,685	1,709,184,685	10,744
Other comprehensive income for the year	-	-	-	1,401,652	1,401,652	6
Total comprehensive income for the year	-	-	-	1,710,586,337	1,710,586,337	10,750
Non-controlling interests of the subsidiary decrease	-	-	-	-	-	(8,470)
Appropriate statutory reserve (Note 25)	-	-	86,000,000	(86,000,000)	-	-
Dividend paid (Note 24)	-	-	-	(962,708,181)	(962,708,181)	-
<b>Balance as at 31 December 2021</b>	5,663,028,199	319,888,163	557,500,000	5,026,140,661	11,566,557,023	11,080
						11,566,568,103

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

**Ratchthani Leasing Public Company Limited and its subsidiary**

**Statements of changes in shareholders' equity (continued)**

**For the year ended 31 December 2021**

	Separate financial statements					(Unit: Baht)
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total	
			Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 January 2020</b>	3,775,353,450	319,888,163	378,000,000	3,084,110,776	7,557,352,389	
Profit for the year	-	-	-	1,860,646,435	1,860,646,435	
Other comprehensive income for the year	-	-	-	3,717,410	3,717,410	
Total comprehensive income for the year	-	-	-	1,864,363,845	1,864,363,845	
Issuing new ordinary shares (Note 24)	1,887,674,749	-	-	-	1,887,674,749	
Appropriate statutory reserve (Note 25)	-	-	93,500,000	(93,500,000)	-	
Dividend paid (Note 24)	-	-	-	(604,056,344)	(604,056,344)	
<b>Balance as at 31 December 2020</b>	5,663,028,199	319,888,163	471,500,000	4,250,918,277	10,705,334,639	
<b>Balance as at 1 January 2021</b>	5,663,028,199	319,888,163	471,500,000	4,250,918,277	10,705,334,639	
Profit for the year	-	-	-	1,678,852,671	1,678,852,671	
Other comprehensive income for the year	-	-	-	1,317,031	1,317,031	
Total comprehensive income for the year	-	-	-	1,680,169,702	1,680,169,702	
Appropriate statutory reserve (Note 25)	-	-	86,000,000	(86,000,000)	-	
Dividend paid (Note 24)	-	-	-	(962,708,181)	(962,708,181)	
<b>Balance as at 31 December 2021</b>	5,663,028,199	319,888,163	557,500,000	4,882,379,798	11,422,796,160	

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

**Ratchthani Leasing Public Company Limited and its subsidiary**

**Cash flows statements**

**For the year ended 31 December 2021**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit before income tax	2,142,761,664	2,323,738,594	2,076,561,530	2,295,979,348
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	26,844,873	24,921,416	26,461,883	24,540,693
Expected credit losses	585,900,273	337,912,215	585,900,273	337,912,215
Gain on disposals of land, building and equipment	(137,093)	-	(137,093)	-
Impairment loss on property foreclosed (reversal)	3,123,584	(38,069,888)	3,123,584	(38,069,888)
Impairment loss on investments	-	26,382	-	26,382
Loss from lease cancellation	-	100,344	-	100,344
Increase in provision for long-term employee benefits	4,721,272	5,573,761	4,626,513	5,456,884
Reversal of impairment loss on other assets - output vat paid in advance	-	(2,771,815)	-	(2,771,815)
Dividend income	-	-	(112,922,532)	(113,265,317)
Interest income	(3,430,248,523)	(3,515,744,533)	(3,430,248,523)	(3,515,744,533)
Finance cost	913,212,540	1,063,465,148	913,212,540	1,063,465,148
Profit from operating activities before changes in operating assets and liabilities	246,178,590	199,151,624	66,578,175	57,629,461
Operating assets (increase) decrease				
Hire purchase receivables	(2,951,368,131)	1,667,614,089	(2,951,368,131)	1,667,614,089
Financial lease receivables	143,985,690	(31,205,975)	143,985,690	(31,205,975)
Other receivables	(3,376,950)	(5,323,385)	(600,438)	(3,836,497)
Property foreclosed	584,558,822	810,429,147	584,558,822	810,429,147
Other current assets	(39,355,154)	(15,274,326)	(39,202,029)	(15,215,212)
Other non-current assets	139,426,779	30,739	139,426,779	30,737
Operating liabilities increase (decrease)				
Other payables	19,068,398	(22,447,765)	3,389,479	(28,708,540)
Other current liabilities	34,848,554	12,843,394	34,713,569	12,376,244
Provision for long-term employee benefit	(11,993,333)	(7,966,667)	(11,993,333)	(7,966,667)
Cash flows from (used in) operating activities	(1,838,026,735)	2,607,850,875	(2,030,511,417)	2,461,146,787
Cash received from interest	3,728,233,978	3,818,592,242	3,728,233,978	3,818,592,242
Cash paid for income tax	(486,456,898)	(501,753,997)	(453,289,828)	(476,369,108)
<b>Net cash flows from operating activities</b>	<b>1,403,750,345</b>	<b>5,924,689,120</b>	<b>1,244,432,733</b>	<b>5,803,369,921</b>

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

**Ratchthani Leasing Public Company Limited and its subsidiary**

**Cash flows statements (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from investing activities</b>				
Dividend received	-	-	112,922,532	113,265,317
Cash paid for acquisition of land, building and equipment	(711,570)	(7,690,812)	(711,570)	(7,671,098)
Cash paid for acquisition of intangible assets	(13,082,817)	(8,619,300)	(13,082,817)	(8,619,300)
Cash received from disposals of land, building and equipment	137,093	-	137,093	-
Cash received from the sale of investments	187,572	-	187,572	-
<b>Net cash flows from (used in) investing activities</b>	<b>(13,469,722)</b>	<b>(16,310,112)</b>	<b>99,452,810</b>	<b>96,974,919</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	3,951,065,543	(9,260,617,573)	3,951,065,543	(9,260,617,573)
Decrease in short-term loans	-	(417,500,000)	-	(417,500,000)
Cash received from long-term loans	1,993,989,995	6,952,892,090	1,993,989,995	6,952,892,090
Repayment for long-term loans	(5,000,000,000)	(50,000,000)	(5,000,000,000)	(50,000,000)
Cash received from issuance of long-term debentures	4,491,998,417	11,209,064,110	4,491,998,417	11,209,064,110
Repayment for long-term debentures	(5,620,000,000)	(14,135,000,000)	(5,620,000,000)	(14,135,000,000)
Repayment for lease liabilities	(8,611,594)	(8,831,102)	(8,611,594)	(8,831,102)
Cash received from issuing additional share capital	-	1,887,674,749	-	1,887,674,749
Cash paid for dividends	(962,708,181)	(604,056,344)	(962,708,181)	(604,056,344)
Cash paid for interest	(803,578,831)	(867,332,493)	(803,578,831)	(867,332,493)
Cash paid for dividends to the non-controlling interest	(8,470)	(8,495)	-	-
<b>Net cash flows used in financing activities</b>	<b>(1,957,853,121)</b>	<b>(5,293,715,058)</b>	<b>(1,957,844,651)</b>	<b>(5,293,706,563)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(567,572,498)</b>	<b>614,663,950</b>	<b>(613,959,108)</b>	<b>606,638,277</b>
Cash and cash equivalents at beginning of year	1,043,794,649	429,130,699	867,595,830	260,957,553
<b>Cash and cash equivalents at end of year</b>	<b>476,222,151</b>	<b>1,043,794,649</b>	<b>253,636,722</b>	<b>867,595,830</b>
	-	-	-	-
<b>Supplement cash flows information</b>				
Non-cash item				
Property foreclosed received for debts settlement	618,692,654	683,484,230	618,692,654	683,484,230
Right-of-use assets	1,108,943	415,265	1,108,943	415,265

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

**Ratchthani Leasing Public Company Limited and its subsidiary**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2021**

**1. Corporate information**

Ratchthani Leasing Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Thanachart SPV 1 Company Limited, a limited company existing under Thai laws and the parent company of the Group is Thanachart Capital Public Company Limited, a public limited company also existing under Thai laws. The Company is principally engaged in the providing financial services specifically hire-purchase and leasing. The Company’s registered address is 77/35-36, 11 UP Floor, Sinsatorn Tower, Krungdhonburi, Klongtonsai, Klongsarn, Bangkok.

**1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is impacting various businesses and industries. This situation could create uncertainties, and this may be impacting the operating results and cash flows in the future of the Group. The impact cannot be reasonably estimated at this stage. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, including the cash flow management of the Group and has used estimates and judgement in respect of various issues in order to continuously assessed the impact as the situation has evolved.

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

**2.1 Basis of preparation of the 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 dated 26 December 2019, issued under the Accounting Act B.E. 2543.

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

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

## **2.2 Basis of consolidation**

- (a) The consolidated financial statements include the financial statements of Ratchthani Leasing Public Company Limited and RTN Insurance Broker Company Limited (“the subsidiary”), which is domiciled in Thailand and is principally engaged in insurance brokerage. The Company holds 100% of the subsidiary’s shares.
- (b) The Company is deemed to have control over an investee or a subsidiary if it has rights, or is exposed, to variable return from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiary are prepared using the same significant accounting policies as those adopted by the Company.
- (e) Material balances and significant transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

## **2.3 Separate financial statements**

The Company has prepared its separate financial statements, which present investment in a subsidiary under the cost method.

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

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

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.



### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

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 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

### **3.3 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions announced Accounting Guidance on the 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 the measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD2.C. 802/2564 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)" or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses.

The accounting guidance is effective for entities that provide assistance to debtors impacted by COVID-19 during the period from 1 January 2022 to 31 December 2023 or until the Bank of Thailand makes changes with which the entities are to comply. The guidance applies to the staging assessment and setting aside of provisions for qualified debtors, and covers all types of debtors, namely large debtors, small- and medium-sized debtors and retail debtors.

a) In cases of debt restructuring for the purpose of reducing the debt burden of debtors that involve more than just extending the payment timeline, the applicable procedures are 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) without compliance monitoring, 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 that there has been a significant increase in credit risk (Under-performing or Stage 2) 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.

b) In cases of the debt restructuring involving only a payment timeline extension, the applicable procedures are as follows:

- The staging assessment and setting aside of provisions are performed in accordance with the relevant financial reporting standards.
- The guidelines specified in the appendix of the circular of the Bank of Thailand No. BOT.RPD2.C. 802/2564 “Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)” relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is to move to under-performing stage or Stage 2.

- c) Expected credit losses are determined based on the outstanding balance of the drawn down portion only. No expected credit loss is calculated for unused credit lines.
- d) For retail debtors and SME debtors who are in the process of debt restructuring and unable to complete the process by 31 December 2021 in accordance with guidelines specified in the circular of the Bank of Thailand No. BOT.RPD2.C. 594/2564 “Guidelines regarding debt restructuring to assist debtors affected by COVID-19”, classification of the debtors remains at the same stage as before restructuring until 31 March 2022 or until the Bank of Thailand makes changes with which the entities are to comply.

For debtors whose debt is restructured between 1 January 2021 and 31 December 2021, in accordance with the above clauses no. a) and b), the guidelines on staging assessment and provisioning under this accounting guidance apply from 1 January 2022 to 31 December 2023. However, for the year 2021 entities can still apply the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy.

The management of the Group is currently evaluating the impact of this accounting guidance on the financial statements in the year when they are adopted.

#### **4. Significant accounting policies**

##### **4.1 Financial instruments**

###### **Classification and measurement of financial assets and financial liabilities**

###### Financial asset

The Group classifies its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. Financial assets measured at amortised cost only if both following conditions are met: the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value on trade date and subsequently measured at amortised cost net of allowance for expected credit losses (if any)

The Group classifies financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

### Financial liabilities

The Group classified financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

### **Offsetting**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## **4.2 Revenue recognition**

### **a) Income income**

The Company recognises interest income from hire purchase and financial lease on an accrual basis, using the effective interest rate method, over the term of the contract with the calculation based on the gross carrying amounts of the receivables. The effective interest rate is the discount rate that estimates future cash flows over the expected life of the financial instrument by considering the discounted or excess of the asset acquisition and fees including costs that are part of the effective interest rate.

And when the hire purchase and financial lease receivables subsequently become credit-impaired, the Company recognises interest income by using the effective interest rate method, based on the net carrying amount of the receivables (gross book value net of allowance for expected credit losses). When the financial assets are no longer credit-impaired, the Company resumes using gross carrying amounts to calculated interest income.

Initial direct income/expenses at the inception of hire purchase/financial lease contracts are to be deferred and amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts.

b) Fees and service income

Fees and service income are recognised on accrual basis, except for fee that were included in the calculation of effective interest rate and income from late payment fees, which are recognised when received.

#### **4.3 Expense recognition**

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis using the effective interest method.

b) Commission and expenses charged on hire purchase/financial leases

Initial direct expenses at the inception of a hire purchase/financial lease contract (i.e. commission expenses and stamp duty expenses) are to be deferred and amortised using the effective interest method, with amortisation deducted from interest income throughout the contract period, in order to reflect the effective rate of return on the contracts.

Unearned income on hire purchase/financial leases is presented net of commission expenses and initial direct costs at the inception of the contracts.

#### **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 and financial lease receivables**

Hire purchase and finance lease receivables are stated at outstanding balance, net of deferred revenue. Deferred revenue is stated net of commissions and direct expenses incurred at the initiation of hire purchase contracts and advances received from hire purchase and finance lease receivables.

#### 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 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:

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

For financial assets where there has not been a significant increase in credit risk since initial recognition, the Company recognises allowance for expected credit loss at an amount equal to the expected credit loss in the next 12 months. The Company will use a probability of default that corresponds to remaining maturity for financial assets with a remaining maturity of less than 12 months.

Group 2: Financial assets where there has been a significant increases in credit risk (Under-performing)

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

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

Financial assets are assessed as a credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset occur. The Company recognises allowance for expected credit losses at the amount equal to the lifetime expected credit losses of the financial assets.

At the end of the reporting period, the Company assesses whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of default on the financial assets as at reporting date with the risk of default as at the initial recognition date. The Company may use internal quantitative or qualitative indicators, and forecasts information to assess the deterioration in credit quality of financial assets such as arrears of over 30 days past due. In determining whether the credit risk has increased significantly from the date of initial recognition, financial assets will be considered either by individual contract or group of financial assets.

Receivables are considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred. Evidences that financial assets are credit-impaired, includes overdue for more than 90 days or there are indicators that debtors are in significant trouble financial position, legal status, renegotiate terms of repayment or debt restructuring.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer the significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Company will change from recognising the lifetime expected credit loss to recognising the 12-month expected credit loss.

Expected credit loss is the probability-weighted estimate of credit loss over the expected lifetime of the financial asset, consider the present value of all cash expected not to be recoverable. The Company consider historical loss experience on the basis of shared credit risk characteristics, taking into account, type of collateral, month on book, and other relevant factors, adjusts this for current observable data, as well as forward looking information that is supportable and reasonable provide. It can be shown as well as exercising appropriate of judgement, to estimate the amount of an expected credit loss based on macroeconomic data and determines both current and future economic scenario, and probability-weighted in each scenario (base scenario, best scenario and worst scenario) for calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit loss. However, the Company has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. Furthermore, expected credit loss was included management overlay.

Increase (decrease) in an allowance for expected credit loss is recognised as expenses in profit or loss in the statement of comprehensive income. The Company has a policy to write-off receivables when they are determined that such receivables may not be collectible.

#### **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 existing financial asset is replaced with a new financial asset because the debtor is having financial problem, the Company assesses whether to derecognise the financial asset and measure allowance for expected credit losses as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Company calculates the gross carrying 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 gain or loss on contract 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 on the date of derecognition. The difference between the carrying amount of the asset and the sum of the consideration received from the financial asset is recognised in profit or loss.

In cases where debt restructuring does not result in derecognition, a debtor is classified in the stage where there has been a significant increase in credit risk (Stage 2) until the debtors are able to make debt payments in accordance with the restructuring plan for 3 consecutive months or periods, whichever is longer, or that is credit-impaired (Stage 3) until the repayment is made in compliance with the new debt restructuring agreement for not less than 12 months from the restructuring date. The financial asset is therefore classified in the stage where there has not been a significant increase in credit risk (Stage 1). If the debt restructuring results in a derecognition, the new financial asset is considered a financial asset with no significant increase in credit risk (Performing or Stage 1).

Furthermore, for debtors that the Company provide assistance in accordance with the Bank of Thailand's notification. The Company has applied the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance To Debtors Impacts by Situations that Affect the Thai Economy as discussed in Note 4.20 to financial statement.

#### **4.8 Property foreclosed**

Property foreclosed is stated at the lower of cost or net realisable value.

Gain (loss) on disposal of property foreclosed is recognised in part of profit or loss when disposal. Impairment loss of property foreclosed are recognised as expenses in part of profit or loss.



#### 4.9 Financial Instruments - Investments

The Company classifies irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income.

After initial recognition, profit or loss from changes in fair value of the financial assets designated at fair value through other comprehensive income are presented separately in other comprehensive income. And when sold, the accumulated in profit or loss from changes in fair value are recognised in retained earnings. Dividends from the investments are recognised as other income in the statement of profit or loss.

##### Fair value

Fair value of investments is calculated from net asset value.

#### 4.10 Investment properties

Investment properties are initially measured at cost. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

#### 4.11 Land, building and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

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

Condominium units	-	20 years
Building improvement	-	5 years
Furniture, fixtures and equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and building improvement in process.

An item of land, building 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 part of profit or loss when the asset is derecognised.

#### 4.12 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

##### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

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

Buildings and building improvements	6 years
Vehicles	5 years

If ownership of the leased asset 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.

##### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities 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 depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. 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.

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 Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### *Short-term leases and leases of low-value assets*

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### **4.13 Intangible assets**

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

The Company and its subsidiary amortised intangible assets with finite lives on a systematic basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expenses are recognised as expenses in part of profit or loss.

Intangible assets with finite useful lives have useful lives of approximately 5 - 10 years.

### **4.14 Related party transactions**

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

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

#### 4.15 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

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

c) Post-employment benefits (Defined benefit plans)

The Company and its subsidiary have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiary treat 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.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company and its subsidiary recognise restructuring - related costs.

#### **4.17 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

The Company and its subsidiary 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 and its subsidiary review and reduce 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 and its subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.18 Provisions**

Provisions are recognised when the Company and its subsidiary 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.

#### **4.19 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 and its subsidiary apply a quoted market price in an active market to measure their assets and liabilities, except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiary measure fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value 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 and its subsidiary determine 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.

#### **4.20 Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy**

During the year 2020, the Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the BOT No. BOT.RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the BOT No. BOT.RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the COVID-19 situation” or any other measures announced by the BOT. Such entities include credit card business, business providing loans secured against vehicle registrations without collateral, personal loan business under the supervision of the BOT and certain entities not under the supervision of the BOT., such as leasing, hire-purchase, motorcycle hire-purchase and factoring business. Entities providing assistance to debtors in accordance with the BOT’s measures and electing to apply this Accounting Treatment Guidance have to apply all temporary relief measures in this guidance.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the BOT makes changes, with which the entities are to comply. The guidance applies to large debtors, small- and medium-sized debtors and retail debtors who have the ability to run a business or to pay debts in the future and who have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020.
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions.

Since the Group is an entity providing assistance to affected debtors in accordance with the BOT's guidelines, it applies these procedures.

- (1) 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 analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it is a provision of assistance to debtors in accordance with the circular of the BOT No. BOT.RPD.(01)C. 380/2563, classification of the debtor remains at the same stage as before.
- (2) Non-performing loans (NPL) are classified as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- (3) The guidelines specified in the appendix of the circular of the BOT relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- (4) A newly calculated effective interest rate is applied to determine the present value of loans that have been restructured in accordance with guidelines to assist debtors specified in the circulars of the BOT, if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan. In addition, provided that the provision of assistance is in compliance with the circular of the BOT No. BOT.RPD.(01)C. 380/2563, the Group recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the BOT's new guidelines if there are changes.

- (5) Consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience, in cases where a general approach is used in determining expected credit loss.

In addition, the BOT issued the circular of the BOT No. BOT.RPD.(01)C. 648/2563 “Measures to provide additional assistance to small-sized debtors during the COVID-19 situation - Phase 2” dated 19 June 2020, and the circular of the BOT No. BOT.DRU.C. 480/2564 “Measures to provide assistance to small-sized debtors during the Coronavirus 2019 (COVID-19) situation - Phase 3” dated 14 May 2021, in order to provide additional assistance to debtors.

As at 31 December 2021, the Group provide assistance to debtors and had elected to apply the above Accounting Guidances. Provision of assistance to debtors is described in Note 7.1 to the consolidated financial statements.

## **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 Recognition and derecognition of assets and liabilities**

In determining recognition or derecognition assets or liabilities, the management needs to make judgement whether the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

### **5.2 Allowance for expected credit losses**

The management is required to use judgement in estimation in determining the allowance for expected credit losses for hire purchase/financial lease receivables. The calculation of allowance for expected credit losses of the Group is based on the complex expected credit losses model with a series of underlying assumptions, the development of model and the assessment that there has been a significant increase in credit risk, including the choice of the forecasted macroeconomic variables used in the model. This estimation has various relevant factors; therefore, the actual results may differ from estimates.



### 5.3 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.

### 5.4 Land, building and equipment and depreciation

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and residual values of the building and equipment and to review estimate useful lives and residual values when there are any changes.

### 5.5 Lease agreement

*Determine lease term with the option to extend the lease or cancel the lease*

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

*Incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to 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 Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

## 5.7 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.

## 5.8 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.

## 5.9 Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess 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.

## 6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash	4,215	2,168	4,215	2,168
Bank deposits	472,007	1,041,627	249,422	865,428
Total	476,222	1,043,795	253,637	867,596

As at 31 December 2021, bank deposits in saving accounts carried interests between 0.10 and 0.40 percent per annum (2020: between 0.10 and 0.55 percent per annum).

## 7. Hire purchase receivables

**7.1** As at 31 December 2021 and 2020, hire purchase receivables generally have terms 24 - 60 months and are payable in equal installments payment, with interest charged at fixed rates throughout the contracts. The balances of hire purchase receivables are classified by due date per the contract, as follows:

(Unit: Million Baht)

Consolidated and separate financial statements							
2021							
Amounts due under lease agreements							
	Over 1 year but not over 1 year <sup>(1)</sup>	Over 2 years but not over 2 years	Over 3 years but not over 3 years	Over 4 years but not over 4 years	Over 5 years but not over 5 years	Over 5 years	Total
Hire purchase receivables	21,676,281	15,245,383	9,999,941	5,565,335	1,659,795	28,316	54,175,051
Less: unearned financial income <sup>(2)</sup>	(2,667,173)	(1,576,602)	(779,869)	(266,561)	(42,536)	(391)	(5,333,132)
Present value of the minimum lease payment receivables	19,009,108	13,668,781	9,220,072	5,298,774	1,617,259	27,925	48,841,919
Less: Allowance for expected credit losses	(1,023,832)	(210,433)	(143,954)	(73,679)	(17,774)	(755)	(1,470,427)
Hire purchase receivables - net	17,985,276	13,458,348	9,076,118	5,225,095	1,599,485	27,170	47,371,492

<sup>(1)</sup> The current portion of hire purchase receivables included receivables that are credit-impaired.

<sup>(2)</sup> Presented net of deferred initial direct costs of hire-purchase.

(Unit: Million Baht)

Consolidated and separate financial statements							
2020							
Amounts due under lease agreements							
	Over 1 year but not over 1 year <sup>(1)</sup>	Over 2 years but not over 2 years	Over 3 years but not over 3 years	Over 4 years but not over 4 years	Over 5 years but not over 5 years	Over 5 years	Total
Hire purchase receivables	21,327,506	15,136,802	9,977,715	4,846,161	1,195,000	19,830	52,503,014
Less: unearned financial income <sup>(2)</sup>	(2,753,172)	(1,036,658)	(834,900)	(474,570)	(128,832)	(351)	(5,228,483)
Present value of the minimum lease payment receivables	18,574,334	14,100,144	9,142,815	4,371,591	1,066,168	19,479	47,274,531
Less: Allowance for expected credit losses	(850,214)	(180,049)	(122,794)	(53,777)	(9,183)	(91)	(1,216,108)
Hire purchase receivables - net	17,724,120	13,920,095	9,020,021	4,317,814	1,056,985	19,388	46,058,423

<sup>(1)</sup> The current portion of hire purchase receivables included receivables that are credit-impaired.

<sup>(2)</sup> Presented net of deferred initial direct costs of hire-purchase.

The company has entered into scheme to provide assistance to hire purchase debtors and has applied the Accounting Guidance on “Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy” issued by the Federation of Accounting Professions.

As at 31 December 2021, 3.74 percent of hire purchase receivables were still participating in the scheme. The Company had negotiated with 2.93 percent of hire purchase receivables, analysed their status and business and believed that the debtors would be able to comply with the new debt restructuring agreements and therefore classified them as loans with no significant increase in credit risk (Stage 1) immediately. Where debtors were non-performing (NPLs), accounting for 0.44 percent of hire purchase receivables, the Company classified them at Stage 3 in order to monitor that the debtors are able to make debt payments in accordance with the restructuring plan for 3 consecutive months or installments, whichever is longer. Moreover, the Company had granted moratoriums on principal payment for another 0.37 percent of hire purchase receivables and continued to classify these receivables at the same stage as before they joined the scheme.

**7.2** As at 31 December 2021 and 2020, the balances of hire purchase receivables are classified by credit risk and allowance for expected credit loss as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2021	
	Accounts receivable -	
	net of unearned financial income	Allowance for expected credit loss
Hire purchase receivables where there has not been a significant increase in credit risk (Performing)	41,923,360	240,378
Hire purchase receivables where there has been a significant increase in credit risk (Under-performing)	5,079,375	689,252
Hire purchase receivables that are credit impaired (Non-performing)	1,839,184	540,797
<b>Total</b>	<b>48,841,919</b>	<b>1,470,427</b>

(Unit: Thousand Baht)

Consolidated and separate financial statements		
2020		
Accounts receivable -		
	net of unearned financial income	Allowance for expected credit loss
Hire purchase receivables where there has not been a significant increase in credit risk (Performing)	39,976,003	180,370
Hire purchase receivables where there has been a significant increase in credit risk (Under-performing)	5,810,580	642,625
Hire purchase receivables that are credit impaired (Non-performing)	1,487,948	393,113
Total	47,274,531	1,216,108

## 8. Financial lease receivables

**8.1** As at 31 December 2021 and 2020, the average contract period of the Company's financial lease receivables are 36 - 60 installments and equally installment payment with interest charged at the fixed rate as specified in the contracts. The balances of financial lease receivables are classified by period due as follows:

(Unit: Million Baht)

Consolidated and separate financial statements							
2021							
Amounts due under lease agreements							
	Not over 1 year <sup>(1)</sup>	Over 1 year but not over 2 years	Over 2 years but not over 3 years	Over 3 years but not over 4 years	Over 4 years but not over 5 years	Over 5 years	Total
Financial lease receivables	264,580	182,306	102,252	49,815	12,138	-	611,091
Less: unearned financial income <sup>(2)</sup>	(31,612)	(15,890)	(7,012)	(2,261)	(259)	-	(57,034)
Present value of the minimum lease payment receivables	232,968	166,416	95,240	47,554	11,879	-	554,057
Less: Allowance for expected credit losses	(14,435)	(43)	(25)	(12)	(3)	-	(14,518)
Financial lease receivables - net	218,533	166,373	95,215	47,542	11,876	-	539,539

<sup>(1)</sup> The current portion of financial lease receivables included receivables that are credit-impaired.

<sup>(2)</sup> Presented net of deferred initial direct costs of hire-purchase.

(Unit: Million Baht)

Consolidated and separate financial statements							
2020							
Amounts due under lease agreements							
	Not over 1 year <sup>(1)</sup>	Over 1 year but not over 2 years	Over 2 years but not over 3 years	Over 3 years but not over 4 years	Over 4 years but not over 5 years	Over 5 years	Total
Financial lease receivables	290,950	228,638	164,921	75,152	22,667	34	782,362
Less: unearned financial income <sup>(2)</sup>	(41,187)	(23,648)	(11,516)	(3,718)	(611)	-	(80,680)
Present value of the minimum lease payment receivables	249,763	204,990	153,405	71,434	22,056	34	701,682
Less: Allowance for expected credit losses	(11,946)	(104)	(59)	(28)	(8)	-	(12,145)
Financial lease receivables - net	237,817	204,886	153,346	71,406	22,048	34	689,537

<sup>(1)</sup> The current portion of financial lease receivables included receivables that are credit-impaired.<sup>(2)</sup> Presented net of deferred initial direct costs of hire-purchase.

**8.2** As at 31 December 2021 and 2020, the balances of financial lease receivables are classified by credit risk and allowance for expected credit loss as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements		
2021		
Accounts receivable -		
	net of unearned financial income	Allowance for expected credit loss
Finance lease receivables where there has not been a significant increase in credit risk (Performing)	525,476	143
Finance lease receivables where there has been a significant increase in credit risk (Under - performing)	4,379	-
Finance lease receivables that are credit-impaired (Non - performing)	24,202	14,375
Total	554,057	14,518

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2020	
	Accounts receivable -	
	net of unearned financial income	Allowance for expected credit loss
Finance lease receivables where there has not been a significant increase in credit risk (Performing)	671,063	2,878
Finance lease receivables where there has been a significant increase in credit risk (Under - performing)	18,120	105
Finance lease receivables that are credit-impaired (Non - performing)	12,499	9,162
Total	701,682	12,145

## 9. Asset quality

As at 31 December 2021 and 2020, hire purchase receivable and financial lease receivables weak financial positions and poor operating results, as follows:

	Consolidated and separate financial statements							
	Number of debtors		Debt balances		Collateral value		Allowance for expected credit loss provided in the accounts	
	2021	2020	2021	2020	2021	2020	2021	2020
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies possible to delisting from the SET	-	1	-	1	-	1	-	-
2. Non - listed companies with similar operating results and financial position to listed companies possible to delisting from the SET	9	7	5	5	-	-	5	5
3. Companies which have debt repayment problems or have defaulted on the repayment	488	423	958	664	-	-	285	226

## 10. Investment in subsidiary

Investments in subsidiary as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2021	2020	2021 (percent)	2020 (percent)	2021	2020
RTN Insurance Broker Company Limited	4,000	4,000	100	100	4,000	4,000

For the year ended 31 December 2021 and 2020, dividend income are totaling Baht 113 million and Baht 113 million, respectively.

## 11. Allowance for expected credit losses

Movements of allowance for expected credit losses (ECL) for the year ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2021			
	Allowance for expected credit losses			
	Financial assets where there has not been a significant increases in credit risk	Financial assets where there has been a significant increase in credit risk	Financial assets that are credit - impaired	Total
<b>Hire purchase receivables and financial lease receivables</b>				
Beginning balance	183,248	642,729	402,275	1,228,252
Changes due to changes in stages	85,951	(119,831)	33,880	-
Changes due to re-measurement of allowance for credit losses	(137,899)	11,635	572,310	446,046
New financial assets purchased or acquired	109,221	154,719	44,999	308,939
Transfer to other assets	-	-	(264,620)	(264,620)
Bad debts written-off	-	-	(233,672)	(233,672)
Ending balance	240,521	689,252	555,172	1,484,945
<b>Other non-current assets</b>				
Beginning balance	137	629	940,493	941,259
Changes due to re-measurement of allowance for credit losses	(2)	(209)	(141,521)	(141,732)
Transfer from hire purchase and financial lease receivables	-	-	264,620	264,620
Bad debts written-off	-	-	(30,617)	(30,617)
Ending balance	135	420	1,032,975	1,033,530



(Unit: Thousand Baht)

For the year ended 31 December 2020

## Allowance for expected credit losses

	Financial assets where there has not been a significant increases in credit risk	Financial assets where there has been a significant increase in credit risk	Financial assets that are credit - impaired	Total
<b>Hire purchase receivables and financial lease receivables</b>				
Beginning balance	196,067	699,874	1,328,736	2,224,677
Changes due to changes in stages	146,419	(201,681)	55,262	-
Changes due to re-measurement of allowance for credit losses	(222,599)	49,785	355,031	182,217
New financial assets purchased or acquired	63,361	94,751	30,995	189,107
Transfer to other assets	-	-	(950,308)	(950,308)
Bad debts written-off	-	-	(417,441)	(417,441)
Ending balance	183,248	642,729	402,275	1,228,252
<b>Other non-current assets</b>				
Beginning balance	146	674	13,718	14,538
Changes due to re-measurement of allowance for credit losses	(9)	(45)	(2,718)	(2,772)
Transfer from hire purchase and financial lease receivables	-	-	950,308	950,308
Bad debts written-off	-	-	(20,815)	(20,815)
Ending balance	137	629	940,493	941,259

## 12. Property foreclosed

(Unit: Thousand Baht)

Consolidated and separate financial statements			
For the year ended 31 December 2021			
	Balance - beginning of the year	Additions	Disposals
Cost	102,125	639,751	(605,617)
Less: Allowance for impairment	(34,818)	(3,124)	-
Net	67,307	636,627	(605,617)

(Unit: Thousand Baht)

Consolidated and separate financial statements			
For the year ended 31 December 2020			
	Balance - beginning of the year	Additions	Disposals
Cost	229,070	683,484	(810,429)
Less: Allowance for impairment	(72,888)	38,070	-
Net	156,182	721,554	(810,429)

## 13. Investment properties

The investment properties represent land which currently undetermined future use. As at 31 December 2021, the fair value of investment properties amounted to Baht 39 million determined based on market price performed by an independent valuer (2020: Baht 39 million).

## 14. Land, building and equipment

(Unit: Thousand Baht)

Consolidated financial statement							
For the year ended 31 December 2021							
	Land	Condominium units	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Building improvement t in process	Total
<b>Cost</b>							
1 January 2021	5,890	94,215	29,281	50,876	7,731	202	188,195
Additions	-	-	31	680	-	-	711
Disposals/written off	-	-	-	(3,861)	-	-	(3,861)
Transferred from right-of-use assets	-	-	-	-	3,707	-	3,707
31 December 2021	5,890	94,215	29,312	47,695	11,438	202	188,752
<b>Accumulated depreciation</b>							
1 January 2021	-	38,264	24,784	37,326	7,630	-	108,004
Depreciation for the year	-	4,711	3,991	5,172	417	-	14,291
Disposals/written off	-	-	-	(3,854)	-	-	(3,854)
Transferred from right-of-use assets	-	-	-	-	3,316	-	3,316
31 December 2021	-	42,975	28,775	38,644	11,363	-	121,757
<b>Net book value</b>							
31 December 2021	5,890	51,240	537	9,051	75	202	66,995
<b>Depreciation for the year</b>							14,291

(Unit: Thousand Baht)

Consolidated financial statement							
For the year ended 31 December 2020							
	Land	Condominium units	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Building improvement t in process	Total
<b>Cost</b>							
1 January 2020	5,890	94,215	29,268	44,118	6,863	202	180,556
Additions	-	-	13	7,678	-	-	7,691
Disposals/written off	-	-	-	(920)	-	-	(920)
Transferred from right-of-use assets	-	-	-	-	868	-	868
31 December 2020	5,890	94,215	29,281	50,876	7,731	202	188,195
<b>Accumulated depreciation</b>							
1 January 2020	-	33,553	20,512	33,656	6,864	-	94,585
Depreciation for the year	-	4,711	4,272	4,590	72	-	13,645
Disposals/written off	-	-	-	(920)	-	-	(920)
Transferred from right-of-use assets	-	-	-	-	694	-	694
31 December 2020	-	38,264	24,784	37,326	7,630	-	108,004
<b>Net book value</b>							
31 December 2020	5,890	55,951	4,497	13,550	101	202	80,191
<b>Depreciation for the year</b>							13,645

(Unit: Thousand Baht)

	Separate financial statement						
	For the year ended 31 December 2021						
	Land	Condominium units	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Building improvement in process	Total
<b>Cost</b>							
1 January 2021	5,890	94,215	29,281	49,293	7,731	202	186,612
Additions	-	-	31	680	-	-	711
Disposals/written off	-	-	-	(3,861)	-	-	(3,861)
Transferred from right-of-use assets	-	-	-	-	3,707	-	3,707
31 December 2021	5,890	94,215	29,312	46,112	11,438	202	187,169
<b>Accumulated depreciation</b>							
1 January 2021	-	38,264	24,784	36,713	7,630	-	107,391
Depreciation for the year	-	4,711	3,991	4,856	417	-	13,975
Disposals/written off	-	-	-	(3,854)	-	-	(3,854)
Transferred from right-of-use assets	-	-	-	-	3,316	-	3,316
31 December 2021	-	42,975	28,775	37,715	11,363	-	120,828
<b>Net book value</b>							
31 December 2021	5,890	51,240	537	8,397	75	202	66,341
<b>Depreciation for the year</b>							13,975

(Unit: Thousand Baht)

	Separate financial statement						
	For the year ended 31 December 2020						
		Condominium	Building	Furniture,	Motor	Building	
	Land	units	improvement	fixtures and	vehicles	improvement	
				equipment		t	Total
						in process	
Cost							
1 January 2020	5,890	94,215	29,268	42,555	6,863	202	178,993
Additions	-	-	13	7,658	-	-	7,671
Disposals/written off	-	-	-	(920)	-	-	(920)
Transferred from right-of-use assets	-	-	-	-	868	-	868
31 December 2020	5,890	94,215	29,281	49,293	7,731	202	186,612
Accumulated depreciation							
1 January 2020	-	33,553	20,512	33,358	6,864	-	94,287
Depreciation for the year	-	4,711	4,272	4,275	72	-	13,330
Disposals/written off	-	-	-	(920)	-	-	(920)
Transferred from right-of-use assets	-	-	-	-	694	-	694
31 December 2020	-	38,264	24,784	36,713	7,630	-	107,391
Net book value							
31 December 2020	5,890	55,951	4,497	12,580	101	202	79,221
Depreciation for the year							13,330

As at 31 December 2021, certain building improvement, equipment and motor vehicles items have been fully depreciated but are still in use. The gross carrying amount before

deducting accumulated depreciation of those assets amounted to approximately Baht 69 million (2020: Baht 45 million).

## 15. Leases

### *The Group as lessee*

The Group enters into lease agreements for use in its operation. The contracts periods are between 2 - 6 years.

### 15.1 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	For the year ended 31 December 2021		
	Buildings and building improvements	Motor vehicles	Total
1 January 2020	18,400	9,310	27,710
New contracts	420	1,804	2,224
Contract termination	-	(173)	(173)
Contract cancellation	(572)	-	(572)
Depreciation for the year	(4,894)	(3,909)	(8,803)
31 December 2020	13,354	7,032	20,386
New contracts	1,109	-	1,109
Contract termination	-	(3,707)	(3,707)
Depreciation for the year	(4,894)	(70)	(4,964)
31 December 2021	9,569	3,255	12,824

### 15.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated and separate financial statement	
	2021	2020
Lease payments	12,663	20,597
Less: Deferred interest expenses	(425)	(856)
Total	12,238	19,741
Less: Portion due within one year	(5,433)	(8,522)
Lease liabilities - net of current portion	6,805	11,219

A maturity analysis of lease payments is disclosed in Note 32.3 to consolidated financial statement.

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statement	
	2021	2020
Balance at beginning of year	19,741	26,820
Additions	1,109	2,236
Accretion of interest	458	738
Repayments	(9,070)	(9,582)
Other	-	(471)
Balance at end of year	12,238	19,741

### 15.3 Expenses relation to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	For the year ended 31 December	
	2021	2020
Depreciation of expenses right-of-use assets	8,279	8,803
Interest expenses on lease liabilities	458	738
Expenses relating to leases of low - value assets	1,489	1,412

### 15.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 11 million (2020: Baht 10 million) (the Company only: Baht 11 million, 2020 Baht 10 million) including cashflows relating to leases of low-value assets.

## 16. Intangible assets

The intangible assets are computer software which presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statement			
	For the year ended 31 December 2021			
	Remaining useful lives	Balance - beginning of the year	Additions	Balance - end of the year
Cost	0 - 5 year	58,663	13,083	71,746
Less: Accumulated amortisation		(35,678)	-	(39,945)
Net book value		22,985	13,083	31,801
Amortisation for the year				4,267

(Unit: Thousand Baht)

Consolidated financial statement				
For the year ended 31 December 2020				
	Remaining useful lives	Balance - beginning of the year	Additions	Balance - end of the year
Cost	0 - 5 year	50,044	8,619	58,663
Less: Accumulated amortisation		(33,204)	-	(35,678)
Net book value		16,840	8,619	22,985
Amortisation for the year				2,474

(Unit: Thousand Baht)

Separate financial statement				
For the year ended 31 December 2021				
	Remaining useful lives	Balance - beginning of the year	Additions	Balance - end of the year
Cost	0 - 5 year	58,330	13,083	71,413
Less: Accumulated amortisation		(35,551)	-	(39,751)
Net book value		22,779	13,083	31,662
Amortisation for the year				4,200

(Unit: Thousand Baht)

Separate financial statement				
For the year ended 31 December 2020				
	Remaining useful lives	Balance - beginning of the year	Additions	Balance - end of the year
Cost	0 - 5 year	49,711	8,619	58,330
Less: Accumulated amortisation		(33,143)	-	(35,551)
Net book value		16,568	8,619	22,779
Amortisation for the year				2,408

As at 31 December 2021, certain intangible assets have been fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 31 million (2020: Baht 29 million).

## 17. Deferred tax assets/income tax expenses

### 17.1 Deferred tax assets

As at 31 December 2021 and 2020, the components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2021	2020	2021	2020
<b>Deferred tax assets</b>				
Allowance for expected credit loss	503,369	430,493	503,369	430,493
Bad debt	-	26,014	-	26,014
Allowance for impairment - properties foreclosed	7,588	6,964	7,588	6,964
Provision for long-term employee benefits	6,587	8,372	6,451	8,254
Others	6	2,387	6	2,387
<b>Total</b>	<b>517,550</b>	<b>474,230</b>	<b>517,414</b>	<b>474,112</b>
<b>Deferred tax liabilities</b>				
Deferred initial direct costs of hire-purchase	78,188	76,822	78,188	76,822
Deferred fees/expenses on borrowings	4,944	4,180	4,944	4,180
Difference of financial lease income	959	5,122	959	5,122
Difference in income for accounting and tax purposes	11,872	12,545	11,872	12,545
<b>Total</b>	<b>95,963</b>	<b>98,669</b>	<b>95,963</b>	<b>98,669</b>
<b>Deferred tax assets - net</b>	<b>421,587</b>	<b>375,561</b>	<b>421,451</b>	<b>375,443</b>



## 17.2 Income tax expenses

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2021	2020
<b>Current income tax:</b>		
Current income tax charge for the year	500,442	501,674
Adjustment in respect of income tax from previous year	5,514	-
Adjustment in previous year corporate income tax payable decrease	(26,014)	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(72,390)	(38,147)
Adjustment in deferred tax assets decrease	26,014	-
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>433,566</b>	<b>463,527</b>

The amount of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2021	2020
Deferred tax relating to actuarial gain	350	960

Reconciliation between income tax expenses and the product of accounting profits multiplied by the applicable tax rate for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2021	2020
Accounting profits before tax	2,142,762	2,323,739
Applicable tax rate	20%	20%
Income tax at the applicable tax rate	428,552	464,748
Tax effect of non-deductible income/ expenses	5,014	(1,221)
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>433,566</b>	<b>463,527</b>

## 18. Other non-current assets

As at 31 December 2021, the Group has hire purchase receivables that the court has issued judgements in favour of the Group and of which collection is being pursued amounted to Baht 1,019 million (2020: Baht 930 million). The Group presents such receivables under other non-current assets in the financial statements and set aside full allowance for estimated credit loss without deducting collateral value.

## 19. Short-term loans from financial institutions

(Unit: Thousand Baht)			
		Consolidated and separate financial statements	
		2021	2020
<b>Related party</b>			
Short-term loan - Promissory notes	Fixed	700,000	1,000,000
		700,000	1,000,000
<b>Unrelated party</b>			
Short-term loan - Promissory notes	Fixed	500,000	1,440,000
Bills of exchange	Fixed	8,202,667	2,931,892
Total		8,702,667	4,371,892

Short-term loans in the form of promissory notes have maturities as stipulated in each of the note. Interest is payable monthly. The relevant agreements contain certain terms and conditions, such as a requirement to maintain a debt to equity ratio of not more than 10:1. In addition, the Company had loans in the form of bills of exchange with maturities as stipulated on each of the bill.

As at 31 December 2021, the short-term credit facilities with its related party and unrelated parties which have not yet been drawn down amounted to Baht 5,040 million. (2020: Baht 10,800 million)

## 20. Other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Payables for car purchase	214,177	211,102	214,177	211,102
Other payables - insurance premium payable	73,694	58,709	2,655	3,533
Accrued expenses	40,159	40,662	39,265	39,589
Other payables	4,630	3,119	4,694	3,177
Total other payables	332,660	313,592	260,791	257,401

## 21. Long-term loans

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2021	2020
a) A long-term credit facility from a commercial bank amounting to Baht 450 million, repayable in full within 3 years from the drawdown date, with interest at fixed rate per annum and payable monthly.	450,000	450,000
b) Long-term loans in the form of promissory notes	201,000	201,000
c) Bill of exchange	1,984,273	1,940,455
d) A long-term credit facility from a bank amounting to Baht 5,000 million, repayable in full within 2 years from the agreement date with interest at fixed rate per annum and payable monthly.	-	5,000,000
e) A long-term credit facility from a commercial bank amounting to Baht 3,000 million, repayable in full within 4 years from the drawdown date, with interest at fixed rate per annum and payable monthly.	2,000,000	-
Total	4,635,273	7,591,455
Less: Deferred loans issuing costs	(5,638)	(1,478)
Long-term loans	4,629,635	7,589,977
Less: Current portion due within one year	(2,584,877)	-
Long-term loans - net of current portion	2,044,758	7,589,977

The outstanding loan agreements require the Company to comply with certain terms and conditions as specified in each agreement, including maintenance of a debt to equity ratio of not more than 10:1 and maintaining the shareholding proportion.

Movements in the long-term loans account during the years ended 31 December 2021 and 2020 are summarised below.

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	2021	2020
Balance as at the beginning of the year	7,591,455	651,000
Add: Loans drawdown during the year	2,000,000	6,990,455
Less: Loans repayment during the year	(4,956,182)	(50,000)
Balance as at the end of the year	4,635,273	7,591,455

## 22. Debentures

The Company issued registered, unsecured, unsubordinated debentures as follows:

Year of issuance	Debenture period	Maturity date	Interest rate	(Unit: Thousand Baht)	
				Consolidated and separate financial statements	
				2021	2020
			(% p.a.)		
2018	2 - 3 years	February 2021 - August 2021	2.31 - 2.70	-	1,970,000
2018	3 - 4 years	March - July 2021	2.30 - 2.50	-	1,110,000
2019	2 years	January - October 2021	2.57 - 2.99	-	1,540,000
2019	2 - 3 years	February 2021 - October 2022	2.65 - 3.30	5,620,200	6,620,200
2019	3 - 4 years	July 2022 - July 2023	3.10 - 3.40	676,300	676,300
2019	5 years	July 2024	3.50	593,700	593,700
2020	2 - 3 years	February 2023	2.65	2,200,000	2,200,000
2020	3 - 4 years	November 2023	3.20	3,439,000	3,439,000
2020	4 - 5 years	February 2024 - May 2025	2.80 - 3.40	3,593,000	3,593,000
2020	6 - 7 years	April 2026 - April 2027	3.50 - 3.70	2,000,000	2,000,000
2021	3 years	June 2024	2.00	3,000,000	-
2021	4 years	July 2025	2.35	1,500,000	-
Total				22,622,200	23,742,200
Less: Deferred debentures issuing costs				(19,083)	(24,134)
Debentures				22,603,117	23,718,066
Less: Current portion due within one year				(5,808,775)	(5,619,336)
Debentures - net of current portion				16,794,342	18,098,730

The Company has to comply with certain terms and conditions, such as maintenance of a debt to equity ratio of not more than 10:1 throughout the life of the debentures.

## 23. Provision for long-term employee benefits

Provision for long-term employee benefits which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Beginning balance of provision for				
long-term employee benefits	41,857	49,049	41,269	48,426
Recognised in profit or loss:				
Current service cost <sup>(1)</sup>	3,812	4,708	3,731	4,603
Interest cost <sup>(1)</sup>	909	866	896	854
Recognised in other				
comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumption				
changes	(1,218)	(394)	(1,176)	(381)
Financial assumption changes	(3,651)	(4,496)	(3,551)	(4,375)
Experience adjustments	3,117	91	3,080	109
Benefit paid during the year	(11,993)	(7,967)	(11,993)	(7,967)
Ending balance of provision for				
long-term employee benefits	32,833	41,857	32,256	41,269

<sup>(1)</sup> Long-term employee benefit expenses recognised in selling and administrative expenses.

As at 31 December 2021, the weighted average duration for payment long-term employee benefits of the Company is 19 years, (2020: 18 years) and the Company expects to pay long-term employee benefits within next 1 year amounting to Baht 3 million.

Key actuarial assumptions at the valuation date are as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	2.92	1.99	2.92	1.99
Future salary increase rate	4.89	4.79	4.89	4.79
(dependent on age of employee)				
Staff turnover rate	0 - 7	0 - 7	0 - 7	0 - 7
(dependent on age of employee)				

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

Consolidated and separate financial statements						
2021						
Discount rate		Salary incremental rate		Turnover rate		
Increased	Decreased	Increased	Decreased	Increased	Decreased	
by 0.5%	by 0.5%	by 0.5%	by 0.5%	by 0.5%	by 0.5%	
Increase (decrease) in						
provisions for long-term						
employee benefits						
(1,592)	1,752	1,633	(1,502)	(1,633)	1,961	

(Unit: Thousand Baht)

Consolidated and separate financial statements						
2020						
Discount rate		Salary incremental rate		Turnover rate		
Increased	Decreased	Increased	Decreased	Increased	Decreased	
by 0.5%	by 0.5%	by 0.5%	by 0.5%	by 0.5%	by 0.5%	
Increase (decrease) in						
provisions for long-term						
employee benefits						
(2,569)	2,233	2,081	(1,915)	(2,082)	2,500	

## 24. Share capital/Dividend

### Share capital

On 10 July 2020, the Annual General Meeting of Shareholders passed the resolution to increase the Company registered share capital by 1,888 million ordinary shares, such that the Company's registered capital increase from Baht 3,775 million to Baht 5,663 million by issuing additional 1,888 million ordinary shares with a par value of baht 1 each. The Company registered the increase in its share capital with the Ministry of Commerce on 21 July 2020.

## Dividend

On 31 March 2020, the Board of Directors Meetings passed resolutions to pay an interim dividend from net profit for the year 2019 of Baht 0.16 per share, or a total of Baht 604 million. The Company paid the dividend to the shareholders on 27 April 2020.

On 8 April 2021, the Annual General Meeting of shareholders passed the resolution to pay a dividend payment to the shareholders from net profit for 2020, consisting of a cash dividend of Baht 0.17 per share or a total dividend payment of Baht 963 million. The Company paid the dividend to the shareholders on 27 April 2021.

## **25. 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.

## **26. Expenses by nature**

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Expected credit loss	585,900	337,912	585,900	337,912
Salary and wages and other employee benefits	297,808	292,374	279,497	282,469
Bank charges and service fee expenses	43,559	35,655	42,429	34,599
Impairment loss on property foreclosed (reversal)	3,124	(38,070)	3,124	(38,070)
Depreciation and amortisation	26,837	24,921	26,454	24,541
Legal fees	88,125	66,891	88,125	66,891

## 27. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, and adjusted for the proportionate change in the number of ordinary shares as a result of the issue of a stock dividend.

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Weighted average number of ordinary shares (Thousand shares)	5,663,028	4,621,197	5,663,028	4,621,197
Profit for the year (Thousand Baht)	1,709,195	1,860,212	1,678,853	1,860,646
Earnings per share (Baht per share)	0.30	0.40	0.30	0.40

## 28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The Managing Director has been identified as chief operating decision maker.

For management purposes, the Company is organised into business units based on its products and services and has three reportable segments as follows: (1) New car (2) Used car and (3) Others.

The chief operating decision maker monitors the operating results of the Company's and its subsidiary's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss, which is measured on the same basis as that used for reporting profit and loss in the financial statements. However, the Company and its subsidiary's finance costs and income taxes are managed on a group basis, and therefore these expenses are not allocated to each operating segment.



The following tables present revenue, profit and segment assets information regarding the Company and its subsidiary's operating segments for the years ended 31 December 2021 and 2020.

(Unit: Thousand Baht)

	Consolidated financial statement		
	2021		
	New cars	Used cars	Total segments
<b>Revenue from external customers</b>			
Hire purchase interest income	1,953,001	1,431,916	3,384,917
Financial lease interest income	40,934	4,399	45,333
Other income	223,732	205,355	429,087
Unallocated other income			367,154
<b>Total revenues</b>	<b>2,217,667</b>	<b>1,641,670</b>	<b>4,226,491</b>
Operating expenses	(64,233)	(92,611)	(156,844)
Impairment loss on property foreclosed			(3,124)
Depreciation and amortisation			(26,837)
Unallocated operating expenses			(397,812)
Expecting credit loss			(585,900)
Finance cost			(913,213)
<b>Profit before income tax</b>			<b>2,142,761</b>
Income tax			(433,566)
<b>Profit for the year</b>			<b>1,709,195</b>

(Unit: Thousand Baht)

	Consolidated financial statement		
	2020		
	New cars	Used cars	Total segments
<b>Revenue from external customers</b>			
Hire purchase interest income	2,002,895	1,464,031	3,466,926
Financial lease interest income	44,083	4,736	48,819
Other income	316,128	252,759	568,887
Unallocated other income			178,097
<b>Total revenues</b>	<b>2,363,106</b>	<b>1,721,526</b>	<b>4,262,729</b>
Operating expenses	(60,797)	(67,497)	(128,294)
Depreciation and amortisation			(24,921)
Unallocated operating expenses			(384,398)
Expecting credit loss			(337,912)
Finance cost			(1,063,465)
<b>Profit before income tax</b>			<b>2,323,739</b>
Income tax			(463,527)
<b>Profit for the year</b>			<b>1,860,212</b>

The following tables present segment assets of the Company's operating segments as at 31 December 2021 and 2020:

	(Unit: Thousand Baht)		
	Consolidated financial statement		
	2021		
	New cars	Used cars	Total segments
<b>Segment assets</b>			
Hire purchase and financial lease receivables	33,318,327	14,592,704	47,911,031
Unallocated assets			1,312,424
Total assets			49,223,455

	(Unit: Thousand Baht)		
	Consolidated financial statement		
	2020		
	New cars	Used cars	Total segments
<b>Segment assets</b>			
Hire purchase and financial lease receivables	32,304,173	14,443,787	46,747,960
Unallocated assets			1,770,051
Total assets			48,518,011

## Geographic information

The Company and its subsidiary are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

## Major customers

For the years 2021 and 2020, the Company and its subsidiary have no major customer with revenue of 10 percent or more of an entity's revenues.

## 29. Provident fund

The Company and its subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contribute to the fund monthly at the rate of 5 - 15 percent of basic salary and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The provident fund is managed by Thanachart Fund Management Company Limited, which will be paid to employees upon termination in accordance with the fund rules. The contributed for the year 2021 amounting to approximately Baht 7 million (the Company only: Baht 7 million) (2020: Baht 7 million in consolidated and separate financial statements) were recognised as expenses.

### 30. Related party transactions

During the years, the Company and its subsidiary had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. List of related parties and transactions are summarized below.

Name of related parties	Relationship with the Company
Thanachart Capital Public Co., Ltd.	The parent company of the Group
RTN Insurance Broker Co., Ltd.	Subsidiary
Baan Rock Garden Plc.	Have common director and shareholder
Thanachart Insurance Plc.	Affiliated company
MBK life Assurance Plc.	Affiliated company
Thanachart Securities Plc.	Affiliated company
Thanachart Bank Plc.	Have common shareholder (related party until 4 July 2021)
TMBThanachart Bank Plc. <sup>(1)</sup>	Have common shareholder
(Changed name from TMB Bank Plc. since 12 May 2021)	

<sup>(1)</sup> On 5 July 2021, TMBThanachart Bank Public Company Limited and Thanachart Bank Public Company Limited were merged as TMBThanachart Bank Public Company Limited.

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	2021	2020	2021	2020	Transfer pricing policy
					(For the year 2021)
<u>Transactions with related parties</u>					
<b>The parent company of the</b>					
<b>Group - Thanachart Capital</b>					
<b>Public Co., Ltd.</b>					
Interest expenses	8,215	5,807	8,215	5,807	As stipulated in agreements and prospector
Service fee expenses	1,200	-	1,200	-	As stipulated in agreements
<b>Subsidiary - RTN Insurance</b>					
<b>Broker Co., Ltd.</b>					
Rental income	-	-	720	720	As stipulated in agreements
Service income	-	-	2,292	2,172	As mutually agreed
Dividend income	-	-	112,923	113,266	As declared rate

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	2021	2020	2021	2020	Transfer pricing policy (For the year 2021)
<b>Transactions with related parties</b>					
<b>(continued)</b>					
<b>Related company</b>					
Interest income - Thanachart bank Plc.	2,617	9,535	2,617	9,535	The same rates as charged to general customers
Interest expenses - Thanachart bank Plc.	2,384	17,038	2,384	17,038	As stipulated in agreements and prospectus
Fee expenses - Thanachart bank Plc.	2,988	6,738	2,988	6,738	As stipulated in agreements
Service fee expenses - Thanachart bank Plc.	1,379	3,154	1,379	3,154	As stipulated in agreements
Interest income - TMBThanachart bank Plc.	1,696	-	1,696	-	The same rates as charged to general customers
Interest expenses - TMB Thanachart bank Plc.	24,592	-	24,592	-	As stipulated in agreements and prospectus
Fee expenses - TMBThanachart bank Plc.	2,137	-	2,137	-	As stipulated in agreements
Service fee expenses- TMBThanachart bank Plc.	1,485	-	1,485	-	As stipulated in agreements
Interest expenses - Baan Rock Garden Plc.	-	252	-	252	
Interest expenses - Thanachart Insurance Plc.	6,232	15,306	6,232	15,306	As stipulated in prospectus
Interest expenses - MBK life Assurance Plc.	1,790	3,805	1,790	3,805	As stipulated in prospectus
Insurance expenses - Thanachart Insurance Plc.	-	351	-	351	
Service fee expenses - Thanachart Securities Plc.	785	1,323	785	1,323	As mutually agreed
<b>Management, directors and related persons</b>					
Interest expenses	-	30	-	30	

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2021	2020	2021	2020
Cash and cash equivalents - cash at bank				
Thanachart Bank Plc.	-	939,594	-	771,251
TMBThanachart bank Plc.	409,283	-	196,662	-
Investment in subsidiary				
RTN Insurance Broker Co., Ltd.	-	-	4,000	4,000
Short-term loans from financial institutions				
Thanachart Bank Plc.	-	1,000,000	-	1,000,000
TMBThanachart bank Plc.	700,000	-	700,000	-
Long-term loans				
TMBThanachart bank Plc.	2,000,000	-	2,000,000	-
Debentures				
Thanachart Capital Plc.	243,000	243,000	243,000	243,000
Thanachart Insurance Plc.	-	455,000	-	455,000
MBK life insurance Plc.	-	120,000	-	120,000
Other payables				
RTN Insurance Broker Co., Ltd.	-	-	93	93
Thanachart Capital Plc.	-	681	-	681
Accrued interest				
Thanachart Capital Plc.	1,878	1,878	1,878	1,878
Thanachart Insurance Plc.	-	4,174	-	4,174
MBK life insurance Plc.	-	1,054	-	1,054
Thanachart Bank Plc.	-	64	-	64
TMBThanachart Bank Plc.	301	-	301	-

Movements of loans from related persons and related parties during the years are as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements				
For the year ended 31 December 2021				
	Balance beginning of the year	Increase	Decrease	Balance end of the year
<b><u>Short-term loans from financial institutions</u></b>				
Thanachart Bank Plc.	1,000,000	3,000,000	(4,000,000)	-
TMBThanachart Bank Plc.	-	700,000	-	700,000
<b><u>Long-term loans</u></b>				
TMBThanachart Bank Plc.	-	2,000,000	-	2,000,000
<b><u>Long-term debentures</u></b>				
Thanachart Capital Plc.	243,000	-	-	243,000
Thanachart Insurance Plc.	455,000	-	(455,000)	-
MBK life insurance Plc.	120,000	-	(120,000)	-

(Unit: Thousand Baht)

Consolidated and separate financial statements				
For the year ended 31 December 2020				
	Balance beginning of the year	Increase	Decrease	Balance end of the year
<b><u>Short-term loans from financial institutions</u></b>				
Thanachart Bank Plc.	150,000	21,270,000	(20,420,000)	1,000,000
<b><u>Short-term loans</u></b>				
Baan Rock Garden Plc.	58,000	132,000	(190,000)	-
Management, directors and related persons	10,000	-	(10,000)	-
<b><u>Long-term debentures</u></b>				
Thanachart Capital Plc.	-	343,000	(100,000)	243,000
Thanachart Bank Plc.	35,000	-	(35,000)	-
Thanachart Insurance Plc.	140,400	685,000	(370,400)	455,000
MBK life insurance Plc.	-	220,000	(100,000)	120,000

### Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below:

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	2021	2020
Short-term employee benefits	56,076	58,597
Post-employment benefits	689	1,017
Total	56,765	59,614

## **31. Commitments and contingent liabilities**

### **31.1 Long-term service commitments**

As at 31 December 2021, the Company has commitments in respect of the agreements appointing debenture trustees and a debenture holder representatives, whereby fees payable in the future are as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	2021	
Payable within		
Less than 1 year		191
1 to 5 years		220

### **31.2 Litigation**

As at 31 December 2021, the Company is being sued as defendant or co-defendant in lawsuits with claims totaling Baht 7 million which final judgement has not yet been rendered. However, the management of the Company has exercised judgement to assess the outcome of the litigation and is confident that the Company will not incur any significant losses. Therefore, no contingent liability has been recognised.

## **32. Risk management**

The Company's and its subsidiary's financial instruments, as defined under TAS 32 "Financial Instruments: Presentation", principally comprise cash and cash equivalents, hire purchase and financial lease receivables, loans, other payables and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

### **32.1 Credit risk**

The Company is exposed to credit risk primarily with respect to hire purchase and financial lease receivables. The Company manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying value of loans and receivables less allowance for doubtful accounts as stated in the statements of financial position.

#### **Credit Risk Guidelines**

The Company and its subsidiary manage credit risk by the means of careful consideration of credit approval process, analysis of risk factors and the ability to service debt of customers, and a credit review process, which examines and reviews the quality of the loan portfolio so as to prevent and provide a remedy for problem loans in the future.

#### **The maximum exposure to credit risk**

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown gross carrying amounts before both the effect of mitigation through use of master netting and collateral arrangements.

For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amounts before deducting allowance for expected credit losses.



As at 31 December 2021 and 2020, the maximum exposure to credit risk are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statement		financial statement	
	2021	2020	2021	2020
Cash and cash equivalents	476	1,044	254	868
Hire purchase and financial lease receivables	49,396	47,976	49,396	47,976
Total maximum exposure to credit risk	49,872	49,020	49,650	48,844

### Credit quality analysis

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

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit losses). The explanation of expected credit losses for 12-month, lifetime and credit impaired are described in Note 4.6 to the financial statements.

(Unit: Million Baht)

	Consolidated financial statement			
	2021			
	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
<b>Cash and cash equivalents</b>				
Investment grade	476	-	-	476
Total	476	-	-	476
<u>Less</u> Allowance for expected credit losses	-	-	-	-
Net book value	476	-	-	476
<b>Hire purchase and financial lease receivables</b>				
Not overdue	37,195	196	-	37,391
Overdue 1 - 30 days	5,254	86	-	5,340
Overdue 31 - 60 days	-	3,415	-	3,415
Overdue 61 - 90 days	-	1,387	-	1,387
Overdue more than 90 days	-	-	1,863	1,863
Total	42,449	5,084	1,863	49,396
<u>Less</u> Allowance for expected credit losses	(241)	(689)	(555)	(1,485)
Net book value	42,208	4,395	1,308	47,911

(Unit: Million Baht)

Consolidated financial statement				
2020				
	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
<b>Cash and cash equivalents</b>				
Investment grade	1,044	-	-	1,044
Total	1,044	-	-	1,044
<u>Less</u> Allowance for expected credit losses	-	-	-	-
Net book value	1,044	-	-	1,044
<b>Hire purchase and financial lease receivables</b>				
Not overdue	35,566	-	-	35,566
Overdue 1 - 30 days	5,081	-	-	5,081
Overdue 31 - 60 days	-	3,635	-	3,635
Overdue 61 - 90 days	-	2,194	-	2,194
Overdue more than 90 days	-	-	1,500	1,500
Total	40,647	5,829	1,500	47,976
<u>Less</u> Allowance for expected credit losses	(183)	(643)	(402)	(1,228)
Net book value	40,464	5,186	1,098	46,748

(Unit: Million Baht)

Separate financial statement				
2021				
	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
<b>Cash and cash equivalents</b>				
Investment grade	254	-	-	254
Total	254	-	-	254
<u>Less</u> Allowance for expected credit losses	-	-	-	-
Net book value	254	-	-	254
<b>Hire purchase and financial lease receivables</b>				
Not overdue	37,195	196	-	37,391
Overdue 1 - 30 days	5,254	86	-	5,340
Overdue 31 - 60 days	-	3,415	-	3,415
Overdue 61 - 90 days	-	1,387	-	1,387
Overdue more than 90 days	-	-	1,863	1,863
Total	42,449	5,084	1,863	49,396
<u>Less</u> Allowance for expected credit losses	(241)	(689)	(555)	(1,485)
Net book value	42,208	4,395	1,308	47,911

(Unit: Million Baht)

	Separate financial statement			
	2020			
	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
<b>Cash and cash equivalents</b>				
Investment grade	868	-	-	868
Total	868	-	-	868
<u>Less</u> Allowance for expected credit losses	-	-	-	-
Net book value	868	-	-	868
<b>Hire purchase and financial lease receivables</b>				
Not overdue	35,566	-	-	35,566
Overdue 1 - 30 days	5,081	-	-	5,081
Overdue 31 - 60 days	-	3,635	-	3,635
Overdue 61 - 90 days	-	2,194	-	2,194
Overdue more than 90 days	-	-	1,500	1,500
Total	40,647	5,829	1,500	47,976
<u>Less</u> Allowance for expected credit losses	(183)	(643)	(402)	(1,228)
Net book value	40,464	5,186	1,098	46,748

### Collateral and any operations to increase creditability

The Company and its subsidiary has held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Company and its subsidiary for each type of financial assets are as follows:

(Unit: Million Baht)

	Consolidated financial statements		
	Exposure to credit risk with collateral		Type of major collateral
	2021	2020	
Hire purchase and financial lease receivables	49,396	47,976	Cars

## 32.2 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 positions of the Company and its subsidiary. As the Company and its subsidiary has no foreign currency transactions and has a small amount invested in securities, market risk consists of only interest rate risk.

Interest rate risk is the risk that the value of financial instrument will fluctuate as a result of changes in market interest rates.

### Interest rate Risk Guidelines

The Company and its subsidiary manages the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels.

Significant financial assets and liabilities, as at 31 December 2021 and 2020, classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statement					
	2021					
	Fixed interest rates					
	Repricing or maturity date			Floating	Non-	
Transactions	Within	1 - 5	Over	interest	interest	Total
	1 year	years	5 years	rate	bearing	
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	468	8	476
Hire purchase receivables	19,009	29,805	28	-	-	48,842
Financial lease receivables	233	321	-	-	-	554
Other assets <sup>(1)</sup>	-	-	-	-	1,019	1,019
<b>Financial liabilities</b>						
Short-term loans from financial						
institutions	9,403	-	-	-	-	9,403
Other payables	-	-	-	-	289	289
Lease liabilities	5	7	-	-	-	12
Long-term loans	2,585	2,045	-	-	-	4,630
Debentures	5,809	16,794	-	-	-	22,603

<sup>(1)</sup> The outstanding balances of other assets that are non-interest bearing are hire purchase receivables that the count has issued judgements in favor of the Company and of which collection is being pursued.

(Unit: Million Baht)

	Consolidated financial statement					
	2020					
	Fixed interest rates					
	Repricing or maturity date			Floating	Non-	
Transactions	Within	1 - 5	Over	interest	interest	Total
	1 year	years	5 years	rate	bearing	
<b><u>Financial assets</u></b>						
Cash and cash equivalents	-	-	-	1,018	26	1,044
Hire purchase receivables	18,574	28,681	19	-	-	47,274
Financial lease receivables	250	452	-	-	-	702
Other assets <sup>(1)</sup>	-	-	-	-	930	930
<b><u>Financial liabilities</u></b>						
Short-term loans from financial						
institutions	5,372	-	-	-	-	5,372
Other payables	-	-	-	-	270	270
Lease liabilities	9	11	-	-	-	20
Long-term loans	-	7,590	-	-	-	7,590
Debentures	5,619	18,099	-	-	-	23,718

<sup>(1)</sup> The outstanding balances of other assets that are non-interest bearing are hire purchase receivables that the court has issued judgements in favor of the Company and of which collection is being pursued.

(Unit: Million Baht)

	Separate financial statement					
	2021					
	Fixed interest rates					
	Repricing or maturity date			Floating	Non-	
Transactions	Within	1 - 5	Over	interest	interest	Total
	1 year	years	5 years	rate	bearing	
<b><u>Financial assets</u></b>						
Cash and cash equivalents	-	-	-	254	-	254
Hire purchase receivables	19,009	29,805	28	-	-	48,842
Financial lease receivables	233	321	-	-	-	554
Other assets <sup>(1)</sup>	-	-	-	-	1,019	1,019
<b><u>Financial liabilities</u></b>						
Short-term loans from financial						
institutions	9,403	-	-	-	-	9,403
Other payables	-	-	-	-	217	217
Lease liabilities	5	7	-	-	-	12
Long-term loans	2,585	2,045	-	-	-	4,630
Debentures	5,809	16,794	-	-	-	22,603

<sup>(1)</sup> The outstanding balances of other assets that are non-interest bearing are hire purchase receivables that the court has issued judgements in favor of the Company and of which collection is being pursued.

(Unit: Million Baht)

	Separate financial statement						
	2020						
	Fixed interest rates						
	Repricing or maturity date			Floating	Non-		
Transactions	Within	1 - 5	Over	interest	interest		Total
	1 year	years	5 years	rate	bearing		
<b><u>Financial assets</u></b>							
Cash and cash equivalents	-	-	-	846	22		868
Hire purchase receivables	18,574	28,681	19	-	-		47,274
Financial lease receivables	250	452	-	-	-		702
Other assets <sup>(1)</sup>	-	-	-	-	930		930
<b><u>Financial liabilities</u></b>							
Short-term loans from financial							
institutions	5,372	-	-	-	-		5,372
Other payables	-	-	-	-	215		215
Lease liabilities	9	11	-	-	-		20
Long-term loans	-	7,590	-	-	-		7,590
Debentures	5,619	18,099	-	-	-		23,718

<sup>(1)</sup> The outstanding balances of other assets that are non-interest bearing are hire purchase receivables that the court has issued judgements in favor of the Company and of which collection is being pursued.

### Analysis of the effect of changes in interest rate

Analysis of the effect of changes in interest rate shows the effect of possible changes in interest rates on the statement of comprehensive income and equity of the Company and its subsidiary when other variables are fixed. However, most of the financial assets and financial liabilities as at the end of the reporting period of the Company and its subsidiary bear fixed interest rates. Sensitivity to changes in interest rates therefore does not have any material impact on the financial statements.

### 32.3 Liquidity risk

Liquidity risk is the risk that the Company and its subsidiary 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.

#### Liquidity Risk Guidelines

The Company and its subsidiary manages liquidity risk by means of appropriate structuring of short-term and long-term sources of capital. In addition, the Company and its subsidiary has a policy to maintain liquidity to ensure that it has sufficient liquidity to meet both present and future requirements.

Counting from the statement of financial position date, the periods to maturity of financial instruments held as at 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statement				
	2021				
	At call	Less than 1 year	Over 1 year	No specific maturity	Total
<b>Financial assets</b>					
Cash and cash equivalents	476	-	-	-	476
Hire purchase receivables <sup>(2)</sup>	-	17,170	29,833	1,839	48,842
Financial lease receivables <sup>(2)</sup>	-	238	316	-	554
Other assets <sup>(1)</sup>	-	-	-	1,019	1,019
<b>Financial liabilities</b>					
Short-term loans from financial institutions	700	8,703	-	-	9,403
Other payables	-	289	-	-	289
Lease liabilities	-	5	7	-	12
Long-term loans	-	2,585	2,045	-	4,630
Debentures	-	5,809	16,794	-	22,603

<sup>(1)</sup> The outstanding balances of other assets that are non-interest bearing are hire purchase receivables that the count has issued judgements in favor of the Company and of which collection is being pursued.

<sup>(2)</sup> The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include credit impaired loans.

(Unit: Million Baht)

Transactions	Consolidated financial statement				
	2020				
	At call	Less than 1 year	Over 1 year	No specific maturity	Total
<b>Financial assets</b>					
Cash and cash equivalents	1,044	-	-	-	1,044
Hire purchase receivables <sup>(2)</sup>	-	17,086	28,700	1,488	47,274
Financial lease receivables <sup>(2)</sup>	-	276	413	13	702
Other assets <sup>(1)</sup>	-	-	-	930	930
<b>Financial liabilities</b>					
Short-term loans from financial institutions	440	4,932	-	-	5,372
Other payables	-	270	-	-	270
Lease liabilities	-	9	11	-	20
Long-term loans	-	-	7,651	-	7,651
Debentures	-	5,619	18,099	-	23,718

<sup>(1)</sup> The outstanding balances of other assets that are non-interest bearing are hire purchase receivables that the count has issued judgements in favor of the Company and of which collection is being pursued.

<sup>(2)</sup> The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include credit impaired loans.

(Unit: Million Baht)

Separate financial statement					
2021					
Transactions	At call	Less than 1 year	Over 1 year	No specific maturity	Total
<b>Financial assets</b>					
Cash and cash equivalents	254	-	-	-	254
Hire purchase receivables <sup>(2)</sup>	-	19,009	29,805	28	48,842
Financial lease receivables <sup>(2)</sup>	-	238	316	-	554
Investment in subsidiary	-	-	-	4	4
Other assets <sup>(1)</sup>	-	-	-	1,019	1,019
<b>Financial liabilities</b>					
Short-term loans from financial institutions	700	8,703	-	-	9,403
Other payables	-	217	-	-	217
Lease liabilities	-	5	7	-	12
Long-term loans	-	2,585	2,045	-	4,630
Debentures	-	5,809	16,794	-	22,603

<sup>(1)</sup> The outstanding balances of other assets that are non-interest bearing are hire purchase receivables that the count has issued judgements in favor of the Company and of which collection is being pursued.

<sup>(2)</sup> The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include credit impaired loan.

(Unit: Million Baht)

Separate financial statement					
2020					
Transactions	At call	Less than 1 year	Over 1 year	No specific maturity	Total
<b>Financial assets</b>					
Cash and cash equivalents	868	-	-	-	868
Hire purchase receivables <sup>(2)</sup>	-	17,086	28,700	1,488	47,274
Financial lease receivables <sup>(2)</sup>	-	276	413	13	702
Investment in subsidiary	-	-	-	4	4
Other assets <sup>(1)</sup>	-	-	-	930	930
<b>Financial liabilities</b>					
Short-term loans from financial institutions	440	4,932	-	-	5,372
Other payables	-	215	-	-	215
Lease liabilities	-	9	11	-	20
Long-term loans	-	7,651	-	-	7,651
Debentures	-	5,619	18,099	-	23,718

<sup>(1)</sup> The outstanding balances of other assets that are non-interest bearing are hire purchase receivables that the count has issued judgements in favor of the Company and of which collection is being pursued.

<sup>(2)</sup> The outstanding balances of hire purchase and financial lease receivables which have no specific maturity dates include credit impaired loan.



## 32.4 Fair value

As at 31 December 2021 and 2020, the Company and its subsidiary had no assets and liabilities that were measured at fair value. However, the Company and its subsidiary had assets and liabilities that were measured at cost for which fair value are disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statement				
	2021				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>					
Cash and cash equivalents	476	476	-	-	476
Hire purchase receivables	47,371	-	-	47,215	47,215
Financial lease receivables	540	-	-	529	529
Investment properties	19	-	-	38	38
<b>Liabilities for which fair value are disclosed</b>					
Short-term loans from financial institutions	9,403	-	9,403	-	9,403
Other payables	289	-	289	-	289
Lease liabilities	12	-	12	-	12
Long-term loans	4,630	-	4,642	-	4,642
Debentures	22,603	-	22,973	-	22,973

(Unit: Million Baht)

	Consolidated financial statement				
	2020				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>					
Cash and cash equivalents	1,044	1,044	-	-	1,044
Hire purchase receivables	46,058	-	-	45,726	45,726
Financial lease receivables	689	-	-	689	689
Investment properties	19	-	-	38	38
<b>Liabilities for which fair value are disclosed</b>					
Short-term loans from financial institutions	5,372	-	5,372	-	5,372
Other payables	270	-	270	-	270
Hire purchase and financial lease payables	20	-	20	-	20
Long-term loans	7,590	-	7,599	-	7,599
Debentures	23,718	-	23,967	-	23,967

(Unit: Million Baht)

	Separate financial statement				
	2021				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>					
Cash and cash equivalents	254	254	-	-	254
Hire purchase receivables	47,371	-	-	47,215	47,215
Financial lease receivables	540	-	-	529	529
Investment properties	19	-	-	38	38
<b>Liabilities for which fair value are disclosed</b>					
Short-term loans from financial institutions	9,403	-	9,403	-	9,403
Other payables	217	-	217	-	217
Lease liabilities	12	-	12	-	12
Long-term loans	4,630	-	4,642	-	4,642
Debentures	22,603	-	22,973	-	22,973

(Unit: Million Baht)

	Separate financial statement				
	2020				
	Book	Fair value			
	value	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>					
Cash and cash equivalents	868	868	-	-	868
Hire purchase receivables	46,058	-	-	45,726	45,726
Financial lease receivables	689	-	-	689	689
Investment properties	19	-	-	38	38
<b>Liabilities for which fair value are disclosed</b>					
Short-term loans from financial institutions	5,372	-	5,372	-	5,372
Other payables	215	-	215	-	215
Hire purchase and financial lease payables	20	-	20	-	20
Long-term loans	7,590	-	7,599	-	7,599
Debentures	23,718	-	23,967	-	23,967

Fair value hierarchy for financial assets and liabilities are presented according to notes 4.19 to the financial statements.

The methods and assumptions used by the Company and its subsidiary in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, short-term loans and other payables, their carrying amounts in the statement of financial position approximate their fair value.
- b) For hire purchase and financial lease receivables, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- c) For debentures, long-term loans and liabilities under hire purchase and financial lease payables carrying fixed interest, their fair value has been determined by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- d) Fair value of investment properties has been determined based on market price performed by an independent valuer.

### **33. 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 2021, the Company and its subsidiary's debt-to-equity ratio was 3.26 (2020: 3.48:1).

### **34. Event after the reporting period**

On 15 February 2022, a meeting of the Company's Board of Directors passed a resolution to propose the following to the Annual General Meeting of shareholders for approval dividend payment to the shareholders from net profit for 2021, consisting of a cash dividend of Baht 0.17 per share or a total dividend payment of Baht 963 million.

### **35. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 15 February 2022.

## Details on Directors, Executives, Accounting Supervisor, and Company Secretary

### Board of Directors

#### Mr. Virat Chinprapinporn

Chairman, Member of the Executive Committee, Member of the Risk Management Committee, Chairman of the Corporate Governance Committee, and Authorized Director

Date of Appointment	28 July 2002
Age	61 years old
Education	<ul style="list-style-type: none"> <li>● Master of Business Administration (Marketing), City University, USA</li> <li>● Bachelor of Business Administration (Finance), Seattle University, USA</li> </ul>
Training	<p><u>Thai Institute of Directors (IOD)</u></p> <ul style="list-style-type: none"> <li>● Director Accreditation Program (DAP), Class 40/2004</li> <li>● Director Certification Program (DCP), Class 40/2004</li> </ul> <p><u>Capital Market Academy (CMA)</u></p> <ul style="list-style-type: none"> <li>● Capital Market Academy Leadership Program, Class 16/2013</li> </ul> <p><u>Commerce Academy, University of the Thai Chamber of Commerce</u></p> <ul style="list-style-type: none"> <li>● Top Executive Program in Commerce and Trade (TEPCoT), Class 8/2015</li> </ul> <p><u>Institute of Business and Industrial Development (IBID)</u></p> <ul style="list-style-type: none"> <li>● Executive Program in Business, Industry Development and Investment Development, Class 3/2016</li> </ul> <p><u>Tourism Authority of Thailand (TAT)</u></p> <ul style="list-style-type: none"> <li>● Tourism Management Program for Executives (TME), Class 1/2017</li> </ul> <p><u>University of the Thai Chamber of Commerce</u></p> <ul style="list-style-type: none"> <li>● Top Executive Program for Creative &amp; Amazing Thai Services (ToPCATS), Class 1/2019</li> </ul> <p><u>Thailand Energy Academy (TEA)</u></p> <ul style="list-style-type: none"> <li>● Top Executive Program for Energy Science, Class 15/2020</li> </ul> <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"> <li>● Anti-Corruption for Executives</li> </ul>
Position in Other Listed Company	
2002 - Present	Chairman, Baan Rock Garden Public Company Limited

#### Position in Other

##### Non-Listed Company

2018 - Present	Chairman, RTN Insurance Broker Company Limited
2016 - Present	Director, Phukao Hauchang Pungnga Company Limited
2016 - Present	Director, N.V. Real Estate Company Limited
2011 - Present	Director, Nicena Property Company Limited
1994 - Present	Director, Kuylin Pungnga Company Limited
1993 - Present	Director, Chalermcheep Company Limited
1992 - Present	Director, Phowatchara Company Limited
1989 - Present	Director, Chucheeep Housing Land Company Limited
1989 - Present	Director, Chucheeep Northern Group Company Limited
1987 - Present	Director, City Wood Company Limited

##### Family Relationship with Directors and Executives

- None -

##### Shareholding in the Company (%)

23,000,000 shares (0.41%)

### Mr. Kovit Rongwattanasophon

Director, Managing Director, Chairman of the Executive Committee, Chairman of Risk Management Committee, Member of the Corporate Governance Committee, and Authorized Director

Date of Appointment	28 July 2002
Age	60 years old
Education	<ul style="list-style-type: none"><li>• Master of Business Administration, Southeastern University, USA</li><li>• Bachelor of Art (Political Science), Ramkhamhaeng University</li></ul>
Training	<p><u>Thai Institute of Directors (IOD)</u></p> <ul style="list-style-type: none"><li>• Director Accreditation Program (DAP), Class 19/2004</li><li>• Director Certification Program (DCP), Class 263/2018</li></ul> <p><u>Capital Market Academy (CMA)</u></p> <ul style="list-style-type: none"><li>• Capital Market Academy Leadership Program, Class 25/2017</li></ul> <p><u>Commerce Academy, University of the Thai Chamber of Commerce</u></p> <ul style="list-style-type: none"><li>• Top Executive Program in Commerce and Trade (TEPCoT), Class 12/2019</li></ul> <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"><li>• Anti-Corruption for Executives</li></ul> <p><u>Ratchthani Leasing Public Company Limited</u></p> <ul style="list-style-type: none"><li>• The Personal Data Protection Act B.E.2019 : Laws and Practices</li></ul>
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	
2018 - Present	Managing Director, RTN Insurance Broker Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	21,570,265 shares (0.38%)

## Mr. Charoensook Kititti

Director, Member of the Corporate Governance Committee, and Authorized Director

Date of Appointment	28 July 2002
Age	83 years old
Training	<u>Thai Institute of Directors (IOD)</u> <ul style="list-style-type: none"><li>• Director Accreditation Program (DAP), Class 19/2004</li><li>• Director Certification Program (DCP), Class 53/2005</li></ul> <u>Faculty of Commerce and Accountancy, Chulalongkorn University</u> <ul style="list-style-type: none"><li>• Modern Management</li></ul> <u>Faculty of Commerce and Accountancy, Thammasat University</u> <ul style="list-style-type: none"><li>• Executive Development</li></ul>
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	
2005 - Present	Chairman, City Mansion Bang Wa Company Limited
2001 - Present	Chairman, Charoensook Crop Company Limited
1993 - Present	Chairman, Realty and Property Management Company Limited
1973 - Present	Chairman, Charoensook Hoonchiew Pharmacy Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	154,821,837 shares (2.73%)

## Mr. Somjate Moosirilert

Director, Member of the Executive Committee, Member of the Risk Management Committee, Member of the Nomination & Remuneration Committee, Member of the Corporate Governance Committee, and Authorized Director

Date of Appointment 14 January 2020

Age 65 years old

Education

- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Business Administration, Thammasat University

Training

Thai Institute of Directors (IOD)

- Role of the Chairman Program (RCP), Class 5/2001
- Corporate Governance for Capital Market Intermediaries (CGI), Class 15/2016

Judicial Training Institute, Courts of Justice

- Senior Executives on Justice Administration, Class 9/2005

Capital Market Academy (CMA)

- Capital Market Academy Leadership Program, Class 5/2007

Thai Listed Company Association, The Stock Exchange of Thailand

- Certificate, TLCA Leadership Development Program (LDP), Class 2012

Bank of Thailand

- Thailand Sustainable Banking 2018
- Cyber Resilience Leadership : Herd Immunity 2021

Thanachart Bank Public Company Limited

- Anti-Corruption for Executives 2014
- Anti-Corruption for Executives 2017

### Position in Other

#### Listed Company

2021 - Present	Director of the Credit Committee, TMBThanachart Bank Public Company Limited
2019 - Present	Director, Member of the Board of Executive Directors, Member of the Nomination, Remuneration and Corporate Governance Committee, TMBThanachart Bank Public Company Limited
2019 - Present	Chief Executive Officer, Thanachart Capital Public Company Limited
2013 - Present	Member of the Risk Oversight Committee, Thanachart Capital Public Company Limited
2009 - Present	Director and Member of the Executive Committee, Thanachart Capital Public Company Limited



## Position in Other

### Non-Listed Company

2021 - Present	Liquidation Consultant, TBCO Public Company Limited
2021 - Present	Advisor, Phahonyothin Asset Management Company Limited
2021 - Present	Director, Thanachart Plus Company Limited
2020 - Present	Chairman, Thanachart SPV 1 Company Limited
2020 - Present	Chairman, Thanachart SPV 2 Company Limited
2019 - Present	Director, Thanachart SPV 1 Company Limited
2019 - Present	Director, Thanachart SPV 2 Company Limited
2019 - Present	Chairman, TS Asset Management Company Limited
2013 - Present	Chairman of the Executive Committee, Thanachart Securities Public Company Limited
2010 - Present	Board Advisor, Association of Thai Securities Companies
2009 - Present	Chairman, Thanachart Securities Public Company Limited

### Work Experience

2019 - 2021	Director, Member of the Executive Committee, Member of the Nomination, Remuneration and Corporate Governance Committee, Thanachart Bank Public Company Limited
2017 - 2021	Vice Chairman, Thai Listed Company Association
2016 - 2018	Advisor, The Thai Bankers' Association
2015 - 2017	Vice Chairman Advisor, Thai Listed Company Association
2015 - 2018	Director of Board of Committee, Sasin Graduate Institute of Business Administration of Chulalongkorn University.
2014 - 2018	Vice Chairman, Thanachart Insurance Public Company Limited
2013 - 2018	Vice Chairman of the Executive Committee, Thanachart Insurance Public Company Limited
2013 - 2020	Chairman, Thanachart Fund Management Company Limited
2012 - 2018	Chairman of the Risk Management Committee, Thanachart Bank Public Company Limited
2011 - 2018	Chief Executive Officer and President, Thanachart Bank Public Company Limited
2011 - 2020	Chairman of the Executive Committee, Thanachart Fund Management Company Limited
2011 - 2018	Chairman of the Executive Committee, TS Asset Management Company Limited
2011 - 2018	Director, Thai Bankers' Association
2010 - 2018	Director and Member of the Executive Committee, Thanachart Insurance Public Company Limited

2009 - 2018	Director and Member of the Executive Committee, Thanachart Bank Public Company Limited
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Family Relationship with Directors and Executives	- None -
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Shareholding in the Company (%)	- None -
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## Ms. Suvarnapha Suvarnaprathip

Director, Member of the Corporate Governance Committee, and Authorized Director

Date of Appointment	18 February 2020
Age	76 years old
Education	<ul style="list-style-type: none"><li>• Bachelor of Economics, Monash University, Australia</li></ul>
Training	<u>Thai Institute of Directors (IOD)</u> <ul style="list-style-type: none"><li>• Director Accreditation Program (DAP), Class 20/2004</li></ul> <u>Banker Trust, New York, USA</u> <ul style="list-style-type: none"><li>• Corporate Finance Training Program</li></ul> <u>Bank of Thailand</u> <ul style="list-style-type: none"><li>• Thailand Sustainable Banking 2018</li></ul> <u>Thanachart Bank Public Company Limited</u> <ul style="list-style-type: none"><li>• Anti-Corruption for Executives 2014</li><li>• Anti-Corruption for Executives 2017</li></ul>

### Position in Other

#### Listed Company

2008 - Present	Vice Chairman of the Executive Committee, Thanachart Capital Public Company Limited
2005 - Present	Director, Thanachart Capital Public Company Limited

### Position in Other

#### Non-Listed Company

2021 - Present	Director, Thanachart Plus Company Limited
1991 - Present	Director, Seacon Development Public Company Limited

### Work Experience

2013 - 2018	Vice Chairman of the Risk Management Committee, Thanachart Capital Public Company Limited
2006 - 2019	Vice Chairman of the Executive Committee, Thanachart Bank Public Company Limited
2002 - 2019	Director, Thanachart Bank Public Company Limited

### Family Relationship with Directors and Executives

- None -

### Shareholding in the Company (%)

- None -

## Mr. Kamtorn Tantisirivat

Director, Member of the Executive Committee, Member of the Risk Management Committee, Member of the Corporate Governance Committee, and Authorized Director

Date of Appointment 13 August 2020

Age 59 years old

Education

- M.B.A. in Finance, University of Michigan, USA
- M.S. in Computer Science, University of Texas, USA
- Bachelor of Engineering, Chulalongkorn University

Training

Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP), Class 176/2020

CFA Institute

- CFA Program 2001

Federation of Accounting Professions

- Thailand IFRS Conference 2016
- Financial Reporting Standards for 2019 and 2020

KPMG Phoomchai Audit Company Limited

- Financial Asset / Liability Classification (IFRS) according to New Accounting Standards (IFRS 9)

EY Office Company Limited

- Preparatory Program for Changes in Financial Reporting Standards

IMC Institute

- Block Chain 2017: Unlocking Internet of Value

NYC Management Company Limited

- New TFRS (Must know)
- TFRS 2021

Dharmniti Seminar And Training

- Financial Analysis to Analyze Business Situations and Improve Performance

SEC Sustainalytics and Morningstar Research Thailand

- ESG Risk & Investment for Asset Managers and Market Participants

Bank of Thailand

- Thailand Sustainable Banking 2018

Thanachart Bank Public Company Limited

- Anti-Corruption for Executives Program 2014
- Anti-Corruption for Executives Program 2017

- Impact of IFRS9 on Thanachart Group
- Block Chain Technology 2018

#### Position in Other

##### Listed Company

2013 - Present

Member of the Risk Oversight Committee,  
Secretary of the Risk Oversight Committee,  
and Executive Vice President, Financial Division,  
Thanachart Capital Public Company Limited

#### Position in Other

##### Non-Listed Company

2020 - Present

Director, TM Communication and Brand Management Company Limited

2019 - Present

Director, TS Asset Management Company Limited

2019 - Present

Director, Thanachart SPV 1 Company Limited

2019 - Present

Director, Thanachart SPV 2 Company Limited

2018 - Present

Vice Chairman, MAX Asset Management Company Limited

2018 - Present

Vice Chairman, NFS Asset Management Company Limited

2016 - Present

Director, MAX Asset Management Company Limited

2016 - Present

Director, NFS Asset Management Company Limited

2016 - Present

Director, MT Service 2016 Company Limited

2014 - Present

Director, Member of the Risk Management Committee,  
MBK Life Assurance Public Company Limited

#### Family Relationship with Directors and Executives

- None -

#### Shareholding in the Company (%)

- None -

## Mr. Sorasak Chayarak

Director, Member of the Corporate Governance Committee, and Authorized Director

Date of Appointment 13 August 2020

Age 45 years old

Education

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Science, University of Toronto, Canada

Training Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP), Class 176/2020

Thanachart Bank Public Company Limited

- Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)
- Preparatory for FATF Assessment (AML / CFT)
- Impact of International Financial Reporting Standard (IFRS9)
- Update Accounting Standards (IFRS 9, TAS16 และ TAS19)
- Pack 5 (TFRS10, TFRS11, TFRS12, TAS27, TAS28) and TFRS13
- Bank 4.0 Augmented Banking
- Purchase Price Allocation (EY Thailand)
- The 6 Critical Practices for Leading a Team
- Thanachart Leadership Development Program
- Proactive Leader Leading to Success
- Influencing Skills
- The 7 Habits of Highly Effective People

Position in Other

Listed Company

2021 - Present First Vice President, Finance Division, Thanachart Capital Public Company Limited

2019 - 2021 Vice President, Special Projects (Finance), Thanachart Capital Public Company Limited

Position in Other

Non-Listed Company

2021 - Present Director, MBK Life Assurance Public Company Limited

2016 - Present Director, Sabuy Family Company Limited

Work Experience

2018 - 2019 Vice President, Planning and Analysis of Cash, Deposit and Capital Fund, Thanachart Bank Public Company Limited

2015 - 2018	Assistant Vice President, Project Data Analysis and Capital Planning, Thanachart Bank Public Company Limited
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Family Relationship with Directors and Executives	- None -
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Shareholding in the Company (%)	- None -
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**Mr. Thakol Nunthirapakorn, Ph.D.**

Independent Director, Chairman of the Audit Committee,  
and Member of the Corporate Governance Committee

Date of Appointment 28 July 2002

Age 76 years old

Education

- Ph.D. (Accounting, MIS, Economics), University of Arkansas, USA
- MBA (Quantitative Analysis), University of Louisiana Monroe, USA
- BS (Finance), West Liberty State, USA
- High Vocational Certificate (Financial Banking), University of the Thai Chamber of Commerce

Training

Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP), Class 8/2004
- Audit Committee Program (ACP), Class 8/2005
- Director Certification Program (DCP), Class 228/2016
- Ethical Leadership Program (ELP), Class 3/2016
- Anti-Corruption Practical Guide (ACPG), Class 36/2017
- Role of the Chairman Program (RCP), Class 43/2018
- Chairman Forum and IOD Breakfast Talk, Class 2/2016
- Director's Briefing : Governing in Tomorrow's World, Class 1/2021

The Securities and Exchange Commission, Thailand (SEC)

- The Transition to TFRS 9 and IFRS 16 for Non-Bank

The Stock Exchange of Thailand (SET)

- Preliminary to Corporate Sustainability
- Corporate Sustainability Strategy
- Sustainability Risk and Materiality Analysis
- Sustainability Evaluation & Data Management
- TCFD (Task Force on Climate-related Financial Disclosures)  
& SDGs Workshop for Beginners
- Preparation Sustainability Disclosure according to One Report
- TCFD & SDGs Workshop : ESG Risk Analysis and GHG Accounting

Thanachart Bank Public Company Limited

- The Personal Data Protection Act : Impact on the Financial Sector



**Position in Other****Listed Company**

2019 - Present	Independent Director, Member of the Audit Committee, United Paper Public Company Limited
2015 - Present	Independent Director, Chairman, Chairman of the Audit Committee, Harn Engineering Solutions Public Company Limited

**Position in Other****Non-Listed Company**

2018 - Present	Advisory Committee, Business School, National Institute of Development Administration (NIDA)
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**Work Experience**

2014 - 2015	Chairman of the Audit Committee, Fire Victor Public Company Limited
2012 - 2015	Dean, School of Accountancy, The University of Thai Chamber of Commerce (UTCC)
2005 - 2012	Vice President of Administration, The University of Thai Chamber of Commerce (UTCC)

**Family Relationship with  
Directors and Executives**

- None -

**Shareholding in  
the Company (%)**

100,000 Shares (0.00002%)

## Mr. Suvit Arunanondchai

Independent Director, Member of the Audit Committee, Chairman of the Nomination & Remuneration Committee, and Member of the Corporate Governance Committee

Date of Appointment	22 February 2011
Age	72 years old
Education	<ul style="list-style-type: none"><li>● Bachelor of Economics, Louisiana Tech University, USA</li><li>● Program for Management Development (PMD 49), Harvard Business School, Harvard University, USA</li></ul>
Training	<p><u>Thai Institute of Directors (IOD)</u></p> <ul style="list-style-type: none"><li>● Director Certification Program (DCP), Class 14/2002</li><li>● Director Diploma Examination (Fellow Member) 2002</li><li>● Audit Committee Program (ACP), Class 4/2005</li><li>● Quality Financial Reporting, Class 2/2006</li><li>● Advanced Audit Committee Program (AAP), Class 15/2014</li><li>● Role of The Compensation Committee (RCC), Class 18/2014</li><li>● Successful Formulation and Execution of Strategy (SFE), Class 23/2015</li><li>● Board Matters &amp; Trends (BMT), Class 3/2017</li><li>● Boardroom Success through Financing and Investment (BFI), Class 1/2017</li><li>● Board Nomination and Compensation Program (BNCP), Class 5/2018</li><li>● Strategic Board Master Class (SBM), Class 4/2018</li></ul> <p><u>Capital Market Academy (CMA)</u></p> <ul style="list-style-type: none"><li>● Executive Program, Class 8/2009</li></ul> <p><u>Thanachart Bank Public Company Limited</u></p> <ul style="list-style-type: none"><li>● The Personal Data Protection Act : Impact on the financial sector</li></ul>
Position in Other Listed Company	
2014 - Present	Independent Director / Chairman of the Audit Committee, Netbay Public Company Limited
Position in Other Non-Listed Company	- None -
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -

## Mr. Varavudh Varaporn

Independent Director, Member of the Audit Committee, Member of the Nomination & Remuneration Committee, and Member of the Corporate Governance Committee

Date of Appointment	14 December 2009
Age	73 years old
Education	<ul style="list-style-type: none"><li>• Master of Public Administration, Chulalongkorn University</li><li>• Bachelor of Laws, Thammasat University</li></ul>
Training	<u>Thai Institute of Directors (IOD)</u> <ul style="list-style-type: none"><li>• Director Accreditation Program (DAP), Class 82/2010</li><li>• Role of The Compensation Committee (RCC), Class 19/2014</li><li>• Advanced Audit Committee Program (AACP), Class 25/2017</li></ul> <u>Thanachart Bank Public Company Limited</u> <ul style="list-style-type: none"><li>• The Personal Data Protection Act : Impact on the financial sector</li></ul>
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	- None -
Work Experience	
2005 - 2008	Advisor on Performance Efficiency, Department of Lands, Ministry of Interior
2003 - 2004	Deputy Director General, Department of Lands, Ministry of Interior
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -

**Mrs. Naree Boontharawara, Ph.D.**

Independent Director, Member of the Audit Committee,  
and Member of the Corporate Governance Committee

Date of Appointment 3 April 2018

Age 67 years old

Education

- Ph.D.in Economics, University of Washington, USA
- Master Degree in Economics, Thammasat University
- Bachelor Degree in Economics, Thammasat University

Training

Thai Institute of Directors (IOD)

- Director Certification Program (DCP), Class 197/2014
- Advance Audit Committee Program, Class 2016
- Nomination and Remuneration Committee Program, Class 2017

Federation of Accounting Professions

- Chief Financial Officer Certificate Program - CFO) 2004
- NIDA Wharton Certification Program, USA 2006
- Certified Financial Planner - CFP 2009

Capital Market Academy

- Senior Executives, Class 4/2009

Thanachart Bank Public Company Limited

- The Personal Data Protection Act : Impact on the financial sector

Foundation for Good Governance on Medicine

- Good Governance on Medicine for Executive, Class 8/2562

Position in Other  
Listed Company - None -

Position in Other  
Non-Listed Company

2015 - Present Independent Director and Chairman of the Audit Committee,  
Precise Corporation Public Company Limited

Work Experience

2016 - 2021 Chairman of the Investment Sub-Committee, Social Security Office, Ministry of Labor

2017 - 2019 Independent Director, Member of Audit Committee,  
and Member of the Investment Project Risk Management Committee,  
NCL International Logistic Public Company Limited

1999 - 2014                      Executive Vice President, Group Head,  
Asset Management GroupStrategy and Finance Division,  
The Stock Exchange of Thailand (SET)

Family Relationship with  
Directors and Executives                      - None -

Shareholding in  
the Company (%)                      - None -

## Mr. Surapon Satimanont

Independent Director, Member of the Audit Committee,  
and Member of the Corporate Governance Committee

Date of Appointment	28 July 2002
Age	60 years old
Education	<ul style="list-style-type: none"><li>● Master of Laws, Southern Methodist University, USA</li><li>● Master of Laws, Howard University, USA</li><li>● M.A. Business, Webster University, USA</li><li>● Bachelor of Laws, Ramkhamhaeng University</li></ul>
Training	<u>Thai Institute of Directors (IOD)</u> <ul style="list-style-type: none"><li>● Director Certification Program (DCP), Class 40/2004</li><li>● IT Governance and Cyber Resilience Program (ITD), Class 7/2018</li></ul> <u>Thanachart Bank Public Company Limited</u> <ul style="list-style-type: none"><li>● Anti-Corruption for Executive</li><li>● The Personal Data Protection Act : Impact on the Financial Sector</li></ul>
Position in Other Listed Company	
2007 - Present	Vice Chairman and Chariman of the Audit Committee, 2 S Metal Public Company Limited
2005 - Present	Director and Chairman of the Audit Committee, Baan Rock Garden Public Company Limited
Position in Other Non-Listed Company	
2021 - Present	Director, N.D.S. 34 COMPANY LIMITED
2018 - Present	Chairman, S&Manont Company Limited
2015 - Present	Director and Audit Committee, Sumitomo Mitsui Trust Bank (Thai) Public Company Limited
Work Experience	
2018 - Present	Director and Member of the Audit Committee, JSSR Group Public Company Limited
2017 - Present	Director and Member of Audit Committee, HYBRID Energy Company Limited
2014 - 2016	Director, Ewawan Insurance Public Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	20,294,154 Shares (0.36%)

## Executives, The Person Taking the Highest Responsibility in Finance and Accounting, and Company Secretary

### Mr. Khomsan Boonyoiyad

Deputy Managing Director, Hire Purchase & Marketing and Branch Administration

Age	56 years old
Education	<ul style="list-style-type: none"> <li>Bachelor of Business Administration (Industrial Management), Siam University</li> </ul>
Training	<p><u>Faculty of Commerce &amp; Accounting Thammasat University</u></p> <ul style="list-style-type: none"> <li>Executive Program</li> </ul> <p><u>Thai Hire-Purchase Association</u></p> <ul style="list-style-type: none"> <li>Guideline for The Anti-Money Laundering Act and Related Regulatory</li> </ul> <p><u>Ratchthani Leasing Public Company Limited</u></p> <ul style="list-style-type: none"> <li>The Personal Data Protection Act B.E.2019 : Laws and Practices</li> </ul>
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	
2019 - Present	Senior Academic Committee, Thai Hire-Purchase Association
Work Experience	
2009 - Present	Deputy Managing Director, Hire Purchase & Marketing and Branch Administration, Ratchthani Leasing Public Company Limited
2017 - 2018	Vice President, Thai Hire-Purchase Association
2015 - 2016	Director and Secretary, Thai Hire-Purchase Association
2002 - 2008	Assistant Managing Director, Hire Purchase, Ratchthani Leasing Public Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -

## Mr. Ponlaphe Sakayapapwicharnon

Senior Assistant Managing Director, Credit Control, and Company Secretary

Age	51 years old
Education	<ul style="list-style-type: none"><li>● Master of Management, College of Management, Mahidol University</li><li>● Bachelor of Business Administration (Marketing), Assumption University</li></ul>
Training	<p><u>Thai Institute of Directors (IOD)</u></p> <ul style="list-style-type: none"><li>● Company Secretary Program (CSP), Class 20/2006</li><li>● Effective Minute Taking (EMT), Class 5/2006</li><li>● Successful Formulation and Execution of Strategy (SFE), Class 31/2019</li><li>● Company Secretary Forum 2019 : Role of the Company Secretary in Shaping Corporate Culture</li><li>● IOD Open House 2021: Role of Company Secretary to Encourage Corporate Governance</li></ul> <p><u>The Thai Institute of Banking And Finance Association</u></p> <ul style="list-style-type: none"><li>● Data Privacy Protection : Laws &amp; Regulation, Class 2/2019</li><li>● Compliance Risk Management, Class 5/2019</li></ul> <p><u>Thai Hire-Purchase Association</u></p> <ul style="list-style-type: none"><li>● Guideline for The Anti-Money Laundering Act and Related Regulatory</li></ul> <p><u>Ratchthani Leasing Public Company Limited</u></p> <ul style="list-style-type: none"><li>● The Personal Data Protection Act B.E.2019 : Laws and Practices</li></ul>
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	
2018 - Present	Director, RTN Insurance Broker Company Limited
Work Experience	
2017 - Present	Senior Assistant Managing Director, Credit Control, Ratchthani Leasing Public Company Limited
2013 - Present	Company Secretary, Ratchthani Leasing Public Company Limited
2002 - 2016	Assistant Managing Director, Credit Control, Ratchthani Leasing Public Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	13,251,119 Shares (0.23%)



## Mr.Jaturapat Nudaeng

Assistant Managing Director, Commercial Car

Age	56 years old
Education	<ul style="list-style-type: none"><li>• Diploma of Accounting, Dusit Commercial School</li></ul>
Training	<u>Ratchthani Leasing Public Company Limited</u> <ul style="list-style-type: none"><li>• The Personal Data Protection Act B.E.2019 : Laws and Practices</li></ul>
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	- None -
Work Experience	
2016 - Present	Assistant Managing Director, Commercial Loans, Ratchthani Leasing Public Company Limited
2014 - 2016	Senior Manager, Commercial Loans, Ratchthani Leasing Public Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -

## Ms. Unchan Srisom

Senior Vice President of Accounting and Planning & Strategy

The Person Taking the Highest Responsibility in Finance and Accounting (CFO)

Age 45 years old

Education

- Bachelor of Business Administration (Accounting), Sukhothai Thammathirat University
- Bachelor of Business Administration (Finance), Rajamangala University of Technology Thanyaburi

Training

The Stock Exchange of Thailand (SET)

- Strategic CFO in Capital Markets class of 9/2019

Federation of Accounting Professions

- Transfer Pricing Program 2019
- Tax for Accountants : Systematic Taxation
- Key Matter Accounting Issues Related to Income, Expenses and Financial Reporting Standards
- Budget for Planning and Profit, Class 1/2020
- Major Accounting Item Adjustment
- Financial Statement Analysis
- Important Accounting Adjustments
- Cash Flow Statement

Faculty of Commerce and Accountancy, Chulalongkorn University

- Micro MBA Chula class of 2015

Thai Hire-Purchase Association

- Guideline for The Anti-Money Laundering Act and Related Regulatory

Ratchthani Leasing Public Company Limited

- The Personal Data Protection Act B.E.2019 : Laws and Practices

Position in Other Listed Company - None -

Position in Other Non-Listed Company - None -

### Work Experience

2020 - Present	Senior Vice President of Accounting and Planning & Strategy, Ratchthani Leasing Public Company Limited
2017 - 2020	Vice President of Accounting and and Planning & Strategy,

	Ratchthani Leasing Public Company Limited
2014 - 2017	Planning & Strategy Manager, Ratchthani Leasing Public Company Limited
2012 - 2017	Accounting Manager, Ratchthani Leasing Public Company Limited
2010 - 2012	Assistant Accounting Manager, NCC Image Company Limited

Family Relationship with  
Directors and Executives

- None -

Shareholding in  
the Company (%)

- None -

## Accounting Supervisor

Mr. Wachirakorn Thongin

Accounting Manager

Age	43 years old
Education	<ul style="list-style-type: none"><li>● Bachelor of Business Administration (Accounting), Suan Sunandha Rajabhat University</li></ul>
Training	<u>EY Office Company Limited</u> <ul style="list-style-type: none"><li>● Summary, Impact, Guideline and Case Study for TFRS</li></ul> <u>Quality and Safety Company Limited</u> <ul style="list-style-type: none"><li>● Safety Officer Supervisory level</li><li>● Safety Officer Management level</li></ul>
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	- None -
Work Experience	
2021 - Present	Accounting Manager, Ratchthani Leasing Public Company Limited
2018 - 2020	Accounting Manager, Thonburi Phanich Company Limited
2017 - 2018	Vice President, Accounting and Finance Department, Piyavate Hospital Public Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -

## Head of Internal Audit

**Mr. Wichai Sathiarujikanon**

Vice President, Internal Audit Division, Thanachart Capital Public Company Limited

Age	57 years old
Education	<ul style="list-style-type: none"><li>• Master of Business Administration, University of the Thai Chamber of Commerce</li><li>• Bachelor of Accounting, Ramkhamhaeng University</li></ul>
Training	<p><u>Thai Institute Of Directors Association</u></p> <ul style="list-style-type: none"><li>• Corruption Risk &amp; Control : Technical Update CRC</li></ul> <p><u>The Thai Bankers' Association</u></p> <ul style="list-style-type: none"><li>• Standard Practices for Fraud Risk Management and Technology</li></ul> <p><u>Institute of Internal Auditors of Thailand</u></p> <ul style="list-style-type: none"><li>• Audit Change from Internal Auditor to Consultant</li><li>• Smart IA in Digital World</li></ul> <p><u>Electronic Transactions Development Agency</u></p> <ul style="list-style-type: none"><li>• Risk Based Audit and The Challenges of The Digital Age</li></ul> <p><u>Thai General Insurance Association</u></p> <ul style="list-style-type: none"><li>• Technique for Examining and Analyzing the Fraudulent Practice</li></ul>
Position in Other Listed Company	- None -
Position in Other Non-Listed Company	- None -
Work Experience	
2013 - Present	Vice President, Internal Audit Division, Thanachart Capital Public Company Limited
Family Relationship with Directors and Executives	- None -
Shareholding in the Company (%)	- None -

## Head of Compliance

Mr. Vivat Kongyotkullaphat

Compliance Manager and Assistant Company Secretary

### Education

- Master of Business Administration, Thammasat University
- Bachelor of Economics, Srinakharinwirot University

### Training

#### The Securities and Exchange Commission (SEC)

- Business and Human Rights for Business Sector in the Thai Capital Market 2021
- #### Stock Exchange of Thailand (SET)

- Sustainability Disclosure by Industry 2021

#### Thai Listed Companies Association (Thai LCA)

- Company Secretary Development Program 2021

#### National Institute of Development Administration (NIDA)

- Compliance Management, Class 5/2020

#### Meaning of Anti-Money Laundering Office (AMLO)

- Anti-Money Laundering Standards, Class 1/2020

#### Thai Institute of Directors (IOD)

- Company Secretary Program (CSP), Class 101/2019

#### The Thai Institute of Banking and Finance Association

- Data Privacy Protection: Laws & Regulation, Class 2/2019
- Compliance Risk Management, Class 5/2019
- Operational Risk Management, Class 12/2018
- Credit Risk Scoring, Class of 2/2017
- Credit Risk Management Concept & Framework, Class 5/2016
- Credit Analysis & Management, Class 3/2016

#### Thai Hire-Purchase Association

- The Examination of Fraudulent Behavior Detection and Terminated Confiscated Vehicle Prosecution
- The Correct Debt Collection Act and Debt Collection Practices

#### Ratchthani Leasing Public Company Limited

- The Personal Data Protection Act B.E.2019 : Laws and Practices

Position in Other  
Listed Company

- None -

Position in Other  
Non-Listed Company

- None -

**Work Experience**

2019 - Present	Assistant Company Secretary, Ratchthani Leasing Public Company Limited
2019 - Present	Compliance Manager, Ratchthani Leasing Public Company Limited
2018 - 2019	Senior Officer, Operational and Credit Risk Management, Ratchthani Leasing Public Company Limited
2016 - 2019	Credit Analyst, Ratchthani Leasing Public Company Limited

**Family Relationship with  
Directors and Executives**

- None -

**Shareholding in  
the Company (%)**

- None -

## Details on Directors of the Subsidiary

### RTN Insurance Broker Company Limited

Names			Position
1.	Mr. Virat	Chinprapinporn	Chairman
2.	Mr. Kovit	Rongwattanasophon	Managing Director
3.	Mr. Ponlaphe	Sakkayapapwicharnon	Director
4.	Ms. Rungtip	Chaipatanapruck	Director
5.	Mrs. Ruetaiwan	Pornpijitsup	Director
6.	Ms. Chanatip	Lapinsee	Director
7.	Ms. Nuttapa	Eiamfosonlert	Director



## Report on Changes in Shareholding of the Company's Directors and Executives

No.	Name	Position	Number of shares held as of 31 December 2021	Number of shares held as of 31 December 2020	Change in Number of shares held Increase (decrease)	Proportion of shares held (%)
1	Mr. Virat Chinprapinporn Spouse and minor child	Chairman	23,000,000 -	14,000,000 -	9,000,000 -	0.41 -
2	Mr. Kovit Rongwattanasophon Spouse and minor child	Director	21,570,265 -	21,570,265 -	- -	0.38 -
3	Mr. Charoensook Kititti Spouse and minor child	Director	154,821,837 3,368,464	154,821,837 3,368,464	- -	2.73 0.06
4	Mr. Somjate Moosirilert Spouse and minor child	Director	- -	- -	- -	- -
5	Ms. Suvarnapha Suvarnaprathip Spouse and minor child	Director	- -	- -	- -	- -
6	Mr. Kamtorn Tantisirivat Spouse and minor child	Director	- -	- -	- -	- -
7	Mr. Sorasak Chayarak Spouse and minor child	Director	- -	- -	- -	- -
8	Mr. Thakol Nanthirapakorn, Ph.D. Spouse and minor child	Independent Director	100,000 -	873,536 -	(773,536) -	0.00002 -
9	Mr. Suvit Arunanondchai Spouse and minor child	Independent Director	- -	- -	- -	- -
10	Mr. Varavudh Varaporn Spouse and minor child	Independent Director	- -	- -	- -	- -
11	Mrs. Naree Boontherawara, Ph.D. Spouse and minor child	Independent Director	- -	- -	- -	- -
12	Mr. Surapon Satimanont Spouse and minor child	Independent Director	20,294,154 -	20,294,154 -	- -	0.36 -
13	Mr. Khomsan Boonyoiyad Spouse and minor child	Deputy Managing Director, Marketing	- -	- -	- -	- -
14	Mr. Ponlaphe Sakkayapapwicharnon Spouse and minor child	Senior Assistant Managing Director, Credit Control	13,251,119 -	15,069,083 -	(1,817,964) -	0.23 -

No.	Name	Position	Number of shares held as of 31 December 2021	Number of shares held as of 31 December 2020	Change in Number of shares held Increase (decrease)	Proportion of shares held (%)
15	Mr.Jaturapat Nudaeng	Assistant Managing Director, Commercial Loans	-	750,000	(750,000)	-
	Spouse and minor child		-	-	-	-
16	Ms. Unchan Srisorn	Senior Vice President, Accounting and Planning & Strategy	-	-	-	-
	Spouse and minor child		-	-	-	-

## Scope of Reporting and GRI Content Index

### Scope of Reporting

Ratchthani Leasing Public Company Limited collected information and prepares this annual registration statement/annual report (Form 56-1 One Report) in accordance with the rules, conditions and procedures prescribed by the Capital Market Supervisory Board. Furthermore, the Company collected and disclosure of sustainability performance in economic, social, and environmental dimensions according to the GRI Standard, the scope of information from 1 January to 31 December 2021, covering the Company's performance in the head office and domestic branch. To communicate the Company's performance to stakeholders on an ongoing basis.

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**ราชนานีลีสซิ่ง**  
**Ratchthani Leasing**  
A Thanachart Group Company

Ratchthani Leasing Public Company Limited

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