

One Report

2021

English Version



Our Service Minds Your Satisfaction

2021



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Financial Highlights (on a consolidated basis)

Baht in thousand

	2021	2020	2019
Assets			
Total Assets	4,849,385.47	5,966,250.77	7,419,101.20
Hire Purchase Receivable	4,303,783.44	5,315,643.19	6,900,781.64
Temporary Investment	0.00	0.00	0.00
Loans and Sale with Right of Redemption Agreement Receivables	0.00	0.00	24,177.15
Short-term Loans to Joint Venture	225,500.00	221,500.00	169,500.00
Investment in Joint Venture	70,008.17	63,435.39	53,065.67
Long-term Loans to Joint Venture	0.00	30,000.00	62,000.00
Other Non-Current Financial Asset (Other long-term investment)	0.00	2,022.84	2,694.29
Asset Right-of-Use	27,096.16	27,728.73	0.00
Deferred Tax Assets	69,411.60	108,358.86	52,721.04
Liabilities and Shareholders' Equity			
Total Liabilities	3,017,211.43	4,216,623.83	5,533,786.83
Bank Overdrafts and Loans	2,891,063.10	4,092,562.01	5,397,709.64
Lease Liabilities	29,096.80	26,705.81	22,696.62
Deferred Tax Liabilities	10,548.68	18,508.22	22,696.62
Total Shareholders' Equity	1,832,174.04	1,749,626.94	1,885,314.38
Operating Results			
Total Revenue	684,155.14	890,824.71	914,849.62
Net Revenue Realized under Hire Purchase Agreement	513,784.17	692,134.93	674,329.87
Revenue under Sale with Right of Redemption Agreement	0.00	1,430.46	3,035.82
Operating Expenses	334,336.83	449,217.26	392,356.68
Share of Gain (Loss) on Investment in Joint Venture	6,572.78	10,369.72	7,496.43
Expected Credit Losses	22,580.66	(158,919.35)	0.00
Bad debt and Doubtful Accounts	0.00	0.00	141,538.03
Net comprehensive income (loss) after tax	194,013.39	61,679.35	130,089.14
Profitability Ratio			
Interest Income (%)	10.68%	11.31%	10.50%
Interest Expense (%)	3.84%	4.55%	4.61%
Net Interest Income (%)	6.84%	6.76%	5.89%
Net Income (Loss) (%)	28.36%	6.92%	14.22%
Net Income per Share	0.175	0.0556	0.1173
Return on Equity (%)	10.83%	3.39%	7.14%

Operating Efficiency Ratio			
Return on Total Asset (%)	3.59%	0.92%	1.88%
Total Asset Turnover (Times)	0.13	0.10	0.13
Book Value per Share	1.65	1.58	1.70
Financial Policy Ratio Analysis			
Total Liabilities to Equity (Times)	1.65	2.41	2.94
Loan to Borrowing (Times)	1.37	1.29	1.28
Dividend Payout Ratio (%)	0	0	0
Asset Quality Ratio			
Provision for Doubtful Debt over Total Receivables (%)	6.03%	7.95%	2.80%
Bad Debts over Total Receivables (%)	3.52%	1.38%	1.08%
Non-Accrued Receivables over Total Receivables (%)	7.10%	9.76%	4.63%

Year 2015 – Dividend suspended

Year 2016 – Dividend suspended

Year 2017 – Dividend declared for operating results 2014 at the rate of Baht 0.02 per share

– Dividend declared for operating results 2015 at the rate of Baht 0.03 per share

Year 2018 – Dividend declared for operating results 2017 at the rate of Baht 0.04 per share

Year 2019 – Dividend suspended

Year 2020 – Dividend suspended

On 14 May 2021 dividends was declared at Baht 16.63 million from operating results 2014 at Baht 0.015/share

On 14 May 2021 dividend was declared at Baht 22.18 million from operating results 2015 at Baht 0.020/share

On 14 May 2021 dividend was declared at Baht 22.18 million from operating results 2016 at Baht 0.020/share

On 14 May 2021 dividend was declared at Baht 49.90 million from operating results 2017 at Baht 0.045/share

Revenue structure per ECL's consolidated financial statements for the year 2019, 2020, and 2021

Revenue	2021		2020		2019	
	Baht Million	Per cent	Baht Million	Per cent	Baht Million	Per cent
1. Hire Purchase Income realized	518.78	75.10	692.13	77.70	674.33	73.71
2. Income from Sale w/Right of Redemption*	0.00	0.00	1.43	0.16	3.03	0.33
Revenue from Credit Extension	513.78	75.10	693.56	77.86	677.36	74.04
3. Interest Income	15.57	2.27	16.63	1.87	13.47	1.47
4. Other Revenue						
- Fees and Service	57.41	8.39	76.42	8.58	76.82	8.40
- Default Penalty Income	12.84	1.88	16.15	1.81	13.44	1.47
- Insurance Commission	19.02	2.78	39.13	4.39	88.31	9.65
- Other Income	65.54	9.58	48.93	5.49	45.45	4.97
Other Revenue Total	154.81	22.63	180.63	20.27	224.02	24.49
Total Revenue	684.16	100.00	890.82	100.00	914.85	100.00

Note: *Interest earned from Car Loan credit extension

Message from the Chairman

To Shareholders

The year 2021, the company generated revenue of Baht 684.16 million, Baht 206.66 decrease from prior year or 23.20% with net profit of Baht 194.01 million, Baht 132.33 million increase from prior year or 214.54%. Overall company revenue declined as a result of the adverse economic environment during the year 2020 – 2021 which remained stagnant with widespread impact from the Covid pandemic, and trend toward continuing Covid infection. The company has adjusted its strategy to correspond with the current crisis situation with more careful credit extension, the preparedness for investment funding, the follow-up and administering of receivables, the repossessed vehicle disposal both internal and external to the organization. This has resulted in the continuing decline in the level of NPL, in effect resulted in the decline in the administrative expenses at a greater rate than the decline in revenue, and the net result of the increase in net profit.

The debtor assistance project through the temporary suspension of installment has ended in the month of December 2021. The company has still provided various forms of debtor assistance continuingly to reduce debt repayment burden for debtors who have been adversely affected by the pandemic up until present.

As the Chairman of the Board, I would like to express my gratitude toward the Board of Directors, the management including all employees who have dedicated and performed their duties with their utmost capabilities all along, and my thanks to the shareholders, customers, trade alliances, financial institutions including all stakeholders who have provided supports, been confident in the company's vision enabling the company remaining achieved profitable operating results over the past years. The year 2022 shall be another year in which the company shall be required to increase its capability in resource management to achieve operating results in accordance with the target within the continuing volatile economic, political, social, and the pandemic environment with its capability, dedication, and intent. The company shall modify and adapt itself to the changing economy and adopt the application of technology to achieve the best interest toward the business engagement. The Company is therefore confident that the year 2022, shall be another year with a sound step forward, and hopefully to continue to have everyone's supports.



Mr. Preecha Veerapong
The Chairman of the Board

SECTION 1
BUSINESS ENGAGEMENT
AND OPERATING RESULTS

1. Group Structure and Business Engagement

1.1 Policies and Overview of Business Engagement

The company is engaged in providing used motor vehicle hire purchase finance, renewal services for vehicle insurance as well as third party liability insurance. The company has commenced its business undertaking since 1984 and become a registered entity in the securities exchange on 1 March 2004.

The Group companies comprise 1. ECL Asset Co., Ltd., held 60% shares, engages in loan credit extension under mortgage, and sales with right of redemption of real estates as collateral, 2. Mighty Broker Co., Ltd., held 100% shares, engages in insurance brokerage business etc., 3. Premium Service Thailand, Co., Ltd., held 15% shares, engages in vehicle repair and maintenance services, and warranty business.

The company provides vehicle registration, vehicle insurance, vehicle third party liability insurance, and life insurance renewal services which render customer conveniences and enable the company to earn supplementary income, and concurrently prevent possible risks against vehicles and hire purchasers' life. which are collateral of the company's credit for extension.

During the year 2021, the company extended hire purchase credit emphasizing used passenger vehicles, big bikes, trucks and others comprising approximately 53, 31, and 16 percent of the total credit extension respectively. Most of the customers reside in the Bangkok metropolitan area, and the Eastern provinces. Furthermore, the company has established measures assisting customers regarding relaxation in installment payments for vehicles under hire purchase both individuals and legal entities adversely affected by the Covid-19 pandemic. Upon situation improvement, the company shall commence expansion of truck credit, and commercial vehicles to support the Thai economic recovery.

1.1.1 Vision, Objective, Target, and Strategy

Vision

To be an expert in the used vehicle hire purchase finance, a fair-trading partner, to provide excellent services, and to add long term value for the stakeholders

Commitment

- To create utmost potential for services to maintain competitive edge, perseverance through quality employee, state of the art technology, and uphold good governance principle in response to the highest customer satisfaction, and optimum return to all stakeholders with fairness and responsibility toward the society
- To be an expert in the used vehicle hire purchase finance, with over 30 years of continuing and acquired business experiences
- To treat customers with fairness regarding merchandize and services without bias
- To engage in business with ethics and dedication toward excellences

Slogan

- Our service mind is your satisfaction

- Speed Car Speed Money
- ECL Auto Cash

Business Target

Credit extension during the year 2021 amounted to Baht 1,388.2 million consisting of passenger vehicles, motorcycles, trucks, and others accounting for 53, 31, and 16 percent respectively. Comparing to 2020, credit extension increased Baht 52.18 million or 7.61% for individual passenger vehicle, and decreased Baht 90.19 million or 17.27% for motorcycles through financing of big bike and motorcycles with engine sizes 220 to 650 CC, and average credit extension of Baht 250,000 per vehicle. As for vehicles related to logistic services and other, credit extension decreased by Baht 65.64 or 23.09%.

As for business target for the year 2022, the company has a goal of Baht 1,800 million credit extension, Baht 150 million on a monthly average basis, with proportionate adjustment for increasing truck credit segment emphasis. It is anticipated that the transport and communication segment should gradually recover after experiencing the global Covid – 19 Pandemic during the year 2021 which resulted in the Thai and the global economic slowdown and remaining substantially depressed. Such an impact should continue for a period longer than 1-2 years. Growth in credit extension will still need external factor which shall help the gradual Thai economic recovery such as number of vaccination, economic assistance measure for the general public, and business sector from government units, and commercial banks. Nonetheless, since the second half of 2021, the company has expanded truck credit extension increasingly toward upcountry provinces. With the relaxation of lockdown measures, and opening of the country resulted in recovery of the transportation sector. For the year 2022, the company's marketing department shall arrange for customers with private or government sector hiring contracts to mitigate risk of becoming NPL and maintain the level of NPL in accordance with bank covenant restriction. The Company shall emphasize more on credit quality, modification of work procedure for accelerated collection and follow-up to become more efficient, reduction of costs related to litigation, and debt follow-up including other relevant cost control to enable achievement of greater profitability.

During the year 2021, company directors have approved application of licensing for personal loan credit extension business with vehicle registration as collateral as an additional credit product to support customers' needs more widely, in addition to the existing hire purchasing business, and as a supplementary income alternative. Such business requires permission from the Ministry of Finance via the Bank of Thailand. The company has applied for permission to engage in 'Personal credit under supervision of the non-financial institution category', and of credit extension secured by vehicle registration category, and to engage in business under the supervision of the Bank of Thailand. The company anticipates to be granted with the required permit, and to commence such business within the first quarter of 2022.

Company's objective and business direction over the next 5 years (2019 – 2023)

The company has planned strategic management modification annually in its business engagement over the past years to be appropriate with the economic environment. Because of the increasing competition, the company has applied technology to assist in the communication process, and adapted in exploring new

products coupled with company's credit extension to further business expansion, and searching joint venture participation to further business development. The company has prepared business plan over the next 5 years as follows:

1. To locate more funding sources which shall provide long term fund, and at the fixed interests rates to reduce costs of credit extension, and correspond with customer ability to repay.
2. To expand customer base to up-country provinces nationwide for ECL to be better known, to enable more credit extension. The company has established targets for credit extension to the truck segment, vehicles with service contracts with various companies.
3. Regarding the year by year growing Big Bike, and motor vehicle credit, the company plans to expand the customer base both in the Bangkok and metropolitan area, including the Eastern region.
4. The development of portfolio quality emphasizing credit quality analysis, risk assessment, compilation of statistical data for scoring, more refined customer risk level classification: If the company is able to control receivable portfolio quality, high NPL problem shall decrease. Loss and costs of credit extension, costs of monitoring and follow-up shall decrease.
5. To engage in insurance brokerage business as the company has achieved substantial amount of insurance sales and increasing every year, over the past years. The company has therefore established a subsidiary to engage in insurance brokerage businesses for casualty, and life insurances to further business and enhance earnings to the company. Furthermore, casualty or life insurance policies bought by company's credit applicants help mitigate NPL risks in the company's credit portfolio.
6. To further subsidiary company's business to enhance earnings for the company in the two products initiated during the year 2020 namely motor vehicle spare part warranty brokerage and roadside assistance emergency service.
7. To locate joint venture engaging in electric vehicle business in the Thai market to enable the company to provide electric vehicle financing.
8. To adopt and implement technology in the development of company's work process namely the digital individual identification - National Digital ID – NDID, debt collection system, statistic computational system for doubtful debt provisioning per new standards, operational control system in the area of private information protection for example.

1.1.2 Important Changes and Development

- | | |
|------------------|--|
| 16 November 2016 | - The formation of Eastern Premium Services Co., Ltd. (EPS) as a joint venture company between ECL with Premium Group Co., Ltd. with the objective of engaging in full services motor vehicle repair and maintenance center. |
| 27 March 2018 | - Formation of ECL Asset Co., Ltd. as a joint venture between ECL with Global Best Real Estate Loan Co., Ltd. at the holding proportion of 60:40 with the objective to |

- engage in land for cash business namely to extend loan secured by land mortgage or land under sales with the right of redemption,
- 5 October 2018 - The company issued and offered for sale debenture with amount limit of Baht 600 million (per EGM 1/2017, dated 29 September 2017). The debenture was for a period of 2 years (matured on 5 October 2020) at the rate of 4.4% p.a.
- 8 January 2019 - The Extra-ordinary Shareholders' Meeting 1/2562 resolved to approved the issuance and offering for subscription, warrant for the acquisition of ordinary shares through capital increase, 3rd Lot ECL-W3, with unit limit of 554,428,622 units, and increase in registered capital from Baht 1,108,857,244 to Baht 1,663,285,866, by issuance of 554,428,622 new ordinary shares at Baht 1 par per share, to support capital increase through exercise of right under warrant, the conversion to ordinary shares over the next 2 years.
- 16 January 2019 - The company appropriated warrant ECL-W3 for shareholders at the proportion of 2 original ordinary shares for 1 unit of warrant resulted in the issuance of 554,428,475 units of warrant which was less than the units requested of 554,428,622 units by 147 units as a result of rounding
- 7 February 2019 - The date for the issuance of warrant with tenor of 2 years. The first date for the exercise of right under warrant, shall be on 31 August 2021, and the last such date shall be on 5 February 2021
- 18 October 2019 - The company has been granted certification for the renewal of membership at the Collective Action Against Corruption or CAC for a period of 3 years (expiring on 18 October 2022)
- 20 November 2019 - The company established a subsidiary, Mighty Broker Co., Ltd. in which ECL invested 100% of its capital with the objective of engaging in the business of casualty insurance brokerage
- 14 May 2020 - Referring to the Business Alliance agreement entered into between ECL, and Premium Financial Service Co., Ltd. (PFS, current name Premium Co., Ltd.) since 25 February 2016, joint discussion between parties concluded that the agreement be cancelled in whole on 14 May 2020 to enable each company operating flexibility. Premium Co., Ltd. would still hold 25.5% in ECL equity, and continues to participate in the ECL business operation.
- Mr. Yoichi Shibata resigned from the position of company director because of other commitment in the management of the Premium Group in Japan.
- The Board passed resolution appointing Mr. Masayuki Nozawa, currently holding the position of Deputy MD, as company director in place of Mr. Yoichi Shibata, effective from 15 May 2020.

- Implementation of the policy guideline in accordance with the personal data protection Act 2019
- 5 October 2020 - Due date for the debenture redemption in which investors have been repaid in full.

Important changes during the year 2021

- 5 February 2021 - On this last established date for the exercise of right under warrant ECL-W3, there were holders of 1,758 units of warrant who exercised their right in acquiring 1,758 ordinary shares (conversion ratio 1 right to 1 share at the price of Baht 1.85 per share) receiving increase in paid up capital of Baht 1,758.
- 16 February 2021 - The company underwent registration of increase in paid-up capital from Baht 1,108,857,244 to Baht 1,108,859,002
- 18 May 2021 - Registration of reduction in capital amounting to Baht 554,426,864 from original registered capital of Baht 1,663,285,866 to Baht 1,108,859,002 equal to the amount of paid-up capital, through cancellation of unsubscribed ordinary shares no longer required in support of the warrant ECL-W3 totaling 554,426,864 shares at Baht 1 par
- 22 September 2021 - Announcement and implementation of the Policy Manual regarding The Anti - Money Laundering and Counter Terrorism Financing and Proliferation of Weapon of Mass Destruction Policy, Revision Version 1/2564
- 27 October 2021 - The company received entity governance rating for the year 2021 scoring of 92 at the 'Excellent' level through the application of governance principle survey project (Corporate Governance Report of Thai Listed Company: GCR) among Thai listed companies via the Thai Institute of Directors Association.

1.1.3 Utilization of Fund Mobilized in accordance with Objective indicated in the Prospectus for Equity or Debt Instrument Offering for Sales

Company's capital increase through the issuance of warrant ECL-W3 (during 7 February 2019-5 February 2021) failed to mobilize funding per objective as a result of the Covid-19 situation adversely affected the economic environment during the period 2020-2021. Nonetheless the increased capital of Baht 1,758 has been utilized as working capital within the company.

The issuance of the 2-year debenture on 5 October 2019 amounting to Baht 600 million, the whole amount of which has been utilized for credit expansion and working capital within the company per objective.

1.1.4 Company Commitment in the Prospectus for the Offering for Sales of Equity and/or Debt Instrument or Condition for Approval of the SEC and/or Listing Condition of the SET.

- None –

1.1.5 Name and Head Office Location Address

Company Name: Eastern Commercial Leasing PLC

Abbreviation: ECL

HO Location 976/1 Soi Rama IX Hospital, Rim Klong Samsen Road
Bangkapi Sub-District, Huay Kwang District, Bangkok 10310
Telephone 02 641 5252
Facimile 02 641 5994, 02 641 5995

Homepage <http://www.ecl.co.th>

Type of Business Engaging in vehicle hire purchase finance

Company Registration Registration number 0107546000288

Registered Capital and Type of Shares Registered Capital: Baht 1,108,859,002
Ordinary Shares 1,108,859,002 shares at Baht 1 par
Paid up capital Baht 1,108,859,002
(information on 31 December 2021)

1.2 Business Engagement

1.2.1 Revenue Structure

Revenue structure per company's consolidated financial reports for the years 2019, 2020, and 2021:

Revenue	2021		2020		2019	
	Baht Million	Per cent	Baht Million	Per cent	Baht Million	Per cent
1. Hire Purchase Income realized	513.78	75.10	692.13	77.70	674.33	73.71
2. Income from Sale w/Right of Redemption*	0.00	0.00	1.43	0.16	3.03	0.33
Revenue from Credit Extension	513.78	75.10	693.56	77.86	677.36	74.04
3. Interest Income**	15.57	2.27	16.63	1.87	13.47	1.47
4. Other Revenue						
- Fees and Service	57.41	8.39	76.42	8.58	76.82	8.40
- Default penalty income	12.84	1.88	16.15	1.81	13.44	1.47
- Insurance commission	19.02	2.78	39.13	4.39	88.31	9.65
- Other income	65.54	9.58	48.93	5.49	45.45	4.97
Other Revenue Total	154.81	22.63	180.63	20.27	224.02	24.49
Total Revenue	684.16	100.00	890.82	100.00	914.85	100.00

* interest per loan agreement, car loan

** other interest income in 2021 was from joint venture amounted to Baht 15.32 million

1.2.2 Product Information

(1) Nature of Product and Service

The company engages primarily in hire purchase finance.

In vehicle hire purchasing finance namely for passenger vehicles, motorcycles, trucks and others, upon agreement to purchase vehicles from dealers, customers shall pay in the amount of down payment to vehicle dealers, with the balance being financed under hire purchase contract with the company. Customers are required to pay in monthly installments to the company. Most customers typically request for a 60-month contract. Customers are in possession of and utilize the vehicles under hire purchase, with responsibility for maintenance including purchasing of a first-class insurance coverage assigning the company as beneficiary. Ownership title shall be transferred to the customer upon complete repayment of installments. In the event the customer is unable to repay installment for 3 consecutive installments or more, the company shall be entitled to cancel the contract prior to maturity and the customers are required to return the vehicle to the company.

On credit application procedure, company's credit officer shall process request at various vehicle dealerships both in Bangkok and metropolitan area. Credit officer shall assess applicant preliminary appropriateness, and undergo credit approval procedures considering various factors e.g. quoted market price of the used vehicle market, vehicle usable condition, verification of vehicle registration document, financial position of applicant. Nonetheless the company and vehicle dealer do not maintain exclusive dealing with the applicant. Buyer may freely enquire for comparison purpose, interest rate, services, and accordingly select any other creditor lender. The establishment of rate of interest, minimum down payment, and installment period, depend on various factors for example status and financial position of each applicant, type, make, model including condition, and useful lives of vehicles.

Normally the company will finance used vehicles that have been used no more than 18 years with installment terms 12-72 months, minimum financing amounts of Baht 50,000. Popular Japanese and European makes require down payment of 10% where as other makes require 15-20%. Furthermore, the company may have special conditions for certain vehicle makes and models for example off road or sports vehicles which may require a higher down payment rate, or certain vehicle make and model which the company will not provide financing in all cases. These are vehicles unpopular in the market, few service centers, scarcity of part supply in the market, high costs of repair and maintenance, declining trend of resale price for example.

During the year 2020, and 2021, value of passenger vehicle, sporty motorcycle (big bike) and commercial vehicles (van, pickup truck, bus, truck, and others) within the company's hire purchase credit portfolio accounted for approximately 46, 35, and 19% for 2020, against 53, 31, 16% for 2021 respectively. In comparison of proportion of vehicle hire purchase for the year 2020 and 2021, it was found that proportion of passenger vehicle credit increased, and proportion of motorcycles and big bike, logistic truck vehicle decreased. As for the amount of credit extension, it was found that for the year 2021 comparing with 2020, passenger vehicle credit extension increased by 7.61% where as motorcycle and big bike, and commercial vehicles decreased by 17.27, and 23.09% respectively, and overall portfolio decreased by 6.95%. The 5 most popular makes were Honda, Toyota, BMW, Kawasaki, and Triumph accounted for 19, 12, 10, 8, and 7% respectively with installment terms mostly at around 60 months, and most customers residing in Bangkok and metropolitan area, and eastern provinces. During the year 2021, the company extended hire purchasing credit amounted to Bath 1,388.20 million accounted for 100% of all credit extension.

Exhibit below depicted credit extension amount breakdown into types of vehicles and installment terms*

	2021		2020		2019	
	Baht million	Percent	Baht million	Percent	Baht million	Percent
Vehicle Hire Purchase *						
- Passenger Vehicles	737.62	53.14	685.44	45.95	1,545.94	45.94
- Motorcycles	431.91	31.11	522.10	35.00	1,240.23	36.86
- Van, Pickup Trucks, Others**	218.67	15.75	284.31	19.05	578.93	17.20
รวม	1,388.20	100.00	1,491.85	100.00	3,365.10	100.00
Installment Terms						
- 12 months	3.87	0.28	5.16	0.35	6.99	0.21
- 24 months	37.99	2.73	34.56	2.32	69.42	2.06
- 36 months	139.63	10.06	118.52	7.94	227.97	6.77
- 43 months	-	-	-	-	0.66	0.02
- 48 months	505.83	36.44	464.97	31.17	956.63	28.43
- 60 months	630.13	45.39	734.23	49.21	1,506.58	44.77
- 72 months	70.75	5.10	134.41	9.01	596.85	17.74
Total	1,388.20	100.00	1,491.85	100.00	3,365.10	100.00

Remarks: * excluding interest and value added tax

** for the year 2019 including bus of Baht 93.77 million, and truck of Baht 138.26 million

** for the year 2020 including bus of Baht 30.03 million, and truck of Baht 112.46 million

** for the year 2021 including bus of Baht 8.04 million, and truck of Baht 146.27 million

Year 2021			Year 2020			Year 2019		
Ranking	Makes	Proportion%	Ranking	Makes	Proportion%	Ranking	Makes	Proportion%
1	Honda	19.13	1	Honda	24.01	1	Honda	23.89
2	Toyota	11.99	2	Kawasaki	14.80	2	Kawasaki	20.47
3	BMW	10.36	3	Toyota	11.20	3	Toyota	12.44
4	Kawasaki	8.44	4	Ducati	5.89	4	Ducati	5.73
5	Triumph	7.19	5	BMW	5.41	5	Isuzu	4.30
6	Nissan	4.89	6	Isuzu	3.89	6	Yamaha	4.23
7	Others	38.00	7	Others	34.80	7	Others	28.94
	Total	100.00		Total	100.00		Total	100.00

Remarks: Based on number of vehicles under HP finance each year

(2) Marketing and Competition

Nature of Customers and Target Group

Nature of customer and company's target group are primarily individual retail customers who need hire purchase finance credit for used vehicles purchase through used vehicle dealers or direct contact with the company. Target groups of the company are divided by functionality of vehicles namely passenger vehicle, motorcycle, pickup truck, and van. As at 31 December 2021, proportion of customers were passenger vehicles, motorcycles, and pickup truck, van, and others in the ratios of 53:31:16 respectively.

Competition Strategy

The company does not have policy to compete on the basis of price or reduction of interest rates but shall compete on other competition strategy to expand portfolio, and increase customer base as the credit market for used vehicle has not been saturated. Buyers will continue to be in demand of products and financing. The company's competition strategy comprises:

1. To nurture good relationship with vehicle or used vehicle dealerships or auction houses.

Normally, vehicle dealerships refer finance companies to customers who need hire purchase finance. The nurturing good relationship with vehicle dealership contributes to the expanding customer base including increasing market share. Presently the company has cooperative business relationship with approximately 1,500 dealerships, at Head Office, and the 4 branch offices. The company therefore needs to maintain and in search of opportunities to expand new dealership relationship continuingly. The company has also expanded the used vehicle trading market of the individual owner type, in which the individual wishes to sell the vehicle, by having company marketing staff contacted the vehicle owner to provide offer of service and condition to arrange for interested buyer directly. Furthermore, the company recognizes the important of the alliance with the auction houses, and creates mutual marketing opportunities for repossessed vehicle sales.

2. To emphasize speedily services with careful credit control

The company emphasizes document verification, and speedy credit approval within careful control and good risk prevention. The company verifies through customer database within the company, the National Credit Bureau, and other reliable information sources, and in accordance with the customer identity verification principle (KYC & CDD) as such procedures are essential to dealership decision making, and customer utilizing credit facility with the company. Nonetheless the company shall require time for credit approval the fastest within 2 business days. Furthermore, the company recognizes the importance of paying used vehicle dealership a referral fees upon successful completion of financing arrangement with customer speedily and timely.

3. To facilitate vehicle dealership and customers for their business transactions

The company has provided various conveniences to vehicle dealers and customers for example taking credit application off-site and with punctuality for conveniences in document verification and vehicle condition inspection at the branch location without having to drive to the HO. This includes issuing power of attorney delegating branch managers enabling them to consider credit approval as appropriate and within credit limit established by company policy. Furthermore, the company has assigned credit officials stationed at vehicle or used vehicle dealerships daily for conveniences including providing good and reliable advice to customers. The company enhances customer conveniences through repayment of installments via various channels e.g. bank system or ATM, internet, service counter at 7-11, dispatching messenger to collect payment check at home, or customer's office including a good and complete after sale service for example registration, vehicle tax payment, and vehicle insurance renewal services. The company has arranged with commercial banks for customer payment of insurance premium via credit cards.

4. To create customer satisfaction

The company assesses customer satisfaction by arranging for input channel for customer opinion and customer satisfaction rating for its various services including company official receiving customer complaint, follow-up and helping resolving customer problem speedily and utilizing for operational process improvement to increase efficiency with emphasis on customer satisfaction toward the company at the good rating level continuously. This is an important aspect in helping contribute toward the company's revenue generation over the long term by the company's marketing team (details per item 3.4.2.3, operational results on the customer responsibility aspect). Other than credit extension, the company also acts as advisor providing advice, vehicle engine check, and providing information regarding credibility of dealerships prior to customer decision on purchasing. Furthermore, the company provides insurance brokerage services – introduction about casualty insurance, and life insurance for appropriate customers, coordination with insurance company for customers. The company recognizes that good and quality services shall contribute toward existing customer base retention, and through further referral by existing to other interested customers contribute toward good networking for future customer base expansion.

5. To create good reputation and sound business conduct

The company engages in used vehicle hire purchase finance business for more than 35 years, and has been well known to customers, vehicle distributor, or used vehicle dealerships. The company's reputation, soundness, and efficiency in business engagement over the years, creates credibility toward customers. In this regard, the company upholds the business conduct of honesty, truthful, with ethics toward all relevant parties, and maintaining company's good reputation. For the year 2002 the company has been selected as business entity who upholds consumers' right for a fair contract toward consumer from the Office of the Consumer Protection Board. The company recognizes the importance of business engagement under the good governance principle continuingly for sound growth, and creates stakeholder confidence. During the years 2020, and 2021 the company scored a 5-star rating from the listed company governance survey project undertaken by the Thai Institute of Directors.

6. To recognize the importance and timely of a reliable information system

The speedy available of information and good customer verification system are an important aspect in credit extension services. The company has developed working system that may access information and various data efficiently, and modern information retention in the computer system allowing fast information retrieval. Furthermore, the company has been a member of the Thai Hire Purchase Association, and member of the National Credit Bureau for the benefit of news and information, exchanging views among members including the opportunities in professional development continuingly into the future.

Pricing Strategy

The company does not maintain competition policy on the basis of interest rate but shall establish rate of interest appropriately and acceptable to customers earning profit to the company and being competitive in the market. The company shall consider various factors, competitors' interest rates in formulating customer deposit

or down payment requirement, and installment amounts which the customer shall continue to pay. These factors are:

1. Company's finance costs
2. Company's operating expense
3. Type, makes, and models of vehicle, year manufactured, condition, and life of the vehicle
4. Debtor characteristics, and guarantor specifically in the event customer with residency outside Bangkok and metropolitan area or customers with residency outside office district with upcountry branch office location which may be at risk on debt follow-up. The company shall charge a higher rate for these types of customers.

Channel of Distribution

Customer may apply for credit from the company in two ways namely:

1) Contact used vehicle distributors who are company trade partners presently consisting of around 1,500 dealerships all of whom are located in Bangkok, and metropolitan area, and 3 more eastern branches namely Choburi, Chantaburi, and Pataya, and more than 50% of the used vehicle dealerships have referred customers to the company regularly which normally the company dispatches credit officers to provide services at dealership sites for customer convenience or where no such officer available, the dealership shall contact the company for dispatch of officer to the dealership site. In future, there shall be appointed agents to handle customers in place of branch operations.

2) Contact the company direct based on advice learned from existing customers of the company as per company website including information from other advertising media.

Over the years, the company has provided services through the 1st channel up to 90% without relying on any specific dealership more than 30% of the credit extension.

As for the used vehicle dealership selection criteria for company's trade partner in the hire purchase business, the company shall consider reliability, financial position, and soundness of business including used vehicle quality.

Competition

In vehicle hire purchase business, there are various groups of companies involved for example bank group, manufacturer subsidiaries, hire purchase and leasing companies, and vehicle dealerships.

Banks and vehicle manufacturers emphasize credit extension for vehicle hire purchase to generate revenue from interest differential in which certain institutions shall provide hire purchase finance only for new vehicles, certain others shall provide hire purchase finance for both new and used vehicles. As these companies have competitive edge through existing customer base, low-cost funding, they are able to compete on interest rate reduction, providing high financing amount, reduction of down payment, financing in excess of vehicle values, and extended installment terms. During the year 2019-2021, hire purchase rate of interest for used vehicles were 3.5-10.5% depending vehicle life, and installment terms, and hirer residency. Down payment rates have declined from the former rates of 25-30% of market price to 0-10% including promotional campaign

responding to market condition to entice customer application for hire purchase finance. Presently a number of companies emphasize development of a digital platform to facilitate credit application including approval consideration.

The company does not engage in price or interest rate reduction competition policy. The company adopts flexible policy, good services, and speed for customers as the company has been flexible, with long acquired experiences in the business, the maintenance of good relationship with vehicle dealers who provide referral for customer credit application, as well as existing customers who used to engage in hire purchase finance with the company, and refer new customers as well.

Industry trend

New domestic vehicle sales statistics:

number of vehicles

Passenger Vehicle Sales	2015	2016	2017	2018	2019	2020	2021
1) Passenger vehicle	383,041	388,759	459,243	544,920	* 533,631	387,914	353,757
2) Commercial vehicles	389,447	351,593	385,319	467,577	* 450,888	380,525	353,213
Total	772,488	740,352	844,562	1,012,497	984,519	768,439	706,970
Rate of changes	(9.56%)	(4.16%)	14.07%	19.88%	(2.76%)	(21.95%)	(8.00%)

Source: The Bank of Thailand; *BOT revision on 29 January 2021

New vehicle sales for the years 2020, and 2021 totaled 768,439, and 706,970 vehicles, a decline by 8%. Current outlook for new vehicle sales remained affected by the global Covid pandemic resulted in the short supply of electronic chips for the manufacturing of vehicles adversely affected volume of manufacturing and sales of new vehicles including economic reliance on trade and service primarily. This was affected by the lockdown and resulted in the economic interruption rendering decline in new passenger vehicle, and commercial vehicle registration. The used vehicle market experienced upward price adjustment as their usage at present has not been short, still with valid warranty, and purchasing power of most consumers remain stagnant, occurring along with more stringent credit extension policy rendering credit approval more difficult against the desire for vehicles. For the year 2022, there are still opportunities for improvement after a wider vaccination coverage of the general public resulted in the gradual economic recovery.

The electric vehicle – BEV will affect the used internal combustion engine vehicles and shall become an important factor that all relevant companies shall have to take into account for planning purpose. The increasing in size of the new electric vehicle market may become widely acceptable, and hence affect the demand for used internal combustion engine vehicles.

(3) Acquisition of Products and Services

Sources of funding

Sources of funding of the company as at 31 December 2019, 2020, and 2021 comprised:

Unit in Baht million

	2021		2020		2019	
	Amount	Proportion %	Amount	Proportion %	Amount	Proportion %
Short term loan*	1,928.03	40.82	2,281.69	39.05	2,892.39	39.71
Long term loan	963.03	20.39	1,810.87	31.00	2,505.32	34.40
Total borrowings	2,891.06	61.21	4,092.56	70.05	5,397.71	74.11
Shareholders' Equity	1,832.17	38.79	1,749.63	29.95	1,885.31	25.89
Total	4,723.23	100.00%	5,842.19	100.00%	7,283.02	100.00%

*Remarks: Short term loan for the years 2019, 2020, and 2021 included current portion of long-term debt amounted to Baht 1,684.75, 1,777.66, 1,399.45 million respectively, and included O/D, other short-term loans.

Sources of funding for the year 2021 was accounted for by shareholders' equity 38.79% of total, and 61.21% borrowings. Loans were from commercial banks secured by land and property mortgage, assignment of receivables of part of hire purchase contracts, and loan from related parties via issuance of bill of exchange, and debenture as well.

Issuance of bill of exchange for the whole year 2021 from 13 January 2021 to 9 December 2021 comprised specific short-term bill of exchanges with below details:

Rank	# of BE	Baht million	Issued date	Maturity	Tenor days	Rate of interest
1	1	20	13 Jan.2021	12 Jul 2021	180	3.15 %
2	1	30	21 Jan.2021	20 Jul 2021	180	3.15 %
3	1	20	1 Mar 2021	30 Aug 2021	182	3.15 %
4	1	10	2 Mar 2021	1 Sep 2021	183	3.15 %
5	1	20	23 Mar 2021	22 Sep 2021	183	3.15 %
6	1	20	7 Apr 2021	6 Oct 2021	182	3.15 %
7	1	15	22 Apr 2021	21 Oct 2021	182	3.15 %
8	1	60	7 May 2021	5 Nov 2021 *	182	3.15 %
9	1	20	10 Jun 2021	9 Dec.2021 *	182	3.00 %
10	1	30	12 Jul.2021	11 Jan 2022 *	183	3.00 %
11	1	30	20 Jul 2021	19 Jan.2022 *	183	3.00 %
12	1	30	21 Oct 2021	20 Apr.2022 *	181	3.00 %
13	1	15	27 Oct 2021	26 Apr 2022 *	181	3.00 %
14	1	30	5 Nov 2021	5 May 2022 *	181	3.00%
15	1	15	11 Nov 2021	10 May 2022 *	180	3.00 %
16	1	20	23 Nov 2021	23 May 2022 *	181	3.00 %
17	1	20	9 Dec 2021	8 Jun 2022 *	181	3.00%
Total		405				

Remarks: approved by BOD 6/2563, and 5/2564;

* As at 31 December 2021, 8 BEs remained outstanding amounting to Baht 190 million

Debenture Issuance The company used to arrange funding through issuance and offering for sale to individuals and legal entities within the amount limit of Baht 600 million on 5 October 2018, the amount of which has matured and repaid in full to investors on 5 October 2020.

As at 31 December 2021, the company has no obligation under debenture.

Credit Extension

The company engages in hire purchase finance, the main business which generates revenue, creates growth and soundness to the shareholders' equity. The company has credit policy emphasizing customer quality considering the ability to repay coupled with creditability of guarantor. Issues being considered comprise source and soundness of the professional income, residency or customer office location, reviewing of customer and guarantor detailed background, including official supervision on each step with care (details per section for product and service)

Sourcing of Fund or Borrowing via Related Parties to Executives or Major Shareholders

The company borrows to increase liquidity through issuance of specific short term bill of exchange via related individuals to executives and major shareholders on 31 December 2021 amounting to Baht 190 million, as reported to the Securities Exchange Commission (SEC) (details per source of funding section, item 12. Related parties (2) borrowings).

Issuance of BE and offering for sale to major shareholders on 31 December 2021 comprised Baht 190 million with below details:

Rank	BE #	Baht million	Issued date	Maturity	Tenor days	Rate of interest
1	147	30	12 Jul.2021	11 Jan 2022 *	183	3.00 %
2	148	30	20 Jul 2021	19 Jan.2022 *	183	3.00 %
3	149	30	21 Oct 2021	20 Apr.2022 *	181	3.00 %
4	150	15	27 Oct 2021	26 Apr 2022 *	181	3.00 %
5	151	30	5 Nov 2021	5 May 2022 *	181	3.00%
6	152	15	11 Nov 2021	10 May 2022 *	180	3.00 %
7	153	20	23 Nov 2021	23 May 2022 *	181	3.00 %
8	154	20	9 Dec 2021	8 Jun 2022 *	181	3.00%
Total		190				

Investment

Apart from the 15% equity holding in Premium Service (Thailand) Co., Ltd., an affiliate within the Group, the company has no other investment holding.

(4) Assets Deployed in the Business Engagement

Assets deployed in the business engagement comprise receivables, repossessed vehicles pending disposal, land and building, and office equipment at HO, office building space, and equipment under lease contracts etc.

Details as presented per attachment 4, Assets deployed in the business.

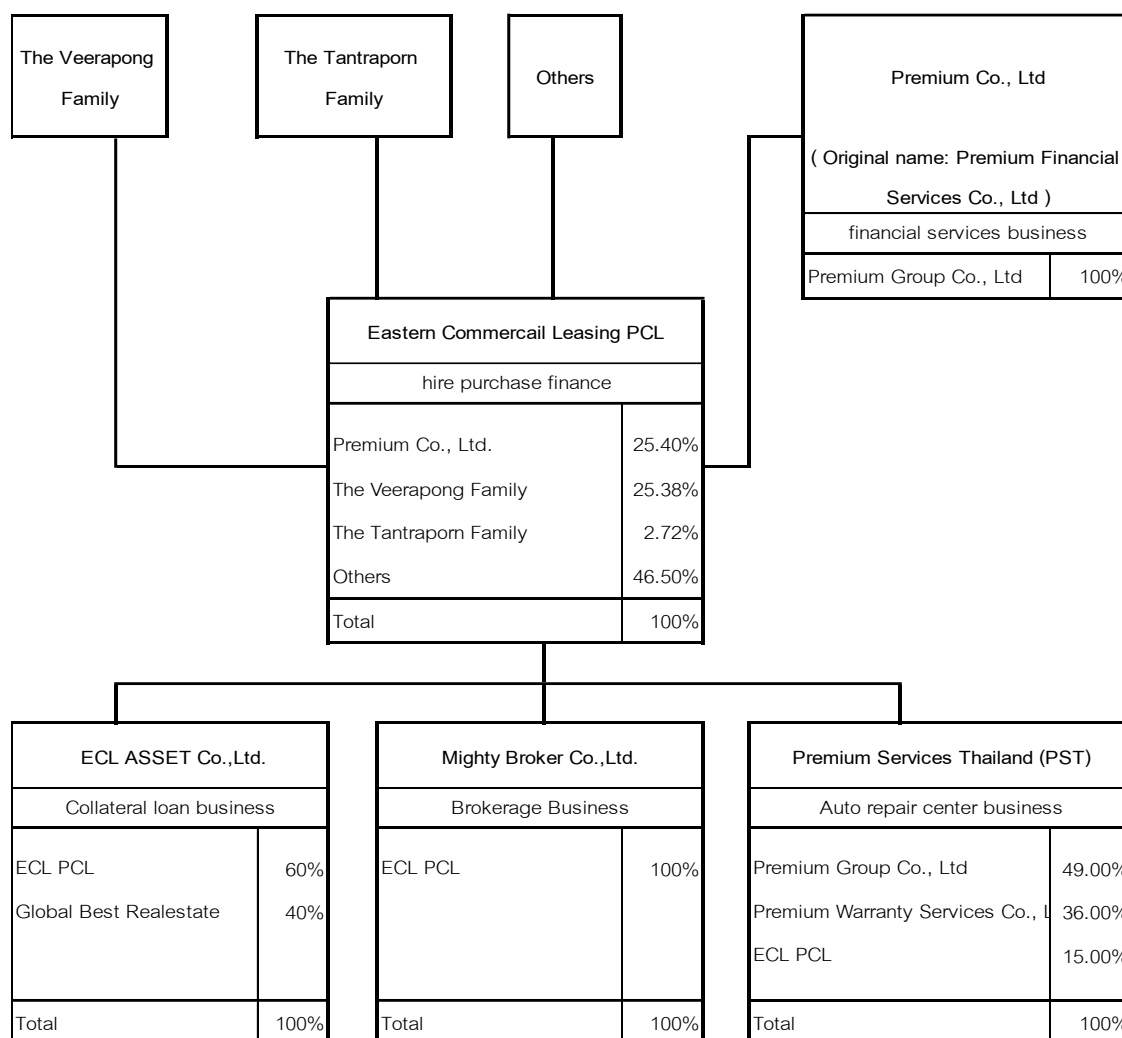
(5) Works Pending Delivery for Specific Project or item of High Value or Time Consuming for Delivery

- None -

1.3 Group company shareholding structure

1.3.1 Group company shareholding structure

Business group structure



Eastern Commercial Leasing PLC was founded in 1982 (ECL) to engage in used vehicle hire purchase finance. Business has grown over the past 20 years and on 15 September 2003, the company has been registered as a public company with main shareholders consisting of the Veerapong, and the Tantraporn, and subsequently become a listed entity in the securities exchange on 1 March 2004.

On 11 May 2016, Premium Financial Services Co., Ltd. (Japan) (PFS), a company engages in vehicle credit finance and used vehicle spare part warranty, has acquired ECL's ordinary shares accounting for 25.5% of ECL's total paid up capital. ECL's registered capital rose to Baht 1,095,745,395 with paid up capital amounting to Baht 798,358,500.

On 31 December 2021, the company's registered and paid up capital amounted to Baht 1,108,859,002. ECL held investments in three companies namely:

1.3.1.1 ECL Asset Co., Ltd. is engaged in 'the land for cash' business, essentially loan extension secured by land collateral under either registered mortgage or land sales with the right for redemption, with land title deed

retained at ECL. The company was formed on 27 March 2018 as a joint venture between two holding companies namely ECL, and Global Best Real Estate Loan Co., Ltd. (GB), under joint venture agreement with joint voting right, appointment of authorized directors, management and profit (loss) sharing from operating results pro-rata to shareholding of 60: 40 respectively.

On 31 December 2021, ECL Asset Co., Ltd. has had registered capital of Baht 80 million, Baht 60 million of which was paid-up, with ECL holding 60% of the company's equity amounting to Baht 36 million. Consolidated financial statements reported investment amounted to Baht 70.01 million, Baht 34.01 million in excess of investment amount of Baht 34.01 million as a result of pro-rata profit sharing recognized on an equity method (part of the details reported under section 8.1.3 Subsidiaries and Affiliate Oversight)

1.3.1.2 Mighty Broker Co., Ltd. is an ECL held 100% subsidiary, engaged in insurance brokerage business, founded on 20 November 2019 with registered and paid-up capital of Baht 5 million.

Mighty Broker has been granted casualty insurance brokerage permit on 28 August 2020, and life insurance brokerage permits on 16 December 2020, and commenced operation in the month of November 2020. The separate financial statement as of 31 December 2020 presented "Investment in subsidiaries" value of Baht 5.0 million. On 31 December 2021 Mighty Broker reported operating profit of Baht 3.64 million (details per part of section 8.1.3 subsidiary and affiliate oversight).

1.3.1.3 Premium Service (Thailand) Co., Ltd. (PST), formerly Eastern Premium Service Co., Ltd. (EPS), is engaged in the repair and maintenance service center for motor vehicles founded on 16 November 2016. The company has been a joint venture with entitlement of shareholder voting right, authorized director appointment, joint management, and sharing of profit and loss pro-rata to investment holding.

On 31 December 2018, ECL proportion of investment holding accounted for 54.55% of registered capital of Baht 37.5 million or Baht 20.4 million.

In 2019, as EPS remained in the continuing loss position, ECL Board of Directors decided to reduce ECL's investment holding to 15%, with company status changed from a 'joint venture' to 'other investment', holding 89,760 shares, investment amount reduced to Baht 7,461,300, with joint venture cancellation memo entered into between parties. ECL no longer appointed directors in PST operations. As at 31 December 2019, consolidated financial statements reported 'other investment' comprising 89,760 shares amounted to net investment value of Baht 2,694,292.72 (cost of Baht 7,461,300 deducted by impairment provisioning of Baht 4,767,007.28). As at 31 December 2020, consolidated financial statements reported 'other non-current financial assets' of 89,760 shares amounting to investment value of Baht 2.02 million.

As at 31 December 2021 from year end 2020, ECL held net investment in its consolidated financial statements under heading 'other non-current financial assets' amounted to Baht 2.02 million. As PST operating results in 2021 incurred losses continuingly, as at 31 December 2021, the value declined to zero. ECL has provided for impairment for this business for the full value of Baht 2.02 million.

Locations of legal entities held by the company from 10% or higher of their issued and subscribed shares

1. ECL Asset Co., Ltd.

Number 89 AIA Building, Floor 12A, Room 1205, Ratchadapisek Road,

Din Daeng Sub-District, Din Daeng District, Bangkok 10310

Phone: 02-641-5252

Type of Business: 'Land for cash' loan credit secured by land mortgage and sales with right of Redemption

Company registration number: 0105561056335

Capital and type of shares:

Registered capital: Baht 80,000,000

Ordinary shares 800,000 shares with Baht 100 par / share

Paid up capital: Baht 60,000,000

2. Mighty Broker Co., Ltd.

Number 976/1 Soi Rama IX Hospital, Rim Klong Samsen Road, Bangkapi Sub-District, Huay Kwang District, Bangkok 10310

Phone: 02-641-5252

Type of Business: insurance brokerage agent

Company registration number: 0105562196220

Capital and type of shares:

Registered capital: Baht 5,000,000

Ordinary shares 50,000 shares with Baht 100 par / share

Paid up capital: Baht 5,000,000

3. Premium Service (Thailand) Co., Ltd.

Number 89 AIA Building, Floor 12A, Room 1205, Ratchadapisek Road,

Din Daeng Sub-District, Din Daeng District, Bangkok 10310

Phone: 02-050-8862, Facimile: 02-050-8861

Type of Business: motor vehicle repair and maintenance center, and spare part warranty business

Company registration number: 0105559180172

Capital and type of shares:

Registered capital: Baht 32,912,000

Ordinary shares 598,400 shares with Baht 55 par / share

Paid up capital: Baht 32,912,000

1.3.2 Individual who may have conflicting interest, holding shares in subsidiaries or affiliates in aggregate in excess of 10% of the company's voting shares

- None -

1.3.3 Relationship of Major Shareholders with the Group Companies

By nature of the company's core business engagement, the company has not been in competition with the major shareholders, no business relationship with or involved in material business operations of the major shareholders.

1.3.4 Shareholders

(1) List of Major Shareholders

List of the 10 largest major shareholders as at the close of company's registry on 5 January 2022

Rank	Name List	Number of Shares Held	percent
1	Premium Financial Services Co. Ltd.	281,646,350	25.40
2	The Veerapong Family	281,346,355	25.38
3	Thai NVDR Co., Ltd.	81,372,478	7.34
4	Mr. Chailaksana Kanan	43,019,500	3.88
5	The Tantraporn Family	30,103,100	2.71
6	Miss Jerdnang Thamchuanviriya	27,800,000	2.51
7	Mr. Veerapan Chakpaisarn	14,000,000	1.26
8	Korat Industry Co., Ltd.	12,801,500	1.15
9	Mr. Chaiwat Kaetvorachai	11,700,000	1.05
10	Mr. Bancha Kietsuksatit	11,333,600	1.03
11	Others	313,736,119	28.29
Total		1,108,859,002	100.00
Par value at Baht 1/share			

On 5 January 2022, the Veerapong Family shareholder list comprised:

Shareholders	Number of shares	Percent
1. Mr. Precha Veerapong and spouse	86,965,875	7.84
2. Miss Bangornsiri Veerapong นางสาวบังอร	69,282,000	6.25
3. Mr. Prapakorn Veerapong and spouse	47,098,480	4.25
4. Mr. Danucha Veerapong	40,000,000	3.61
5. * Prasartporn Junior Co., Ltd. Ltd.	38,000,000	3.43
Total	281,346,355	25.38

On 5 January 2022, the Tantraporn Family shareholder list comprised:

Shareholders	Number of shares	Percent
1. Mr. Vitaya Tantraporn	20,800,000	1.87
2. Miss Nawan Tantraporn	7,500,000	0.68
3. Mr. Banlue Tantraporn	1,645,000	0.15
4. Miss Yajai Tantraporn	135,100	0.01
5. Mr. Attapilas Tantraporn	23,000	0.00
Total	30,103,100	2.71

Remarks:

* Prasartporn Junior Co., Ltd. is engaged in residential property rental business with shareholders consisting of Mr. Preecha Veerapong holding 3,600 shares accounting for 30%, Mr. Prapakorn Veerapong holding 3,600 shares or 30%, and Mr. Danucha Veerapong holding 990 shares or 8.25%.

1.4 Registered and paid-up capital

1.4.1 Ordinary Shares

As at 31 December 2021, the company's registered capital amounted to Baht 1,108,859,002 comprising ordinary shares of 1,108,859,002 shares with par value of Baht 1 per share, and paid up capital of Baht 1,108,859,002

1.4.2 Other Type of Shares with right and condition different from Ordinary Shares

- None –

1.4.3 Company's Shares or Convertible held as referencing security instrument for the issuance of unit investment fund for the account of foreigner investors

- None -

1.5 Issuance of Other Securities

1.5.1 Convertible securities

- None –

1.5.2 Debenture securities

- None –

1.6 Dividend Payout Policy

Eastern Commercial Leasing PLC Dividend Payout Policy

The company has policy for dividend payout approximately 50% of net profit after corporate income tax, and provisioning for legal reserve each year. Depending on necessity and other future appropriateness for example the requirement to maintain debt to equity ratio in accordance with financial institution covenants. Approval for dividend declared depends on resolution passed at the shareholders' meeting. As for interim dividend declared, the Board of Directors is authorized to pass resolution for such dividend declared if the Board is of the opinion that the company has sufficient profit for such purpose, and subsequently reports to the shareholders for acknowledgement at the next meeting.

Record of dividend payment for the past 5 years (separate financial reports):

Year Dividend Paid	Baht Million Net Profit	Baht Dividend Paid / share	% Payout Ratio	Paid from Retained Earnings
2559	26.32	-	-	0.05
2560	124.17	0.04	35.72	-
2561	142.81	-	-	-
2562	110.32	-	-	-
2563	51.30	-	-	0.10

Dividend payout policy of subsidiaries

Subsidiary dividend payout policy shall be considered by each subsidiary from available cash flow, cash fund balance in comparison with investment budget of each subsidiary. If cash flow is available in sufficient amount, and legal provisioning has been provided for, that subsidiary shall consider dividend declared on a case-by-case basis.

RISK MANAGEMENT

2. RISK MANAGEMENT

2.1 Risk Management Policy and Plan

Current business engagement, there exists various factors important to that business and fast changing. Such factors – positive or negative, may impact on the organization. The company recognizes good risk management becomes an important foundation for a sustainable business engagement that creates confidence, enables achievement of objective under the changing environment and society, enhances business opportunity and maintains entity's future competitive potential.

Eastern Commercial Leasing PLC and subsidiaries maintain policy and plan for risk management covering all relevant risks. The company considers the Board of Directors, management, and all employees owner of risks, having duties and responsibilities for studying, analyzing, assessing opportunities and level of severity of impact which may affect company's business operations, seeking measures in preventing, containing, and preparing flexible risk controlling plan corresponding with the constantly changing risk factors, and managing risks efficiently. The company appointed a sub-committee for risk management to perform the duties and be responsible for the company's risk management with the application of the risk management manual as an instrument in creating knowledge, and guideline in the preparation of risk management plan including report on the results of internal control assessment, and risk on a quarterly and annual basis to the Audit Committee and the Board of Directors for risk factor review regularly and entity risk control including business, social, and environment at an acceptable level. For the year 2021, the entity has conducted review of issue, and risk factor regularly throughout the required period.

2.2 Risk Factors Against Business Engagement

2.2.1 Risks against the company or group of companies' business operations present or future

(1) Risk related to the declining trend of used motor vehicle prices

Used motor vehicle finance, even though providing a higher return on interest than new motor vehicle, has a higher risk profile in particular risk of price appraisal, and quality assessment of the used vehicle utilized as collateral.

In the current depressed economic environment as a result of the covid-19 pandemic, consumer purchasing power, and the ability to repay installments have changed. Various scenarios have been assessed for example declining used vehicle price will result in the corresponding declining value of vehicle collateral, declining hirer income may result in the declining credit quality, and increasing vehicle repossession and the public auction after the end of the debt repayment suspension period. It is anticipated that there will be more used vehicles in the market as a result of the aforementioned repossession and public auction, as certain debtors with higher expense and debt burden may not be able to repay outstanding debts. This will result in the declining trend of used vehicle prices and higher risks (Source: Nataporn Sajavitvisarn, Fiscal Policy Department, the BOT, September 2020).

Company's Risk Management

The company attempted to reduce this risk through recruiting experienced and knowledgeable team in appraising vehicle value, quality, and specifically for used vehicle marketing, including selecting used vehicle dealers who meet standards, having sound financial standing, and offering sales of quality used vehicle with appropriate prices. This should reduce vehicle quality risks and create confidence in company's customers. Furthermore, the company has policy to extend credit with amount less than market value and increase down payment to reduce this risk exposure. Over the past, the company suffered little from error in vehicle collateral appraisal and quality assessment.

(2) Marketing risks and competition

Competition in the used vehicle hire purchase finance emphasized reduction of interest rate resulted in the continuing declining market hire purchase rate or rising rate less than the increasing lending rates of financial institutions. In particular, for vehicle manufacturer leasing subsidiaries who emphasize hire purchase finance for their new vehicle sale, including commercial bank or financial institution hire purchase subsidiaries or affiliates who have changed their strategy toward financing used vehicles including big bikes to achieve higher interest rate than new vehicles, as well as new entry into the hire purchase market. The company has had increasingly high risks regarding used vehicle hire purchase business competition. This resulted in the declining trend of rate of interests in the used vehicle finance on average at 2.70, 2.70, and 3.5% for the year 2019, 2020, and 2021 respectively.

Company's Risk Management

As a result of such competitive environment, the company adjusted its strategy on used vehicle credit regarding interest rate and down payment considering conditions relating to years of service, make, model of vehicle including credit policy divided by sectors, risk group, and risk area requiring down payment increase by 20-30% on average or high-risk group e.g. air travel group with down payment as high as 50% or certain other high risk group slowdown or suspension of credit extension. The company increases customer selection of the potential with good history of payment group, in which low down-payment may be offered for example, for flexibility corresponding with the present competition, and considering of rate of return to the company. The company has also expanded into commercial vehicle finance e.g. new truck, tow truck as a result of the covid pandemic, and the relaxation measures, the transport system and economic system starting to recover increasingly more than 2020. Nonetheless the company continues to apply its expertise and acquired long service business experiences for good and speedy services to customers, maintenance of alliance, and good return to vehicle dealers, the expanding relationship with used vehicle dealers, and expanding credit extension policy to other types of credit in the future for example personal credit.

(3) Operational risks resulted from non-performing credit risks

The economic environment adversely affected by the Covid-19 pandemic, results in greater risks that the company may encounter customer default on HP contract, and become non-performing loan.

Company's Risk Management

To reduce such risk the company has implemented stringent credit measure at each step, with hirer risk prevention through personal guarantee, and down payment required at an appropriate level corresponding with hirer's risks, and all debtor credit check with information retrieved from the National Credit Bureau for credit extension consideration, stringent debt follow-up including adequate possible bad debt provisioning in accordance company's provisioning standards, along with adequate system of internal control, and good and efficient reporting enable reduction of the non-performing loan problem.

During the years 2020, and 2021, A/R overdue more than 90 days, and under litigation amounted to Baht 564.19 million, and 325.20 million accounting for 9.76%, and 7.10% of total receivables respectively.

During the years 2020, and 2021, as a result of the Covid situation, continuingly affected the economy, the company has established customer assistant measures, in cooperation with the BOT policy through debtor suspension of payment and restructuring, resulted in decrease of overdue customers from prior year. Nonetheless, the company recognizes the risks in such matter and has implemented accelerated measures in all forms to return the overdue A/R to income as much and as quickly as possible through outside contract hiring for collection, repossession of vehicle, and litigation as well.

(4) Risk from repossessed vehicle disposal

During the years 2019, 2020, and 2021, the company repossessed and disposed of 1,097, 1,756, and 1,495 vehicles for value Baht 296.82, 428.94 and Baht 361.47 million accounting for 3.83, 6.59, and 6.57% of all HP contracts respectively. For 2019, 2020, and 2021 loss from disposal amounted to Baht 109.34, 183.43, and 157.84 million respectively (*repossessed vehicle value = A/R balance-unearned interest + repossession cost). Loss for the year 2021 amounted to Baht 157.84 million accounted for 43.67% of cost in whole as a result of vehicle condition, and market demand for used vehicle under the economic environment in which the company shall undertake stringent credit control to mitigate impact.

Company's Risk Management

Repossessed vehicles are disposed off through public auction or sales posting. If sales proceed is insufficient to repay outstanding debt, the company is entitled to demand shortfall payment from debtor or guarantor. In the event such shortfall demand cannot be met, the company shall incur loss from vehicle repossession and disposal. Selling price of repossessed vehicle depends on quality, years of vehicle, and popularity including market condition, and vehicle demand at the time such as changing gasoline price or motor vehicle tax structure. In consideration of credit extension, the company attempt not to over extend the loan amount or allow too low the amount of down payment. Because the proceed from sales of repossessed vehicle may be too low to repay debt outstanding, and will result in losses. Nonetheless, the company has provided for impairment provisioning for vehicle pending disposal which is estimated to be adequate including arranging for auction house engaging in vehicle disposal through auction to reduce reliance on vehicle dealership. At present the company delivers repossessed vehicles for auction at least at 3 external auction houses which should provide greater variety of auction buyers.

(5) Risk Arising from the Volatility of Interest Rate

Hire purchase business generates revenue from fixed interest rate throughout the life of the hire purchase contract while cost of fund is derived from borrowings both fixed and floating interest rates. Changes in the prevailing lending interest rate have a direct impact on cost of fund, and profit of the company. If interest on borrowings increased, the company shall have greater interest burden thus resulted in decline in profitability. With the current floating rate debt amounting to Baht 1,544.21 million, a rise in floating interest rate by 0.50% will result in an incremental rise in interest expense by Baht 7.72 million.

Company's Risk Management

The Company as a matter of policy shall mitigate risk arising from interest rate volatility by sourcing fixed rate funding with low rate of interest that will achieve a profitable interest margin, and concurrently with loan tenor close to the average life of the outstanding credit portfolio.

The proportion of fixed rate and floating rate loan of the Company as at 31 December 2019, 2020, and 2021 is as follows:

Type of Interest Rate	31 December 2021		31 December 2020		31 December 2019	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
-Fixed Rate*	1,346.85	46.59	2,035.10	49.73	2,631.99	48.76
-Floating Rate**	1,544.21	53.41	2,057.46	50.27	2,765.72	51.24
Total	2,891.06	100.00	4,092.56	100.00	5,397.71	100.00

Notes: * Fixed Rate loans consist of part of long-term loan, bill of exchange and debenture issued

** Floating Rate loans consist of bank overdraft, other short term borrowing, and part of long term loan and promissory notes

(6) Liquidity Risks

The company's source of fund comprises shareholders' equity, borrowings from 8 financial institutions, and through debenture issuance as at the end of 31 December 2020, and 2021 in the following proportion:

	2021		2020	
	Baht million	Percent	Baht million	Percent
Shareholders' Equity	1,832.17	38.79	1,749.63	29.95
Borrowing				
- Short Term Loan*	1,928.03	40.82	2,281.69	39.05
- Long Term Loan**	963.03	20.39	1,810.87	31.00
Total Borrowing	2,891.06	61.21	4,092.56	70.05
Grand Total	4,723.23	100.00	5,842.19	100.00

Note: *Short Term Loan consists of overdraft, other short-term borrowings, current portion of long-term loan, promissory notes and bill of exchange

The company relied on commercial bank funding accounting for 61.21% of the company's working capital. In the event financial institutions demand repayment of the short-term borrowings, the company may have risks for inability to repay its debt and commitment at maturity. The company may be at risk also for inability to source adequate funding against demand in a timely manner or able to source funding but at a cost beyond acceptable level which may affect company's earnings.

Company's Risk Management

As a matter of policy, the Company mitigates this risk by utilizing long term credit facilities with repayment term corresponding to the cash flow receipt from customer installment payment. The Company also controls receivable collection efficiently to mitigate risk of the disparity between source and use of fund. As at 31 December 2021, total liabilities due within one year (including overdraft and short-term loan) amounted to Baht 1,928.03 million, comparing with portfolio installment receivable due within 1 year amounted to Baht 2,019.97 million, which was more than Baht 91.94 million, the company should be able to arrange for repayment funding. As for the liabilities due over one year and up to two years amounted to Baht 654.75 million, comparing with installment due for collection within one year and up to two years of Baht 1,574.02 million, which amounted to more than 919.27 million baht, the Company has adequate funding sources to meet its debt obligation during the said periods. (Details of the relationship between the source and application of fund appears on section 3, item 4.1, Analysis and Explanation of Management)

(7) Risks of Potential Increasing Future Debt Obligation

During the year 2021, the company extended credit amounted to Baht 1,388.20 million or Baht 115.68 million averaged on a monthly basis. As at 31 December 2021, total liabilities stood at Baht 3,017.21 million, shareholders' equity Baht 1,832.17 million, debt to equity ratio of 1.65, decreased from prior year of 2.41. For the year 2022, credit target shall be Baht 150-200 million per month, for business growth corresponding with the economic environment, and company's current liquidity position. The target is greater than the year 2021 by 30%. The company may be in need of additional borrowings in the future. The company has been granted approval from 5 commercial banks to increase its DE ratio covenant from 3 to 4 (the ratio of liabilities to equity). There are still risks of maintaining the ratio not to exceed the 3-4 range or to stringently comply with lending conditions and covenants of all lenders. If the company is not able to comply with the lending conditions, creditors may slowdown on credit extension support, and the company may encounter liquidity problem.

Company's Risk Management

Apart from reliance on financial institutions for loan support, the company has policy to seek funding alternatives from other sources appropriate to the business undertaking for example low-cost loan, liquidity support fund, issuance of debenture including planning and cash flow estimate for borrowing to maintain liquidity in relation to hire purchase credit extension, and administration of the shareholders' equity for sound capital fund and profit growth for an appropriate proportion (debt to equity) for financial institution credit extension for the best interest of the company and shareholders as a whole.

(8) Risk on reliance on individuals with special expertise

Because used vehicle credit extension relies on individuals with expertise in marketing credit who are well knowledgeable and experience in appraising and market valuation of the used vehicles both motor vehicles and big bike motorcycles. This includes maintenance of good relationship with used vehicle dealerships and experience and skillful personnel in the collection and vehicle repossession business. Currently competition includes bank, non-bank, and increasing number of private entities who engage in used vehicle sales who are ready to provide credit support in the form of websites access. There is increasing demand for personnel in sales, and collection, who have potential and therefore without qualified individuals with appropriate qualification for replacement, may have impact on company's operations and business opportunities.

Company's Risk Management

The company has individuals responsible for credit marketing totaling 65 individuals and collection totaling 45 individuals, and outsourcing for payment demand, follow-up, and accelerated collection, which are appropriate and sufficient for current portfolio administration. Nonetheless the company recognizes the importance of human resources retention providing with incentive measures to those personnel to remain with the company for the long term to mitigate risks of personnel departure, with the clear career plan structured internally including appropriate compensation commensurate with level of knowledge and skill of each individual and in comparison with other companies in the same industry, and maintaining good relationship to enable employee participation and having ownership in the company.

(9) Risks on information technology and cyber security protection

Current society is in the age of cyber, with various operating system communicated via electronic means which rely on computer and internet networking having important part in the drive toward modern business undertakings and competitive capability. Furthermore, the widespread Covid-19 situation requires companies to adapt to work from home, be able to work off-site, or from home to enable business to continue to function. Such change may result in loophole and cyber threat of which it may involve an attack, or leakage or unauthorized copy of company and customer information. Such information needs protection against leakage and all Thai companies must comply with relevant rules, regulation, and law e.g. computer crime law, cyber security law, and The Personal Data Protection Act. If the company fails to control risks on information protection adequately, it may result in damages from cyber attack e.g. customer and employee private information theft for ransom rendering company liable, negatively impact on company's financial standing, reputation, and creditability or penalty for law non-compliance.

Company's Risk Management

The company recognizes cyber threat which at present existing in various forms and may have resulted in increasingly severe impact. The company has undertaken in various aspects to mitigate such impact and chance that the operating system of the company (online) may be under threat or attack by ill-intended individuals. The company has prepared policy and guideline on information technology security to maintain

good internal control on system of information technology, security, accuracy, and reliability enabling continuing operations and protection of information which is confidential both customer and other private individual information. The company maintains strict security control for example firewall, access right within time limit, information backup, along with detection of unauthorized network access. Furthermore, the company encourages learning regarding application of information technology for employees continually via internal communication channels to enable all employees understanding and knowledgeable in application of technology properly and safely from cyber-attack.

(10) Risks from changing law and government policy

The company is engaged in used vehicle hire purchase finance, and insurance businesses with adherence to honesty, transparency, and ethical conduct in accordance with good governance principle in compliance with the law, and government policy, and other relevant regulatory authorities for example debt collection act BE 2558, Anti-Money Laundering Act BE 2542 (Revision), Personal Data Protection Act, notification of the credit information committee, Office of the Consumer Protection Board notification, Ministry of Interior notification regarding fees rate or any expenses incurred as a result of debt collection. Compliance with law and government policy may affect return and company's operating results or in certain cases non-compliance or error may result in customer complaint against the company or authority audit which may result in defamation or subject to penalty.

Company's Risk Management

The company has formed a sub-committee having oversight on company's operations to perform the duties of follow-up closely and reporting on changes in government policy, law, rule, and regulation working with internal audit function to be prepared and with business plan modification corresponding with such changes appropriately. Furthermore, the company is a member of hire purchasing business association in order to participate in the listening, expressing opinion as a member toward the policy and the law being implemented.

The company has arranged for training, communication, and testing of knowledge and understanding among employees at all levels to enable all employee conduct in accordance with regulation and rules with understanding, accurately, and timely.

2.2.2 Risk to investor for the investment securities

Risk as a result of major investors holding shares in excess of 25% of ordinary shares issued and subscribed

The company has major shareholders consisting of the Veerapong family, the Tantraporn family, and Premium Financial Service Co., Ltd. (PFS) the latter of whom holding 25.50% shares through capital increase by issuing of new shares during the year 2016, and as at 31 December 2021, the proportion of shares stood at 25.4%, which upon combination with the other major shareholders, the three groups in aggregate holding more than 50% which have almost complete controlling votes at the shareholders' meeting except for matter required

by law or articles to be at least 3 quarters of the vote at the shareholders' meeting. Other shareholders may not be able to compile enough votes to call for an audit, or counter balance the major shareholders' agenda.

Company's Risk Management

The company maintains an equal treatment policy against all shareholders, with fairness, and for the best interest of the company, and shareholders as a whole in accordance with the good governance principle which the company has strictly adhered to. The company recognizes the importance of minority shareholders' right to participate in the meeting. The Chairperson has provided opportunities and encourages shareholders to exercise their right to express opinion, propose director candidates or submit enquiry about company's operations fully, and participate in voting for all agenda equally. Within the invitation documents, objectives and reasoning have been clearly presented, along with Board of Directors' opinion sufficiently and appropriately to enable shareholders utilizing such information as basis for decision making. Furthermore, in the event the company proposes related party transactions of the size requires approval at the shareholders' meeting, parties with vested interests as related parties in accordance with announcement of the regulatory authority, shall have no right to vote in such matter, in the aforementioned agenda.

2.2.3 Risks in the investment in foreign securities

- None -

Business Driven Toward Sustainability

3. Business Driven Toward Sustainability

3.1 Policy and Objective on Sustainability Management

The company recognizes good governance principle including responsibility toward stakeholders throughout the value chain in all dimensions – environmental, social, and corporate governance with the company establishing and implementing the sustainability development. The Board establishes corporate social and environmental responsibility as the main policy for business undertaking which all employees must comply. The company recognizes the importance of the entity's continuing responsibility toward the society, and its environment, adherence to business engagement considering interest and impact toward society, the environment and the stakeholders including good participation with society and community. Furthermore, the company has promoted employee conscientious at all levels recognizing the importance of community, society, and the environment via the public relation system of the company including providing opportunity for employees including trade partner to participate in the various project creation regularly annually with the intent on rendering the highest benefit for the society and the environment. For the year 2022, the company shall undertake to improve and prepare relevant policies in the drive toward sustainability business engagement development objective.

3.2 Impact Management toward Stakeholders in the Company's Value Chain

3.2.1 Business Value Chain

The company is engaged in financial service business through the used vehicle hire purchase finance business, and insurance policy renewal service. Primary activities comprise:

- (1) Inbound logistic management, credit and insurance product design and development appropriate with the company and consumer objective, considering sourcing of fund and borrowings, entities engaging in vehicle trade, and insurance companies.
- (2) Operations to provide up to standard, convenient, speedy, and fair financial services to trade partners, and customers in accordance with relevant rules including system and technology development to ensure security in financial services.
- (3) Outbound logistic management to provide customer services via company's head office, branches, and vehicle service center or vehicle dealership where customers apply for credit.
- (4) Marketing and sales to provide complete and clear product service and information sufficiently for customer decision making.
- (5) Customer Services after sales with provisioning of payment receipt information, payment status report, debt balance inquiry, listening to suggestion, opinion, and product and service complaint, and customer private information protection.

Supporting activities to enable achievement of the above objectives consist of all department entity structure administration including accounting, finance, law and collection, procurement, information technology, business development, human resources, through recruitment, selection of quality

human resources appropriate to the job position, with growth potential. This includes also system and technology development to support functioning, and enhancing competitive potential, and business development to compile, assess, analyze information for product development, and business expansion with all business components operating under the company strategy and objective to enable achievement of objective with efficiency.

3.2.2 Stakeholder analysis within the business value chain

Relationship between the organization and stakeholders

Exhibit depicts relationship between the organization and stakeholders

Stakeholder	Channel of Communication	Need/Expectation Examples	Company Response Guideline Example
Shareholders/ Investors	- Shareholders' meeting - Analyst meeting - Various Information disclosure per regulatory requirement - Company visit - Investor meeting through participation in certain activity - Company Secretary, and investor relation unit, contact channel establishment - Company website - information, lead, and complaint submission	- Trusting company administration, providing funding support through capital increase for sustainable business growth - Financial return (dividend and share value) good operating results, and steady dividend payment - Business engagement and administration with fairness, transparency in accordance governance principle	- Administration through ethical conduct, and good governance principle - Business engagement with due care for the sustainable growth - Equal treatment toward shareholders, and monitoring shareholders' right responsibly by the Board of Directors - Investor relation unit has the duty of information and news disclosure, accurately, complete, pervasive, and performing duties with due care - Comprehensive risk management with regular risk factor ID and modification - Certified as member of the Collective Action against Corruption, a private sector coalition against fraud and corruption
Creditor	- Agree to execute loan agreement - Creditor meeting - information, lead, and complaint submission	- Compliance with terms and condition of the agreement - Proceeding with repayment strictly with term and punctual - Maintenance of honesty, transparency, professionally in business engagement	- Fair treatment with creditor, transparent in accordance with terms and conditions of the agreement - Conduct in accordance with financial liquidity management plan - In the event company policy changes, the unit directly responsible shall be assigned the task of forwarding letter / arranging for meeting to clarify/create understanding for such matter with creditor in compliance with company policy

Stakeholder	Channel of Communication	Need/Expectation Examples	Company Response Guideline Example
Trade partner	- Disclose clearly company standard policy and practice guideline for treatment with customer - Agree to execute loan agreement - Trade partner visit - Information, lead, and complaint submission channel - Management meeting with trade partner to nurture a good and sustainable relationship to listen to problem and find improvement resolution with trade partner	- Maintain good relationship - Fair return on business - Maintenance of honesty, transparency, professionally in business engagement - Strict compliance with trade terms and condition for vehicle and expense payment punctually	- Maintain policy and procedure for the selection of trade partner, agent, various service providers with fairness and clarity, and in accordance with trade terms. - Discussion and negotiation with trade partner to enable achieving a mutually satisfactory cooperative agreement - Implement internal audit function performing audit and control to ensure compliance with policy against fraud and corruption practices - Intent on creating good relationship with trade partner, as means to maintain market position, and best interest of both without contradiction with moral value or tarnishing company' s reputation
Customer	- Customer satisfaction survey - Complaint and suggestion submission channel - Customer visit by Management or its representative to nurture a good and sustainable relationship	- A fair hire purchase contract - Compliance with terms and condition of the agreement - A standard and quality service - To provide complete and true product information - Speedy product delivery - To maintain customer satisfaction - To protect private personal information	- To provide advice regarding vehicle purchase and application for hire purchase credit finance - To provide convenience and speed - To arrange for customer purchase of insurance coverage with a sound insurance company - The company arranges for hire purchase contract with terms and conditions appropriately and fair to customer. - To respect customer's right to take possession of and use of vehicle, and receipt of hire purchase vehicle registration - To develop product and service with responsibility and appropriate for customer - To comply with the debt collection act, money laundering act, and other relevant laws. - To protect private personal information, and maintain cyber security

Stakeholder	Channel of Communication	Need/Expectation Examples	Company Response Guideline Example
Employee	- Employee satisfaction survey - Complaint and suggestion submission channel - To arrange for training and development for knowledge, potential enhancement, and operational skill - To arrange for various labor relation activities - Entity governance, and ethics manual, and employee manual - To communicate announcement, order, various public relation news through activity board, group line, or email.	- A good and appropriate compensation and fringe benefits - There is safety and good working environment - There is training and development for employee potential - Job security and advancement - To participate in development planning in accordance with the individual position level and responsibility - To attend to complaint and respect for human right	- There is improvement in employee fringe benefit regularly to be appropriate to the present environment for example low interest rate employee loan - The appointment of an employee welfare committee with tenor of 2 years to act as employee representative - Development and improvement in the administration of occupational safety, health, and work environment - There is policy encouraging management and employee participation in training/ seminar, enhancing essential knowledge and skill - Arrange for performance assessment (KPI) - Arrange for position succession plan for employee professional advancement - Employee rotation plan to enable employee who wishes to transfer, or learn other work function, to move to department of their desire with approval from relevant departments
Competitor	- To participate in Thai hire purchase business association - Information, lead, and complaint submission - news media	- To engage in business with ethics and professionalism	- To engage in business and compete with transparency, fair, without misinformation to discredit, false accusation or harassment of competitor - To arrange for regulation, and marketing staff and related, training to conduct their duties with ethics without conflict of interest with the business of the company - To create cooperation among employees to enhance development in the industry

Stakeholder	Channel of Communication	Need/Expectation Examples	Company Response Guideline Example
Community, society, and environment	- Complaint and suggestion submission channel from stakeholders - Public charitable activities, community development, and various campaigns - Public relation, information and news distribution for understanding	- Business engagement with concern for community, society and the environment nearby and at large without negative impact on them. - To care, develop, and promote continuingly quality of life in the community and society - To participate with the community and society with openness listening to idea and suggestion.	- To engage in business under the policy of responsibility toward society and the environment with regular appropriateness review - To organize activities for the community, society, and environment, with employee participation to access nearby community creating exchange of understanding - To create conscientious toward promoting organizational culture that values responsibility, recognizing various impacts on the community, the society, and the environment. - The appointment of the sub-committee for social and environmental responsibility, having the duties and responsibility in handling complaint, monitoring and reporting to the Executive Committee
Authorities/ relevant organization	- to participate in meeting, training, seminar, exchange of knowledge and information, sharing of skill and experiences - Activities and social networking per agenda and opportunities to strengthen relationship - to contact, coordinate via responsible authorities - Information, lead, and complaint submission	- compliance with relevant law, rules, and regulation - To engage in business with fairness, ethics, and responsibilities toward the community, society, and the environment - To cooperate and support in various aspects	- To engage in business in accordance with the governance principle, and strict compliance with laws, rules and regulation of the authorities - To monitor the changing relevant law and requirement, regular company policy and regulation review to correspond completely and accurately with the law and regulation - To report information completely and in accordance with requirement of laws. - To cooperate to be part of the economic development assistance, the community, the society, and the environment. - To participate in the coalition of the Thai private sector against fraud and corruption (CAC)

3.3 Sustainability Management in the Environmental Dimension

3.3.1 Policy and Practice Guideline for the Environment

To provide guidance in the business engagement toward the sustainable growth within the recognition of the importance of natural resource consumption including the impact arising directly and indirectly toward the environment, the company has prepared the social and environmental responsibility policy. For the year 2022, the company undertakes to increase the importance of social and environmental management and care with the following objectives:

Environmental Management	Short term target (1-2 years)	Operating Plan
Energy Management	To reduce electricity energy consumption by 1-2% in comparison with base year	- Campaign for using stairs instead of elevator. Turn off air-condition 30 minutes prior the closing hour everyday - Prepare electricity consumption as necessary project; prepare PR media for electricity consumption information - Purchase energy saving electric appliances replacing broken down appliances - Create conscientious for appliances care with respect to turning them off after use. - Regular maintenance and inspection of the functioning of electric appliances - Retention of proper electricity consumption information, inspection of branch electricity consumption
Water Management	To reduce water consumption by 1-2% in comparison with base year	- Campaign for electricity consumption as necessary only, take good care of equipment - PR to provide knowledge about water saving guideline, and economical and efficient water consumption - Retention of proper water consumption information, verifiable for all branches
Refuse, waste, and pollution Management	To reduce waste by 1-2% in comparison with base year	- Campaign for recycle of used paper, with sorting of document for reuse without infringement on private personal information protection law - Develop system with emphasis on electronic transactions - Prepare issuing and consumption of paper report for each department on a quarterly basis, posted to company group line media - PR to provide knowledge regarding saving paper guideline with efficiency and disposal of hazardous waste - Retention of proper paper consumption information, verifiable of each department/ branch
Greenhouse gas management	To reduce greenhouse gas release by 1-2% in comparison with base year	- Purchase energy saving electric equipment to replace broken down equipment - Procure equipment produced from environmentally friendly resources - Campaign for useful activities regarding greenhouse gas release for example use of cloth bag instead of plastic bag - Retention of information about material that releases greenhouse gas with nth company for verification and reporting of all branches

3.3.2 Result of activities regarding environment

The company recognizes that its business engagement may be partly responsible for an indirect impact on the environment for example business component related to used vehicles trade in which their quality may be inferior to new vehicle, and would create pollution from vehicle exhaust upon resource consumption which may damage the environment. The company therefore encourages and advises customer, trade partner for self-inspection of vehicle regularly including vehicle maintenance per timing and distance schedule because abnormality may be detected and corrected promptly rather than having a serious problem subsequently. Regular vehicle checkup shall help maintain vehicle in the ready to use status, saving fuel consumption, extending vehicle life, enabling safety driving, and compliance with law including optimum efficiency and useful to vehicle users. The company has open vehicle repair and service centers applying high technology from Japan to create confidence for customers for vehicle maintenance and without creating pollution for the environment. Furthermore, the company provides vehicle warranty product for customers as support in the maintenance of customer vehicle to be in the good working condition, and may reduce customer maintenance expense burden.

The company creates employee conscientious regarding utilization of office equipment, and natural resources – tap water, electricity, telephone, air-conditioner, printing paper efficiently, economical, and worth their value, reduction of usage of chemical solution, and certain chemical which create pollution, electrical equipment inspection, cleaning of air-conditioner, and drink water dispenser at least annually. Employees are to improve on their dressing, or uniforms appropriate with the global warming situation by using products which are environmentally friendly, and utilization of uniform for at least 2 years, recognition of the importance of the activities for the environment, campaigning for reduction of paper use. Paper consumption reduced by 2% in 2021 from that of 2020. There has been also campaigning for segregation of paper and water bottle from trash, modification of used plastic bottle into flower pot and planted with aquatic plants in bathroom at all floors of the company which help filter atmospheric air. As a result of the Covid-19 pandemic, the company has distributed the Antigen Test Kits for Covid-19 to executive and employees for testing prior to entering the work place on the first day of each week. In the event an employee infection is detected, all nearby employees will also be required to apply the ATK testing. The security officer shall be responsible for monitoring, providing advice for the use of ATK, discarding, and hazardous waste separation and disposal.

For the year 2021, the company has not prepared report regarding utilization of electricity, water, trash, and greenhouse gas release.

3.4 Sustainability Management in the Social Dimension

3.4.1 Policy and Practice Guideline regarding the Social aspect

3.4.1.1 Human Right Policy

The company recognizes the practice with regard to the respect for human right stringently and supports the exercise of right as a good citizen in accordance with the Constitution and law. The company establishes practice guide for employees in their behavior with co-workers, and other relevant parties with honor

and mutual respect, with social mannerism having spirit, and being good mutual example. Furthermore, the company treats employs of all levels equally without discrimination regardless of residential originality, nationality, race, ethnics, color, religion, language, or any social status including the respect for privacy, personal information, the independence in performing any activities within the eligible right in accordance with duties, the law and human right with practice guides below:

- Support and respect the protection of human rights in which the company has no policy, not engaged in, and not involved in such infringement e.g. not engaging in nor support the unlawful force labor or child labor.
- Treatment with employees, related individuals, in the surrounding community and the society with respect for human value, recognition of equal human right, taking care of living condition, helping each other when in distress.
- The company has policy for the prevention of sexual harassment, various acts considered to be sexual harassment e.g. verbal expression, criticism related to others' sexual preferences, or undesirable physical sexual expression, hostile expression, threatening in office, or any acts deemed to be sexually undesirable, humorous representation of pornography in office, announcement, distribution, dissemination of information, substance or photograph demonstrating sexual harassment. The company has established penalty for individuals in breach of such matter which shall go through investigative, protection, and penalty consideration procedures.

3.4.1.2 Fair Treatment with the Labor Force

The company is intent on treating labor force or employees fairly by engaging in business in compliance with labor law, human right and ethics principle, recognizing the basic right of the labor force including compensation and fringe benefit for employees appropriately. The company emphasizes occupational safety, health care, and work environment throughout.

- The company provides opportunities for employees at all levels learning, development, enhancing potential, and promotion when opportunities arise appropriately and equally, assessing work procedures, and appraisal regularly, not dismiss or terminate employment based solely on management decision or decision on the basis of discrimination.
- The company provides fairness on consideration for appointment, transfer with due consideration on the basis of individual employees' knowledge, skills, and appropriateness.
- The company hires employees on fair terms. Employees shall receive appropriate compensation in accordance with their potential, compensation, overtime, reasonably with weekly leave, and annual vacation, including pregnancy leave, with employees able to perform to the full potential, and concurrently having time for their family.
- The company shall not encourage force labor, force overtime work in exchange for not being punished or pay deduction.

- The company arranges for channel of communication to listen to opinion, or complaint or providing lead by employees anonymously through drop-box within the company or by email or post to the Audit Committee or the internal auditor or company secretary at the company's address and email address as indicated in the announcement and website.
- The company provides important information to employees to be aware of the company's operating results, status, plan and strategy at the weekly departmental meetings, company monthly meeting, and annual employee meeting.
- The company undertakes and is responsible for process to handle employee complaint, activities which may be in breach of company policy, regulation, articles and law. The Executive Committee shall appoint or assign working committee with the task of compiling factual matters which the individual employee or as a group has engaged in relevant to violation or ignorance to perform in accordance with articles aforementioned. Upon completion of the report, the Executive Committee shall consider order and be responsible to alleviate damage to the parties affected considering damage to the whole as well.
- The company permits independence in expressing opinion, accepts and acknowledges welfare board established by employees through election with terms of 2 years, in accordance with objective for mutual negotiation between the company and employees on every aspect both regarding compensation, and career progress in the department the employees belong. Furthermore, the company shall inform and distribute important information to employees and their representatives results of operations, and actual status of the entity including appropriate information within reasonable time upon changes within the entity.
- The company operates in compliance with law and regulation relating to employee welfare stringently, and facilitate, taking care of employees to be entitled to their rights fairly, and equally. Welfare organized for employees are for example annual health check, social securities, provident fund, health insurance, life and accidental insurance, multi-purpose loan, employee uniforms for example including activities to promote harmony, visiting employees taking leave for illness in hospital, new year party, color game, and CSR activities for all employee participation.
- The company recognizes the importance of enhancing good physical and mental health care for employees. The company promotes and supports both physical exercise, and health care activities strengthen mental and physical health e.g. funding support, and uniform for the soccer activities with trade partners, and the participation in training, and sermon listening for example.
- The company organizes incentive award to express appreciation in various forms to employees performing duties well or have been with the company for long period of service tenor e.g. board admiration announcement, annual excellent employee award.
- The company arranges for the setup of a safety, health and hygiene, and environment commission for occupational health in business offices, in order to prepare proposed consideration regarding safety,

health and hygienic guideline, and environment conducive to work by having safety unit in work or professional official of the company responsible for analysis or search for basic risks which may arise and arranging for the risk assessment of the company to be reviewed annually. The professional safety official and the safety commission shall perform the duties of alleviating danger to health, and promote occupational safety as follows:

- Provide orientation training for new hire prior to commencement of work.
 - In the event of employee resignation, there is information retention, employee opinion, suggestion compiled for organizational assessment for the purpose of process improvement within the organization.
 - Provide training drill for firefighting, and fire evacuation for no less than 40% of the employee population, and for employee evacuation drill annually.
 - Provide knowledge for first aids
 - Measure work environment quality annually
 - Announce and distribute safety regulation, occupational health, and work environments of the office which have been improved and modified for employees throughout adequately.
- As a result of the Covid-19 Pandemic, the Company announced the modification in the way employees work for all departments, branches in which executive at each unit shall manage employee work in the form of 'Work from Home' including conference via VDO Conference to mitigate the risk in leaving their houses, traveling, utilization of public transports which may be exposed to the risks of virus infection.

Safety, Occupational Health, and Work Environment Policy

The company recognizes the importance of health, hygiene, and safety for employees at all levels. The company has arranged and promoted for various activities for example annual health check including sport and exercise activities, with promotion of color sport activities, trade partner sport competition. Furthermore, the company has safety, occupational health and work environment policy with below details:

1. The company strictly complies with requirement of law related to occupational health and safety including other company applicable rules
2. The company cooperates with and provides resources support in the areas of personnel, time, budget including sufficient and appropriate raining to enable development of safety, occupational health, and environment continually.
3. The company intends to create employee participation within the organizational control in the undertaking of safety, occupational health and work environment.
4. The company develops human resources within the organization to be knowledgeable, and recognize safety, occupational health, and work environment.
5. The company supports and promotes the improvement of the environment and safe operating procedures including inspection of equipment and tall building safety system as appropriate including the maintenance of good employee health and hygiene.

6. The company considers employees to be company's valuable human resources and therefore safety, occupational health and work environment are considered important company policy.

Since 2020 until present, as a result of the widespread Covid-19 infection in Thailand and foreign countries, the safety, occupational health and environment commission has announced measure and operational rules for directors, executives, and employees for coming to work at office and branch as follows:

Measure against employee Covid-19 infection

1. All employees must wear protective hygiene mask covering the nose area at all time while inside and outside of the company.
2. Entering the area within the company requires temperature testing every time. In the event of fever, flu, coughing, running nose or body temperature exceeding 37.5, the company shall require suspension of work for observation at home, including preliminary investigation of the likelihood of Covid-19 infection or not. If there is no risk of infection the employee shall be on rest until returning to normal. In the event of risk, there shall be applicable guideline for treatment of individual coming to contact with the Covid-19.
3. Prior to finger scan for time record, cleaning gel shall be applied as prepared by the company.
4. Emphasis of distancing applies. There shall be no employee concentration more than permitted by law to avoid risk of Covid-19 infection. Party or meeting for large number of individuals shall be suspended but instead to utilize the online conference.
5. Avoid area of risk, and high concentration of people. If inevitable, to exercise self-protection the best the individual can.
6. To compile information, news or announcement from various sources as information for preparedness against the occurring situation including PR for all employees to be aware of as a precaution.
7. Monitor and survey risks of Covid-19 infection closely, and continuingly by supervisors and summarized report to security officer, and the Executive Committee.

Supporting plan in the event employees are infected with Covid-19

1. The company arranges for part of employees of each department (officer staff level) to work at home to mitigate risks during travel to work or back home, and where necessary to close the unit down for disinfection spray or quarantine, the individual employee will still be able to function and without affecting customer for the reason aforementioned.
2. The company arranges for preparedness in each unit to be able to help other unit in the event certain employee in one unit is infected by Covid-19, and not able to come to work, the company shall be able to replace the individual with staff from other unit.
3. In the event employees are near or being in the same company as the Covid-19 infected individual, the security officer shall assess the risk, and if there is the risks of infection spreading, shall follow procedure applied for individual in the event of having contacted with Covid-19 virus.

Risk Level	Meaning	Measures
High	Individual in direct contact with the infected individual	- Send the individual employee for Covid-19 test for infection - 14-day quarantine (even though test result might find the individual not infected) - Physical condition report during the 14-day quarantine period
Medium	Individual in contact with the high risk individual / individual enters the area where the infected individual is found during the same time frame	- 14-day quarantine - Physical condition report healthy during the 14-day quarantine period
Low	Individual close to the individual in the medium risk group / individual enters the area where the infected individual is found at different time frame	- work as normal - Self-observation - Comply with measures in prevention of widespread infection

Human Resources Development Policy

The company recognizes the importance of potential development for employees at all levels where upon joining the organization, the company intends on creating a corporate culture with commitment and good relationship for the employees in order for all employees to work happily, with unity within the unit or between units. The company promotes and supports employees to participate in training in various courses to enhance knowledge, work efficiency, and service quality corresponding with the changing business demand including business ethics to prepare for higher future duties and responsibility. Management arranges for preparation of rules, procedures of each department, with emphasis on important role for superior in training, caring, and developing employees closely, including promoting and developing of knowledge and potential by engaging with external training institute appropriately with the duties and responsibility of employee at each level and functions for example marketing and services for branch employees, law, accounting, credit analysis, and collection.

3.4.1.3 Responsibilities toward Consumers Policy

- The company recognizes the responsibility toward consumers, operates within policies regarding customer treatment and product quality stringently i.e. to engage in business with honesty, and under ethical conducts.

- The credit extension and after sale service have been intended to maximize customer benefit and satisfaction, speedy and efficient customer services. The company has improved its work process to expedite

the credit approval process having plan to provide the one stop service concept including branch expansion into upcountry area.

- In the disposal of company vehicle, price is set reasonably with information provided regarding characteristics and quality of vehicle truthfully and complete to purchaser sufficiently for decision making without bias or omission of important information which may have caused customer misunderstanding regarding quality or other conditions of the vehicles or registration.

- The company preserves customer confidentiality without exploiting customer information for personal gain or for the benefit of others unless with customer consent or lawful disclosure or under authority instruction. During the year 2019, the Company has arranged for the signing of the confidentiality agreement, for acknowledgement and compliance by directors, management, and all employees, including intent announcement regarding safeguarding of confidentiality with all agents and trading partners for practice compliance as well. During the year 2021, the company is in process of preparing policy and practice guideline in accordance with the Personal Data Protection Act BE 2562.

- The company cooperates and support government measures in the prevention and suppression of money laundering and the funding support for terrorism with company established policies for such purposes for management and employees at all levels to control, monitor and adhere to strictly on a daily basis failing which may expose the company to the risk of being penalized e.g. the preparation of customer identity information, the verification and retention of information for a period of at least 5 years, the risk assessment and rating as pertinent to money laundering of customer prior to engaging in contract or providing credit, the regular review of risk level information, and the monitoring of the customer trading activities, the reporting dubious transactions found within a period 3 working days for example. During 2021, the company has proceeded to improve on policy regarding prevention of money laundering corresponding with the supplementary law.

- The company has complied with rules, and regulations announced by the relevant government authorities e.g. the consumer protection commission regarding requirement for hire purchasing of motor vehicles, and motorcycles to be the type of business with contract control effective from 1 July 2018, supplementary announcement from government authority regarding debt collection act including compliance with the regulations issued by the Bank of Thailand e.g. the administration of the servicing of customers fairly (Market Conduct). The company has prepared policies, manual, and procedures to create customer confidence equally without taking advantage of them.

- The company arranges channel for customer opinion, suggestion, lead, and complaint regarding credit consideration, product quality and services by contacting the company via post to the audit committee member, internal auditor, or company secretary at the company address or by facsimile 02-641-5995 and company website <http://www.ecl.co.th>.

3.4.1.4 Participation in community and social development policy

The company recognizes the importance toward social responsibility for the society, community and the environment by preparing the policy for social responsibility toward the society and the public at large, as

practice guidance for executive and all employees to be conscientious for joint responsibility and becoming part of the society, adherence to local culture and tradition where the company is located. Furthermore, the company has plan to expand branch network to various locations in the country which shall help create jobs and earnings for local community. The company also support joint constructive activities beneficial to the community regularly to improve quality of lives. The company shall refrain from and not support any unlawful acts which may have caused damage to the community and the society, in order to achieve sustainable coexistence.

Innovation and distribution of innovation acquired through responsible operations toward society, environment, and the stakeholders.

The company recognizes the dedication toward social innovation development which may create service standard or works by establishing vision to become expert in the used vehicle market with excellent services and commitment to create the highest potential in services to maintain competitive edge with quality employee dedication for modern technology upholding principle of good governance in response for maximum customer satisfaction and returning the highest benefit to stakeholders with fairness and social responsibility.

The engagement in motor vehicle hire purchase finance of the company relates to economic and social development in enhancing opportunities in the acquisition of used vehicles of consumers with restriction or demand for use in different circumstances both for personal and professional engagement e.g. motor vehicle, big bike motorcycle, trucks.

The company cooperates with vehicle insurance companies who are trade partners, supporting customers under hire purchase for vehicle insurance to protect vehicle, and reduce customer burden for vehicle repairs or financial compensation when accidents occur. The company also works with life insurance companies who are trade partners supporting all hirers to purchase life insurance to protect against vehicle hire purchase in which insurance company shall take over the hire purchase debt balance outstanding in the event hirer becomes incapacitated or loss of life. The company started special price health insurance program for company customers in which the life insurance company provides support for health care cost for sickness upon customers meeting medical doctors occasionally, including in-patient costs at hospital as well.

Furthermore, at present the company has developed application to speed up credit approval, and electronic payment conveniently, and promptly within systematic service standard efficiently and safely for the electronic transactions to achieve utmost customer satisfaction. The new improved system enables reduction of working procedures of each department resulted in employee working flexibility. The company has improved customer file retention by document scanned and stored within computer instead of photocopies thus reducing paper consumption and ease of document search in future transactions. The company has improved the communication system from the parallel system into the IP PHONE 3CX, supporting quantity calls, reduction phone bill substantially, and be able to record conversation in supporting the new collection act.

During 2022, the Company shall acquire new credit software and individual digital identification service system to support sales growth which resulted in quantity of works both in documents and customer information, credit analysis, and monitoring and collection rising substantially in leaps and bounds. The Audit Committee

including Company's internal auditor were of the opinion that the company should change or modify its various application software systems in its operation to be connected for speedy and correspondingly appropriate with the Company's growth.

Furthermore, the company improved the IT system to support increasing work load e.g. improvement in receivable control program, and acquisition of new accounting program for speedier transaction recording and increasing efficiency.

The company intends to transform good idea into positive reality and intends to create an environment and situation conducive to the continuing development until it becomes the company's standard operating procedures which is the innovation enhancing quality service efficiency, valuable toward the society and providing value-add to the company.

3.4.2 Results from Social Engagement Activities

3.4.2.1 Results from Engagement in Human Right Activities

- The company assesses risks which may arise from human right infringement as part of the risk management report audited and verified regularly. During the 4th quarter of 2021, the joint meeting of management with the sub-committee for risk management intended to improve company risk assessment in the following topics regarding human right risk:

Risk issue on human right	Affected group	Risks	Measure and risk management
1. Work environment	Sale employee, checker and vehicle repossession activities (outside office)	Employees are required to travel to various locations all over the country, exposed to risks to properties, physical and mental health, and life	- travel safety may be mitigated by certain company provided position vehicle, with appropriate follow-up for reasonable usage lives - The company pays for vehicle insurance, and tire change within amount limit for employee working outside office, in accordance with job assessment measurement (KPI) - job head, and employee jointly plan itinerary appropriately and with efficiency - arrange for training course on safe driving
2. Protection of personal Data	Customer, trade partner, employee	Risks from infringement of personal data even with available policy and measure in monitoring the safety of private personal information	- Prepare policy for the protection of personal data and appointment of a data protection official (Data Protection Officer - DPO), and the designated team to protect and preserve personal data, for monitoring, caring, and audit on protection of personal data - Prepare IT security policy and guideline for the protection of data within the system for example restriction of important data access, retention system, protective software against data leakage

			- Create conscientious and understanding for employees at all levels with the protection unit in regular contact with information related units.
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- The company encourages and provides opportunities for all groups of stakeholders internal and external, all employees, shareholders, community, society participation in expressing idea when there is company or personnel activities which may infringe upon human right, for the benefit of reflecting on problem and search for joint resolution by open up channel of communication for idea, suggestion or complaint at the company's address indicated on the company website.

- The company provides job hiring opportunities including handicap equally. As for handicap hiring, the company has complied with requirement to provide for employer contribution to the Persons with Disabilities Fund all along. During the year 2021 there has been no handicap hiring since the position requires special skill and expertise and there were no handicap individuals with the same qualification apply for the job. In the future when the company is ready to provide training for special skill for example collection skill, the company may start up training course for such subject for interested handicap to provide opportunities for learning and increasing special work skill and more job hiring opportunities.

3.4.2.2 Results for Fair Labor Treatment

Employee

Hiring

The company has hiring policy emphasizing equality without restriction or obstruction on the basis of sex, status, race, religion, and culture. During the year 2021, the company has 243 employees with age group, sex, level of education, and various natures of functioning.

Number of new hires and termination

Type of employees	Type of hiring	Number of individuals		
		2021	2020	2019
New hires	Permanent	2	6	58
	On contract	19	11	-
Total		21	17	58
Termination	Permanent	18	96	39
	On contract	-	1	-
Total		18	97	39

Proportion of employees classified by sex

For the year 2021, there were 117 male, and 126 female employees accounting for 48.15, and 51.85% respectively

Proportion of employees classified by ages

For the year 2021, there were 72 employees with age group 20-30 years old, 89 employees with age group 31-40, 59 employees with age group 41-50, and 23 employees with age group over 50 years old accounting for 29.63, 36.63, 24.28, and 9.46% respectively.

Proportion of employees classified by years of services

For the year 2021, there were 35 employees with years of service less than 2 years, 129 employees with years of service 2-5 years, 30 employees with years of service 5-10 years, 49 employees with years of service over 10 years, accounting for 14.40, 53.09, 12.35, and 20.16% respectively.

Rate of employees remaining with the company after pregnancy leave

During the year 2021, there were 126 female employees, 2 of whom took pregnancy leave and both resumed working for the company (100%).

Work stoppage as a result of injury

During the year 2021, there were no accidents at work. Report has been submitted to the Department of Labor Protection and Welfare on a quarterly basis. Furthermore, the company supports development of employees at all levels to enhance their knowledge, and capability.

Sickness and Leave as a result of Covid-19 Infection

During the year 2021, the company purchased Covid insurance coverage for all employees at all level, with 19 employees infected, 14 of whom have been cured and returned to work normally. The company establishes strict rules in the event employee Covid-19 infection is found for example employees in the department / section of the particular infected employee shall undergo a preliminary ATK tests, subsequently to work from home for 14 days under observation, and report to the HR department regularly. The whole office building shall be subject to disinfection spray without leave day or pay deduction for the infected employees both hospital in-patient, or home isolation alternative. The company encourages Covid-19 vaccination and arranges for location, registration channel to enable all employees access to vaccination.

Employee Development

During the year 2021, the company has arranged for internal and external training totaling 16 courses. Employees and executives may participate in the internally arranged courses, including new employees. For new hire, the company arranges for orientation coursed for 3 hours to enhance knowledge, company background, nature of business, labor and welfare information, occupational safety and health, work environment, good governance principle and anti-corruption policy. Furthermore, the company arranges for employee training regularly annually to increase skill and expertise in courses related to the responsible function on average for at least 12 hours annually. Course content emphasizes work skill and communication including regulation, laws relevant to company and customers, new accounting system for public company for example.

1. Management Level

During the year 2021, external training courses were vehicle insurance operation, vehicle registration 2021 update financial institution should be aware of, company preparation toward credit extension development for purchase credit online, smuggling trade in vehicles situation, prevention of fraud related to vehicle and motorcycle, error and prevention of non-deductible expenses recording, trend, direction of the M&A transactions, important issue to consider and strategy to engage in M&A totaling 31 training hours.

2. Employee Level

During the year 2021, internal courses namely direction and targeting to meet company requirement totaling 6 training hours.

External courses include vehicle insurance operation, and vehicle registration update financial institution should be aware of, company preparation toward credit extension development for purchase credit online, auditing of accounting – finance transactions to prevent and manage organizational fraud, financial reporting standard summary, 2021 revision, taxation law 2021 update, including tax benefit review prior to tax filing, application of the PPM&PDCA instrument for accounting quality work development, status of the smuggling vehicle trade and prevention of fraud related to vehicle and motorcycle, enforcement of judgment or order, and bankruptcy and restructuring procedure in practice, labor law for human resource administration, application of statement of cash flow for analysis and decision making, non-deductible expense often misunderstood and prevention technique, utilization of One Report/Annual Report (form 56-1 One Report) reporting function on SET's SETLink system, basis for CGR survey project for the year 2023, ESG direction: from theory to practice totaling 83 training hours.

Employee Welfare

- Annual health check

The company arranged for basic health check and in-depth analysis e.g. the search for intestine and liver cancer cell including influenza vaccination for all employees who have not been vaccinated over the past year by medical and nurse team from Rama IX Hospital in order to identify deficiency or risk element to the body for employee awareness and prompt medical care. Over the past year, result of health check for all employees reported healthy physical condition without disease infected from work place.

- Annual environmental quality check for the year 2021



The company hired Life & Environment Co., Ltd. as inspector for environmental quality assessment, air quality in the building, lighting, and moisture content.

For the year 2021, on the basis of air quality inspection consisting of measurement of dust content, carbon di oxide, mold and moisture inside the building, it was found to be within the Ministry of Labor established standards. Air circulation at certain point was found to be at a higher speed than standards, As for temperature and bacteria, it was found that for certain spot, it was higher than standard in which the Company should implement improvement regarding elimination of sources of bacterial accumulation, garbage dump, refuse within the building, cleaning of floor tiles, installation of ventilation fan for air circulation, opening of windows for air circulation, cleaning of air conditioning units, compressor at least quarterly for example, repair maintenance AHU Room regularly with additional suction fan installation. As for the light intensity, it was found that at certain spot, it was not within standard. The Company should implement improvement regarding location of light bulb or increasing intensity of the light bulb.

- Disinfection spraying in prevention of Covid-19



As a result of the Covid-19 Pandemic situation, apart from arranging for employees to work from home, the Company provides disinfection spraying in prevention of Covid-19 infection, to enhance confidence for employees, customers, and people who are in contact with the Company both at head office and branches.

- Inspection of electrical system, fire alarm system, emergency light system, and exit sign lighting

The Company hired Thaiup Co., Ltd. to inspect electrical system, and fire alarm system, emergency light system and exit sign lighting on 20 and 21 October 2021 at the Company's head office to inspect such electrical equipment as building elevator, electric cable, electrical outlet, load center for example, and test functioning of fire alarm system, emergency light system, and exit sign lighting with the results meet standards completely.



- **Drinking water quality testing, and cleaning of water dispenser**

The Company underwent drinking water quality testing, and cleaning of the water dispenser to ensure employee confidence toward drinking water quality and good health.



- **Covid-19 detection through RT-PCR test**

As a result of the Covid-19 pandemic, apart from the distribution of the ATK for employees testing prior to entering the office, and testing in the event infection is found, Medical Line Lab Co., Ltd. provided Covid-19 testing service for executives and all employees based on RT-PCR testing which has been more efficient than the ATK to create employee and customer confidence for safety.



- **Employee Welfare Loan**

As a result of the Covid-19 pandemic, certain employees are adversely affected for example family member lost job or family business affected. The company has arranged for employee welfare loan (interest below financial institution rate) as support, and sharing the employee burden considering the necessity and employee's repayment potential.

3.4.2.3 Results of the Activities regarding the Responsibility toward Customer and the Stakeholders

- During the year 2021, as a result of the Covid-19 pandemic the company has implemented consumer assistant project namely the extension of the repayment term, and suspension of repayment divided into Phase 1, and Phase 2 starting in April 2020 to December 2020, and presently remaining in the Phase 3 continuingly from January 2021 to October 2021. For the year 2022, the extension of the repayment suspension shall be reconsidered on the basis of external factors such as the Bank of Thailand announcement, and economic situation for future customer assistance.

- The company considers increasing credit extension for the SME, construction, transport, agricultural customers to enable the group to use vehicle for commercial purpose, to engage in business, and earning revenue for better income distribution within the economic system.

- The company receives customer or other stakeholder complaint via telephone and email which the HR department and Company Secretary act as recipient and proceeded to forward the matter to supervisor of the unit involved for resolution and rectification of the problem issue regarding the error in the understanding of installment payment suspension, including error in employee's understanding of installment suspension policy. The company arranges for training and brings the customer problem issue or complaint up with detailed information for employee understanding and able to better respond to such problem issue.

As for the NCB section, the company received 2 customer complaints both have been under investigation and resolved.

- The company arranges channel for customer suggestion and satisfaction rating in various services via 1. Machine service satisfaction rating at the service counter consisting of PR Building 1, Building 2, and third floor, registration and finance with satisfactory result from highest to lowest as follows: accuracy, and complete as needed, polite and cordial, attentive, speedily, and provide easy to understand information. However, as a result of the Covid-19 pandemic, the machine survey has been cancelled temporarily for safety reason. When situation improves the system may be reimplemented for rating customer satisfaction.

2. rating and suggestion proposed via company online media consisting of FACEBOOK and Line ID of the company. During 2021, there were increasing customer usage of the online system by 25% in comparison with 2020. Customer satisfaction rating was at mid-level. The company has complied customer suggestion and forwarded to the unit involved for work process improvement and better services for example information and training about repayment suspension, marketing staff training for company product knowledge to enable providing customers with complete and accurate information, the review and improvement of work process for better customer convenience. Company Website has undergone improvement for customer access and search of necessary preliminary information easily and quickly for example.

And during the year 2021, the Covid-19 situation resulted in less customer visit, the resultant scoring may not be able to assess customer satisfaction efficiently vis-à-vis customers of the company as a whole. Therefore, for the year 2022, the company shall undertake public relation and increase customer channels for

expressing idea and more satisfaction survey, in order to compile idea for work process improvement, efficient services, and utmost customer satisfaction.

- The company joined in the Thai-Chana platform at website www.thaichana.com divided into 2 parts, the first part belongs to business with the company registration and QR code printed for contact at the building, visiting customer check-in, and check-out information retention, and the second part belongs to customers / service recipient for company QR code scan via mobile phone entrance and exit from services. The Thaichana shall forward customer/service recipient information at the company to the Ministry of Public Health who shall process the information and help screen customers in the event widespread infection is found at the location. Furthermore, registration shall provide recipient information on the degree of concentration of service as well.

- The company provides disinfection spray for Covid-19 prevention, and sets up screening procedure as follows: 1. Temperature measurement, 2. Gel hand cleaning, 3. Registration, 4. ID card exchange for visit as preliminary screening for the prevention of infection within the office.



3.4.2.4 Community and society participation activities

The company supports various constructive activities for the society regularly to create employee conscientious for public service. During the year 2021, the company engages in various projects namely:

- Joint donation for acquisition of computer and equipment for handicap to the Bangkok handicap association



- The company and employee joint donation of wheelchair for patient, hygienic mask, and necessary equipment to the Bootsarakam Hospital



- The company, subsidiaries, trade partner, and employee joint donation of necessary consumable e.g. rice, egg, face mask, canned fish to the deaf community, and Thailand center for blind assistance.



- The company and its trade alliance jointly donated fund to the Cholburi Public Health Office for purchasing refrigerator for the storage of Covid-19 vaccines for other deficient hospital in Cholburi.



Management Analysis and Explanation

4. Analysis and Explanation of Management

4.1 Operation and Financial Position Analysis

- Operating Results Overview

The Company extended new credit during the year 2021 amounting to Baht 1,388.20 million, down from Baht 1,491.85 million during the year 2020, a decrease of 6.95% over that of prior year as a result of economic slowdown adversely affected by the Covid-19 Pandemic and despite the continuing government measures to stimulate the economy. The company has implemented the continuing increase but cautious credit extension resulted in the reduction in credit extension.

The results of operations for the year 2021 reported comprehensive net profit of Baht 194.01 million from consolidated financial statements, an increase of Baht 132.33 million or 214.54% from prior year. This was despite the lower new credit extension and lower hire purchase income and fees, but in light of the cost reduction through management of costs of finance and administration for example reduction in repossessed vehicle disposal, impairment, and bad debt provisioning, the company was able to report good operating results.

- Revenue

Revenue was Baht 684.16 million, Baht 206.66 million reduction or 23.20% over prior year. Hire purchase income was Baht 513.78 million, Baht 178.35 million or 25.77%, as a result of the continuing credit extension with increasing caution. The Company's rate of interest receipt during the year 2021, and 2020 were 10.68 and 11.31%, with net interest margin of 6.84, and 6.76% respectively (details per section 4.3.2, Statement of Income Summary exhibit, and section 4.3.4 Important Financial Ratios).

Rate of Interest receipt for the year 2021, decreased and interest margin increased as a result of intense competition in the hire purchasing rate for the used vehicle market but company's policy of decreasing interest rate only slightly to maintain competitiveness, coupled with the increasing proportion of motorcycle credit which generated higher rate of interest and concurrently the declining prevailing financial institution lending rates.

Other income amounted to Baht 154.81 million consisting primarily of fees and service income related to credit extension, collection, and insurance commission earned, bad debt recovery Baht 28.60 million from amount already written-off, and accelerating measures taken by legal department.

- Expenses

During the year 2021, expenses and corporate income tax amounted to Baht 496.72 million, decreased by Baht 342.79 million or 40.83% from Baht 839.51 million in 2020.

The company's selling, general, and administrative expenses amounted to Baht 334.34 million, the majority of which was a result of loss from sale of repossessed vehicles amounted to Baht 157.84 million, decreased by Baht 25.59 from Baht 183.43 million of prior year, and reduction of impairment provisioning by Baht 36.96 million from prior year as a result of faster disposal of repossessed vehicle.

Borrowing cost consisting of interest expense amounted to Baht 135.07 million, a decrease of Baht 81.29 million or 37.57% as a result of the cautious and reduction in credit extension corresponding with reduction in borrowings coupled with decrease in the bank lending rates, and borrowings from low interest rate sourcing. The rates of borrowings during the years 2021 and 2020 were 3.84 and 4.55% respectively (details per section 4.3.4 Important Financial Ratio).

Bad debt written-off during 2021 amounted to Baht 161.08 million, increased by Baht 81.46 million from 2020 of Baht 79.62 million. The increase in write-off has been a result of Revenue Department amendment of ministerial rule regarding ceiling amount in which write-off requires official court proceeding which has now increased to Baht 2 million from Baht 500,000 previously.

During the year 2021, the Company has provided for provision for bad debt amounted to Baht 183.66 million, a decrease of Baht 262.96 million over that of 2020 which amounted to Baht 79.30 million primarily for increasing provisioning for the rise of hire purchase receivable and debtors under litigation specially considered on a case-by-case basis.

Financial Position

- Total Asset

Total asset for the year 2019, 2020, and 2021 amounted to Baht 7,419.10, 5,966.25, and 4,849.38 million respectively. The decrease of Baht 1,116.87 million in 2021 was a result of decline in the hire purchase receivable portfolio corresponding with decline in new credit extension, and large number of early debtor settlement of accounts throughout the year. Joint venture investment was Baht 70.01 million increased Baht 6.57 million from 2020, with loan to the joint venture amounted to Baht 225.50 million, and long-term investment in the vehicle repair business amounted to Baht 2.02 million (net off loss from investment valuation in whole amount) and Right of Use Asset amounted to Baht 27.10 million as at 31 December 2021.

Returns on Asset for the years 2019, 2020, and 2021 were 1.88%, 0.92%, and 3.59% respectively. Return during the years 2019, 2020 increased at a lower rate than that of 2021 as a result of the several consecutive years of economic slowdown, exacerbated by the Covid-19 Pandemic, and during the year 2021 bad debt provisioning declined along with the receivable portfolio.

The company's net asset pending disposal was 37.39 million against Baht 67.96 for the years 2021 and 2020 respectively, a decrease of Baht 30.57 million corresponding with the speedier repossession and sales of motor vehicles. As at the year end, the company's appraisal prices were in line with market condition. Loss from vehicle sales was with recourse to debtor and litigation proceeding continued.

- Quality of Receivable and Provision for Doubtful Debts

Receivables and provision for doubtful debts for the year 2021 and 2020 are detailed below:

Baht Million	2021	2020
Hire Purchase Receivable	<u>5,310.71</u>	6,756.94
Deduct – Unearned Interest Income, and Brokerage Fee Undue	<u>(788.05)</u>	<u>(1,070.44)</u>
Hire Purchase Receivable Net of Unearned and Brokerage Fee	<u>4,522.66</u>	5,686.50
Deduct – Reserve for Bad Debt	<u>(218.88)</u>	<u>(370.85)</u>
Net Hire Purchase Receivable	<u>4,303.78</u>	<u>5,315.64</u>
Loan Receivable and Sale with Right of Redemption Receivable	<u>0.00</u>	0.00
Deduct – Reserve for Bad Debt	<u>(0.00)</u>	<u>(0.00)</u>
Car Loan Receivable Net	<u>0.00</u>	<u>0.00</u>

For the year 2021, the company's receivables and the provision for doubtful debts are as follows:

	Receivables net off unearned interest	Provision for expected credit loss
Level 1	3,848,243,387.52	72,328,518.34
Level 2	408,692,932.41	49,150,008.57
Level 3	<u>265,724,769.71</u>	<u>97,399,126.51</u>
Total	<u>4,522,661,089.64</u>	<u>218,877,653.42</u>

For the year 2020, the company's receivables and the provision for doubtful debts are as follows:

	Receivables net off unearned interest	Provision for expected credit loss
Level 1	4,588,522,802.54	98,097,721.33
Level 2	625,670,701.97	90,369,613.81
Level 3	<u>472,299,422.95</u>	<u>182,382,404.68</u>
Total	<u>5,686,492,927.47</u>	<u>370,849,739.82</u>

The company provided for doubtful debt provisioning pending litigation and compromised agreement under hire purchase contract including sales with right of redemption receivables for the year 2020 and 2021 as follows:

Currency: Baht million	Year 2020	Year 2019
Receivables under litigation	<u>57.10</u>	<u>87.60</u>
Receivables under compromised agreement	<u>2.38</u>	<u>4.29</u>
Total	<u>59.48</u>	<u>91.89</u>
Deducted by: Provision for doubtful receivables	<u>(57.34)</u>	<u>(88.53)</u>
Receivables - net	<u>2.14</u>	<u>3.36</u>

Detailed doubtful debt provisioning for receivables under litigation, HP contract compromised agreement, including receivables for sales with right of redemption for the year 2019, 2020:

2021				
Type of receivables	Amount	Receivable net of collateral value	Rate of provisioning	Provisioning for expected loss
Litigation receivables	57,104,006.95	57,104,006.95	96 -100%	54,957,838.35
HP receivable under compromised agreement	2,382,620.84	2,382,620.84	100%	2,382,620.84
Total	59,486,627.79	59,486,627.79		57,340,459.19
2020				
Type of receivables	Amount	Receivable net of collateral value	Rate of provisioning	Provisioning for expected loss
Litigation receivables	87,604,537.18	87,604,537.18	96 -100%	84,239,947.37
HP receivable under compromised agreement	4,288,136.36	4,288,136.36	100%	4,288,136.36
Total	91,892,673.54	91,892,673.54		88,528,083.73

For the year 2021, expected loss for HP receivable provisioning was Baht 218.88 million in comparison with Baht 370.85 million for the year 2020, a decrease of Baht 151.97 million. The decrease was a result of changes in the expected loss for receivables under HP contract provisioning as implemented in levels of 1, 2, and 3 per IFRS9 standard, coupled with the reduction in receivable portfolio.

As for receivables under litigation, and compromised agreement for the year 2020, and 2021 amounted to Baht 91.89 million and Baht 59.48 million respectively, a decrease of Baht 32.41 million, and provisioning of Baht 88.53, and 57.34 million respectively, with provisioning declined by Baht 31.19 million. The company provided for doubtful receivables for all customers at the rate 96 – 100%. Furthermore, the company considers write-off of receivables along with vehicle repossession follow-up, the latter of which having the statute of limitation of 10 years.

- Appropriateness and Adequacy of Reserve for Doubtful Account

The Group recognizes expected credit loss from HP receivables, lending, under sales with right of redemption under generic procedures with due consideration for changes of credit risks of receivables in 3 levels namely:

Level 1: Receivables without material increase in credit risks (performing), the Group recognizes expected credit loss by the amount equals to expected credit loss over the next 12 months

Level 2: Receivables with material increase in credit risks (under-performing), the Group recognizes expected credit loss by the amount equals to expected credit loss over the expected life of the receivables

Level 3: Receivables with impairment in credit (non-performing), the Group recognizes expected credit loss by the amount equals to expected credit loss over the expected life of the receivables

On reporting date, the Group shall assess whether credit risks of the receivables have materially increased since the date of initial recognition or not by comparing the expected default risk on performing under the contract over the expected life as at reporting date against credit risk as at initial recognition. The Group utilizes internal quantitative and qualitative basis of assessment, and estimated information for receivable credit quality impairment assessment.

The Group assessed whether credit risks have material increased from the date of initial recognition or not on a contract by contract, or group of assets basis. As for impairment assessment on an asset group basis, the Group classified receivables in accordance with credit risks of common nature for example type of collateral, and purpose of borrowings, and other relevant factors.

Receivables are considered to be impaired regarding credit upon the occurrence of an event or multiple events affecting the estimation of future cash flows of the receivables, with evidence indicating credit impairment of receivables including payment overdue over 90 days, or indication that the borrower is experiencing material financial problem, defaulting on contracts, legal status, or vehicle foreclosure status prior to overdue of 90 days.

Receivables under new negotiated terms, as a result of borrower experiences financial difficulty, shall be considered financial assets with material increased in credit risks or credit impairment unless with evidence indicating that the risks of failure to receive cash flows per contract have materially decreased and without indication of impairment.

The Group evaluates past loss experiences, adjusted by current observed information, and modification of information regarding the expected future economic environment, and weighted average probability of occurrence of the various scenarios for computation to derive at the expected credit loss at least annually. The company utilizes the majority of information as announced by the Bank of Thailand or public entity authority adjusted by the internal Group's own perspective.

During the subsequent period, if receivable credit quality improves and assessment concludes that credit risks have not materially increased from the initial date of recognition, the same as the prior period assessment, the Group shall modify recognition of expected credit loss for the entire expected life to that of expected credit loss for the next 12 months or for the remaining life of contract if the period is shorter than 12 months.

Expected credit gain or loss shall be recognized in the statement of income. Group policy is to write-off receivables upon reasonably follow-up on demanding payment with clear evidence of follow-up and failure to receive payment from debtor.

- Asset Quality Ratio

The ratio of reserve for doubtful account over gross receivable deducted by unearned interest income, debtors under loan agreement, debtors under litigation, and compromising agreement, and other receivables during the year 2019 and 2020 at the rates of 2.80 and 7.95% respectively, and decreased to 6.03% for the

year 2021. The decrease in said ratio was attributable to decrease in expected credit loss provisioning for hire purchase customers.

Considering growth in credit extension, the prospect of repayment and debt recovery through disposal of repossessed asset, the company believes the current provisioning policy for doubtful debt is adequate.

The non-performing credit accounted for 9.76% and 7.10% of total credit receivables (NPL) for the year 2020, and 2021 respectively. The decrease in overdue accounts during the year 2021 corresponded with declining portfolio. The company has provided assistance in accordance with government support measure for customers affected by economic downturn. Upon the expiry of the assistant measure and customer returns to normal repayment terms, the company still continue to retain consideration for special doubtful debt provisioning.

The ratios of write-off to total credit receivables during the year 2019, 2020, and 2021 were 1.08, 1.38 and 3.52 respectively. The increase for the year 2021 was a result of increase in hire purchase customer write-off by Baht 81.46 million over that of the prior year as the company proceeded faster with legal action against overdue customers, and considered faster write-off of receivables under litigation in accordance with the Revenue Department's ministerial rule revision regarding threshold for deductible write-off.

- Total Liabilities

Total liabilities were Baht 5,533.79, 4,216.62, and 3,017.21 million at the end of 2019, 2020, and 2021 respectively, a decrease by Baht 1,199.41 million or 28.44% for the year 2021 as a result of lower credit extension adversely affected by the sustained economic downturn.

As at the end of 2019, 2020, and 2021, Debt to Equity Ratios of the company stood at 2.94, 2.41 and 1.65 respectively. The decrease of the ratio was a result reduction in credit extension throughout the year, and the corresponding reduction in financial institution borrowings.

- Shareholders' Equity

Shareholders' Equity end of 2019, 2020, and 2021 were Baht 1,885.31, 1,749.63 and 1,832.17 million respectively. Return on Equity for the period 2019, 2020, and 2021 were 7.14, 3.39, and 10.83% respectively. Return on equity for the year 2021 increased as a result of company's improved operating results over prior year.

Dividend declared from operating profit from 2014 to 2021 were as follows:

- On 30 September 2013, Baht 12.30 million dividend was paid based on operating profit January to June 2013, at the rate of Baht 0.03 per share
- On 10 September 2014, Baht 29.74 million dividend was paid based on operating profit July to December 2013, at the rate of Baht 0.05 per share
- On 10 September 2014, Baht 17.84 million dividend was paid based on operating profit January to June 2014, at the rate of Baht 0.03 per share

- Year 2015, dividend was suspended.
- Year 2016, dividend was suspended
- On 9 May 2017, Baht 15.97 million dividend was paid from operating profit for the year 2014 at the rate of Baht 0.02 per share
- On 9 May 2017, Baht 23.95 million dividend was paid from operating profit for the year 2015 at the rate of Baht 0.03 per share
- On 7 May 2018, Baht 44.35 million dividend was paid from operating profit for the year 2017 at the rate of Baht 0.04 per share
- Year 2019, dividend was suspended.
- Year 2020, dividend was suspended
- On 14 May 2021, Baht 16.63 million dividend was paid from operating results of the year 2014 at the rate of Baht 0.015 per share.
- On 14 May 2021, Baht 22.18 million dividend was paid from operating results of the year 2015 at the rate of Baht 0.020 per share.
- On 14 May 2021, Baht 22.18 million dividend was paid from operating results of the year 2016 at the rate of Baht 0.020 per share
- On 14 May 2021, Baht 49.90 million dividend was paid from operating results of the year 2017 at the rate of Baht 0.045 per share

-Liquidity

Cash flow from operations during 2021 was net Baht 1,302.13 million available. The amount was net Baht 1,383.35 million available during 2020. Cash received during the year 2021 was primarily receivable collection exceeded cash paid out through credit extension resulted in net reduction in receivables. Cash flow for investment activities during the year 2021 was net available of Baht 21.65 million as repayment for loan to joint venture amounting to Baht 26 million and paid for equipment purchase.

Cash flow from financing activities for the year 2021 included net cash used for Baht 1,323.17 million for loan repayment to financial institutions.

- Sources and Application of Fund

Sources of fund of the company were mainly from domestic financial institution borrowing, partly equity, and loan from related parties. As a matter of policy, the company intends to seek an increasing amount of funding from financial institution at a low rate of interest. Sources of fund as at the end of 31 December 2019, 2020, and 2021 were as follow:

	2021		2020		2019	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
Shareholders' Equity	1,832.17	38.79	1,749.63	29.85	1,885.31	25.85
Borrowing						
- Overdraft+Loan from Financial Institutions	340.00	7.20	320.26	5.49	396.10	5.44
- Current Portion of Long Term Debt	1,399.45	29.63	1,777.66	30.48	1,678.88	23.05
- Other Short-Term Debt	188.58	3.99	183.77	3.15	217.98	2.99
- Debenture due within 1 year			-	-	599.43	8.23
- Long Term Debt	963.03	20.39	1,810.87	31.05	2,505.32	34.40
Total Borrowing	2,891.06	61.21	4,092.56	70.17	5,397.71	74.15
Grand Total	4,723.32	100.00	5,842.19	100.00	7,283.02	100.00

Borrowing as at 31 December 2021 was Baht 4,732.32 million with scheduled repayment as follow:

<u>Loan Repayment Schedule</u>	<u>Baht Million</u>
Within 1 Year *	1,928.03
More than 1 and up to 2 Year	654.75
More than 2 and up to 3 Year	210.94
More than 3 and up to 4 Year	97.34
More than 4 years	<u>0.00</u>
Total	<u>2,891.06</u>

Note: * Overdraft, current portion of long-term debt, and short-term debt, P/N and B/E

Considering the hire purchase portfolio including long term loan to others deducting past due accounts over 4 months, and accounts under litigation, installment receivables by maturity is as follow:

<u>Installment Receivable Schedule</u>	<u>Baht Million</u>
Within 1 Year *	2,019.97
More than 1 and up to 2 Year	1,574.02
More than 2 and up to 3 Year	1,004.96
More than 3 and up to 4 Year	473.24
More than 4 Year	<u>235.90</u>
Total	<u>5,308.35</u>

As at 31 December 2021, total liabilities due within one year (including overdraft and short-term loan) amounted to Baht 1,928.03 million, comparing with portfolio installment receivable due within 1 year amounted to Baht 2,019.97 million, Baht 91.94 million higher, the amount of which the company should be able to arrange for repayment of liabilities coming due. As for the liabilities due over one year and up to two years amounted to Baht 654.75 million, comparing with installment due for collection within one year and up to two years of Baht

1,574.02 million, Baht 919.27 million higher. The Company has adequate funding sources to meet its debt obligation during the said periods.

4.2 Factor or Event that may Materially Affect Financial Position or Operations in the Future

The equity method financial statements reported company net comprehensive income of Baht 194.01 million as a result from operating results.

During the year 2021, the company has closely monitored domestic and foreign events which might affect operation of the company e. g. the lengthened economic slowdown, drought, flooding, rising unemployment, rising consumer debt per household statistics that would result in hirer payment overdue, rising NPL including disposal of repossessed vehicles at a loss all of which might adversely affect operations of the company.

For the year 2022, the company establishes credit target of Baht 1,800 million emphasizing credit quality to mitigate NPL risks, reduction of litigation cost, and loss from repossessed vehicle disposal. The company has modified its marketing strategy with credit extension to logistic vehicles, increasing trucks, employee training to become skillful in credit analysis, and marketing of truck credit, to support achievement of credit target. The company initiated approaching customers with hiring contracts with private sector or the government to mitigate risks, improvement in operational processes within the company rendering fewer steps, increasing efficiency, to facilitate and speed up customer credit approval both large or small customers. Furthermore, the company is in process of preparation for the launching of the Car For Cash retail credit to be offered along with Hire Purchase credit to enhance company earnings through supplementary income.

4.3 Important Financial Information

4.3.1 Statements of Financial Position Summary Exhibit

Unit: Baht '000

Consolidated Financial Statements	2021		2020		2019	
Asset						
Current assets						
Cash and cash equivalents	55,101.27	1.14%	54,488.49	0.92%	17,858.75	0.24%
Current investment	0.00	0.00%	0.00	0.00%	0.00	0.00%
Hire purchase receivables due within 1 year	1,499,929.98	30.93%	1,877,883.33	31.48%	2,034,113.57	27.42%
Loans and sale with right of redemption agreement receivables	0.00	0.00%	0.00	0.00%	24,177.15	0.33%
Other current receivables	18,189.01	0.38%	19,730.35	0.33%	29,350.95	0.40%
Short-term loans for joint venture	225,500.00	4.65%	221,500.00	3.71%	169,500.00	2.28%
Properties foreclosed	37,395.22	0.77%	67,964.87	1.14%	43,389.93	0.58%
Total current assets	1,836,115.48	37.86%	2,241,567.04	37.57%	2,318,390.35	31.25%
Non-current assets						
Hire purchase receivables due over 1 year	2,803,853.46	57.82%	3,437,759.86	57.62%	4,866,668.07	65.59%
Investment in joint venture	70,008.17	1.44%	63,435.39	1.06%	53,065.67	0.71%
Non-current financial assets	0.00	0.00%	2,022.84	0.03%	2,694.29	0.04%
Other non-current receivables	2,153.02	0.04%	3,401.54	0.06%	28.79	0.01%
Long-term loans for joint venture	0.00	0.00%	30,000.00	0.50%	62,000.00	0.84%
Property, plant and equipment	35,820.77	0.74%	42,689.14	0.72%	54,343.40	0.73%
Right of use assets	27,096.16	0.56%	27,728.73	0.46%		
Intangible assets	766.08	0.02%	5,928.63	0.10%	5,966.15	0.08%
Deferred tax assets	69,411.60	1.43%	108,358.86	1.82%	52,721.04	0.71%
Pledged deposit at financial institution	1,534.94	0.03%	1,082.95	0.02%	1,066.00	0.01%
Other non-current assets	2,625.79	0.05%	2,275.79	0.04%	2,157.45	0.03%
Total non-current assets	3,013,269.99	62.14%	3,724,683.73	62.43%	5,100,710.86	68.75%
Total assets	4,849,385.47	100.00%	5,966,250.77	100.00%	7,419,101.21	100.00%
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	340,000.00	7.01%	320,260.47	5.37%	396,097.05	5.34%
Trade and other current payables	40,519.07	0.84%	43,801.24	0.73%	66,915.45	0.90%
Current portion of long-term loans	1,399,448.89	28.86%	1,777,658.65	29.80%	1,678,882.81	22.63%
Short-term loans from related persons	188,583.54	3.89%	183,773.22	3.08%	217,982.23	2.94%
Current portion of long-term lease	8,915.40	0.18%	8,197.59	0.13%	0.00	0.00%
Current portion of Debentures	0.00	0.00%	0.00	0.00%	599,423.57	8.08%
Accrued income tax	11,078.97	0.23%	2,246.70	0.04%	16,093.36	0.22%
Total current liabilities	1,988,545.87	41.01%	2,335,937.87	39.15%	2,975,394.47	40.11%

4.3.1 Statements of Financial Position Summary Exhibit (cont'd)

Unit: Baht '000

Consolidated Financial Statements	2021		2020		2019	
Non-current liabilities						
Long-term loans from financial institutions	963,030.68	19.86%	1,810,869.67	30.35%	2,505,323.98	33.77%
Debentures	-	-	-	-	-	-
Liabilities under lease contract	20,181.39	0.42%	20,181.81	0.34%		
Employee benefit liabilities	34,904.81	0.72%	31,126.26	0.52%	30,371.75	0.41%
Deferred tax liabilities	10,548.68	0.21%	18,508.22	0.31%	22,696.62	0.31%
Total non-current liabilities	1,028,665.56	21.21%	1,880,685.96	31.52%	2,558,392.35	34.49%
Total liabilities	3,017,211.43	62.22%	4,216,623.83	70.67%	5,533,786.82	74.60%
Shareholders' equity						
Share capital						
Authorized share capital						
1,663,285,866 common shares of Baht						
1.00 each			1,663,285.87	27.88%	1,663,285.87	22.42%
1,108,859,002 common shares of Baht						
1.00 each	1,108,859.00	22.87%				
Issued and paid - up share capital						
1,108,857,244 common shares of Baht						
1.00 each			1,108,857.25	18.59%	1,108,857.25	14.93%
1,108,859,002 common shares of Baht						
1.00 each	1,108,859.00	22.87%				
Premium on common share	279,958.86	5.77%	279,957.36	4.69%	279,957.36	3.77%
Reserve for Equity-Settled Share-Based						
Payment	42,752.22	0.88%	42,752.22	0.72%	42,752.22	0.58%
Retained earnings						
Appropriated - Legal reserve	54,485.81	1.12%	45,295.87	0.76%	42,730.60	0.58%
Unappropriated	346,118.15	7.14%	272,764.24	4.57%	411,016.95	5.54%
Total shareholders' equity	1,832,174.04	37.78%	1,749,626.94	29.33%	1,885,314.38	25.40%
Total liabilities and shareholders' equity	4,849,385.47	100.00%	5,966,250.77	100.00%	7,419,101.20	100.00%

4.3.2 Statements of Comprehensive Income Summary Exhibit

Unit: Baht '000

	2021	2020	2019
Revenues			
Hire purchase income earned	513,784.17	692,134.93	674,329.87
Interest income under sale with right of redemption agreement	0.00	1,430.46	3,035.82
Interest income	15,559.16	16,630.28	13,464.99
Other income			
Fee and service income	85,053.02	117,693.59	165,127.73
Bad debt recovered	28,598.51	17,891.49	10,116.78
Gain on sales of investment in joint venture	-	-	2,187.60
Others	41,160.28	45,043.95	46,586.83
Total revenues	684,155.14	890,824.70	914,849.62
Expenses			
Finance costs	(135,066.94)	(216,358.91)	(228,320.32)
Administrative expenses	(334,336.83)	(449,217.26)	(392,356.68)
Expected credit loss	22,580.66	(158,919.36)	-
Bad debt and doubtful accounts	-	-	(141,538.03)
Total expenses	(446,823.11)	(824,495.53)	(762,215.03)
Profit before share of loss on investments in joint venture	237,332.03	66,329.18	152,634.59
Equity shared of gain or loss on investment in joint venture	6,572.78	10,369.72	7,496.42
Profit before income tax	243,904.81	76,698.90	160,131.01
Income tax expenses	(49,891.42)	(15,019.55)	(30,041.87)
Profit for the year	194,013.39	61,679.35	130,089.14
Basic earnings per share (Baht)	0.1750	0.0556	0.1173

4.3.3 Statement of Cash Flow Exhibit

Unit: Baht '000

Consolidated Financial Statements	2021	2020	2019
Cash flows from operating activities			
Profit before income tax	194,013	61,679	130,089
Adjustments to net profit to cash receipt (disbursement)			
Corporate income tax	49,891	15,020	30,042
Depreciation and amortized expenses	20,716	22,615	13,000
Amortized expenses	45,177	67,193	60,419
Expected credit loss	(22,581)	158,919	
Bad debt and doubtful accounts	-	-	141,538
Discrepancy from rental rate reduction	(67)	5	
(Gain) loss from sales of shares below market value	-	-	-
(Gain) unrealized – current investment	-	-	-
(Gain) loss on sales of current investment	-	-	-
Share of loss on investment in joint venture by equity method	(6,573)	(10,370)	(7,496)
(Gain) loss on sales of property, plant and equipment	172	(91)	494
(Profit) loss from W/O of land, building, and equipment	-	201	-
(Gain) loss on impairment of intangible asset	5,100	-	-
(Gain) loss on impairment of properties foreclosed	(22,788)	14,178	14,663
Finance fees amortization	6,327	8,336	10,236
Amortized portion of deferred transaction costs	(4,225)		
Amortized costs of debenture issuance	-	576	2,232
Lost on sales of investment in joint venture	-	-	(2,188)
Impairment loss from other non-current finance asset	2,023	671	1,188
Employee benefit provisions	2,987	2,844	8,424
Finance costs	128,734	207,254	217,283
Profit (loss) from operation before changes in current investment	398,916	549,030	619,924
(Increase) Decrease in hire purchase receivables	1,118,655	1,209,158	(1,034,701)
(Increase) Decrease in loans and sale with right of redemption receivables	-	24,225	445
(Increase) Decrease in other current receivables	1,961	8,541	2,961
(Increase) Decrease in properties foreclosed	52,632	(38,753)	(26,783)
(Increase) Decrease in other non-current receivables	(128,563)	(99,181)	(109,410)
Pledged deposit at financial institution	(452)	(17)	(1,000)
Other non-current assets	(350)	(118)	(80)
Increase (Decrease) in trade and other current payables	(2,578)	(15,498)	(10,958)
Employee benefit provisioning increase (decrease)	-	(2,089)	-
Cash generated (paid) from operation	1,440,221	1,635,297	(559,601)
Interest paid	(128,175)	(212,594)	(217,836)
Corporate income tax paid	(9,913)	(39,351)	(49,070)
Net cash provided by (used in) operating activities	1,302,133	1,383,352	(826,508)

Consolidated Financial Statements	2021	2020	2019
Cash flows from investing activities			
Proceeds from sales of current investment	-	-	-
Joint venture loan repayment	26,000		
Loan extension to joint venture	-	(20,000)	(31,500)
Proceeds from sales of investment in joint venture	-	-	7,543
Payments for the acquisition of investment in joint venture	-	-	(12,000)
Cash disbursement for other long-term investment	-	-	(1,851)
Payments for the acquisition of intangible assets	(66)	(80)	(5,168)
Proceeds from sales of property, plant and equipment	396	2,102	5,211
Payment for the acquisition of property, plant and equipment	(4,683)	(3,879)	(29,107)
Cash provided by (used in) investing activities	(21,647)	(21,857)	(66,872)

4.3.3 Statement of Cash Flow Exhibit (cont'd)

Unit: Baht '000

Financial Statements with Investment Presented on a Consolidated Financial Report Basis	2021	2020	2019
Cash flows from financing activities			
Increase (Decrease) in bank overdrafts	(260)	(35,598)	7,591
Proceeds from short-term loans from financial institutions	680,000	1,940,000	1,402,714
Payment for short-term loans from financial institutions	(660,000)	(1,980,239)	(1,316,062)
Proceeds from short-term loans from related persons	405,000	310,000	220,000
Payment for short-term loans from related persons	(400,000)	(345,000)	(175,000)
Proceeds from short-term loans from unrelated persons	-	-	-
Payment for short-term loans from unrelated persons	-	-	-
Proceeds from long-term loans from financial institutions	580,000	1,295,700	2,231,878
Payment for long-term loans from financial institutions	(1,808,150)	(1,899,714)	(1,486,595)
Proceeds from debentures issuance	-	-	-
Cash disbursement for debenture redemption	-	(600,000)	
Cash disbursement for liabilities under lease contract	(9,823)	(10,014)	
Cash acquisition for right of use	899		
Direct transaction cost related to debenture issuance	-	-	-
Dividend paid	(110,836)	-	-
Proceeds from share capital payment	-	-	-
Net cash provided by (used in) financing activities	(1,323,167)	(1,324,865)	884,526
Net increase (decrease) in cash and cash equivalents	613	36,630	(8,854)
Cash and cash equivalents, as at January 1	54,488	17,858	26,713
Cash and cash equivalents, as at December 31	55,101	54,488	17,859

4.3.4 Important Financial Ratio Exhibit Reflecting Company Financial Position and Operating Results

	2021	2020	2019
PROFITABILITY RATIO			
Interest Income (%)	10.68%	11.31%	10.50%
Interest Expense (%)	3.84%	4.55%	4.61%
Net Interest Income (%)	6.84%	6.76%	5.89%
Net Profit Margin (%)	28.36%	6.92%	14.22%
Net Profit per Share (Baht/Share) *	0.175	0.0556	0.1173
Return on Equity (%)	10.83%	3.39%	7.14%
EFFICIENCY RATIO			
Return on Asset (%)	3.59%	0.92%	1.88%
Total Asset Turnover (Times)	0.13	0.10	0.13
Book Value per Share	1.65	1.58	1.70
FINANCIAL POLICY RATIO			
Debt to Equity Ratio (Time)	1.65	2.41	2.94
Loan to Borrowing Ratio (Time)	1.37	1.29	1.28
Dividend Payout Ratio (%)	0	0	0
ASSET QUALITY RATIO			
Provision for Possible Loan Loss to Gross Receivable (%)	6.03%	7.95%	2.80%
Bad Debt to Gross Receivable (%)	3.52%	1.38%	1.08%
Non-Performing Loan to Gross Receivable (%)	7.10%	9.76%	4.63%

General and Other Important Information

5. General and other important Information

5.1 General information

Other referencing individuals

Security Registrar	Thailand Securities Depository Co., Ltd. Thailand Securities Exchange Building, Number 93 Ratchadapisek Road Dindaeng Sub-District, Dindaeng District, Bangkok 10400 Phone 02-009-9999 (Call Center) www.set.or.th/tsd
Auditor	Miss Somjintana Polhiranrat, CPA number 5599 or Mr. Noppalerk Pitsanuwong, CPA number 7764 Miss Supaporn Jitmong, CPA number 8125 DIA International Audit Co., Ltd. Head Office: 316/32 Soi Sukhumvit 22, Rama IV Road Klongton Sub-District, Klongtoei District, Bangkok 10110 Phone 02-259-5300 – 2; Facimile: 02-260-1553, 02-259-8956 www.diaaudit.com
Internal Auditor	Improvise Co., Ltd. Number 88/199 Mue Ban Dusit Grand Park, Soi 12 Liab Klong Song Road Bangchan Sub-District, Sam Wa District, Bangkok Phone: 02-548-0153

Branch locations

Cholburi branch	728/10 Sukhumvit Road, Bangpraso Sub-District, Muang District, Cholburi Province Telephone 038-27-8889, 038-27-8676-7, Facsimile 038-27-8669
Chantaburi branch	307 Ta Chalab Road, Talad Sub-District, Muang Chantaburi District, Chantaburi Province Telephone 039-30-1919, Facsimile 039-30-1918
Kanchanaphisek branch	624/4 Kanchanaphisek Road, Bangphai Sub-District, Bangkhae District, Bangkok Telephone 02-408-1996, Facsimile 02-408-1998
Pattaya branch	131/36 Moo 9, Nongprue Sub-District, Bang Lamung District, Choburi Province Telephone 038-19-9389, Facsimile 038-19-9389
AIA branch	89 AIA Capital Center Building, 12A Floor, Unit 12A05, Ratchadapisek Rd., Dindaeng Sub-District, Dindaeng District, Bangkok Telephone 02-641-5252

Location of the legal entity held by the Company from 10% and above of its paid-up shares

Premium Services (Thailand) Co., Ltd.

89 AIA Capital Center Building, 12A Floor, Unit 12A04, Ratchadapisek Rd.,
Dindaeng Sub-District, Dindaeng District, Bangkok 10310

Telephone 02-050-8862, 02-050-8861

Registered capital: Baht 32,912,000

ECL Asset Co., Ltd.

89 AIA Capital Center Building, 12A Floor, Unit 12A05, Ratchadapisek Rd.,
Dindaeng Sub-District, Dindaeng District, Bangkok

Telephone 02-641-5252

Registered capital: Baht 80,000,000

Mighty Broker Co., Ltd.

976/1 5th Floor, Soi Praram 9 Hospital, Rimklongsamsen Road

Bangkapi Sub-District, Huay Kwang District,

Bangkok

Telephone 02-641-5252

Registered capital: Baht 5,000,000

5.2 Other Important Information

5.2.1 Other information which may have material impact on investor decision making

- None –

5.2.2 Restriction on subscription by foreign investor: In the event the company has policy to request resolution of the shareholders to offer new share increase or issuance of transferable warrant with the right of subscription to newly issued ordinary share (transferable subscription right or TSR), to shareholders pro-rata to shares held, without issuing and offering for sales to shareholders, which may result in having obligation under foreign law

- No such policy being implemented –

5.3 Legal Dispute

- None –

5.4 Secondary Market

- None -

5.5 Financial Institutions with Regular Contacts

Kasikorn Thai Bank PLC

1 Soi Ratburana 27/1, Ratburana Road

Ratburana Sub-District, Ratburana District, Bangkok 10140

Siam Commercial Bank PLC

9 Ratchadapisek Road, Jatuchak District, Bangkok 10900

Bangkok Bank PLC

333 Silom Road, Silom Sub-District

Bangrak District, Bangkok 10500

UOB Bank PLC

191 South Sathorn Road, Bangrak District, Bangkok 10120

Krungsri Ayudhya Bank PLC

1222 Rama 3 Road, Pongpang Sub-District

Yanawa District, Bangkok 10120

Land and House Bank PLC

1 Q House Building, Lumpini, South Sathorn Road

Tung Mahamek Sub-District, Sathorn District, Bangkok 10120

Sumitomo Mitsui Banking Corporation, Bangkok Branch

1 Q-House Building, Lumpini, South Sathorn Road

Tung Mahamek Sub-District, Sathorn District, Bangkok 10120

SECTION 2

ENTITY GOVERNANCE

6. Entity Governance Policy

6.1 Overall Entity Governance Policies and Practices

The Board arranges for the establishment of an entity governance policies covering business ethics, vision, commitment, and code of conducts for directors, executives and employees, various operational procedures, policies toward all stakeholders, including social responsibility policies, and Board charter, Audit Committee charter, Nomination and Remuneration committee charter etc. The company has prepared and implemented policy and practice guideline against fraud and corruption. The company has been certified for the continuing membership of the Private Sector Collective Action Coalition Against Corruption: CAC during the year 2019. During the year 2019, the company has prepared and implemented regulations regarding: 1. Computer Related Crime Act BE 2007, and 2nd version 2017, 2. Thailand Personal Data Protection Act BE 2019, 3. Cyber Security Act BE 2019, 4. Policy and practice guideline for security in information technology. During the year 2020, the company has prepared policy and practice in accordance with the Thailand Personal Data Protection Act 2019, and appointed official responsible for personal information, sub-committee for personal data protection, and responsible management representative for the system of personal information protection in compliance with the law. The company has distributed such policies and arranged for training for directors, executives, and employees for acknowledgement and practices, as well as assigning supervisors at all levels to act as good example and with duties to monitor and encourage employees for serious practice compliance and arrange for communication and distributing good governance policy to directors, executives and employees regularly at various channels such as employee manual, good governance manual, and ethics, company website (www.ecl.co.th), via company email, company public relation board, smart phone communication application for example. For the year 2021, the company has modified the revision version of the policy and practices regarding Anti-Money Laundering Act, and prevention and suppression of funding support for terrorists, and the proliferation of weapon of mass destruction.

Furthermore, the company has arranged for training regarding good governance principle within the director orientation and new employee orientation courses continuingly in compliance with the good governance principle established by the Securities Exchange of Thailand.

6.1.1 Policy and Practice Regarding the Board of Directors

1. Recruitment and Remuneration of Directors and Executives

The Board appoints the Nomination and Remuneration Committee with duties of considering recruitment and selection of candidates as directors, to be presented to the Board of Directors, for further submission at the Shareholders' Meeting for approval consideration.

Recruitment Policy and practice may be summarized as follows:

1. Recruitment and select individual candidate for new director position: To recruit in accordance with established procedures within the charter and/or
2. Approval consideration of individual candidate proposed by shareholders in accordance with opportunities provided to shareholders for candidate submission.

Consideration of director candidate qualification shall be in accordance with public company act and basis established by the SEC. The individual shall be knowledgeable, competent, and experienced which shall be beneficial to the business engagement, truly interested in company's business, dedicated and be able to perform duties for the company, and independent in the expression of opinion, for monitoring duties, counter balancing with management (basis, and procedures for the recruitment of directors, disclosed per Nomination and Remuneration Committee charter within Attachment 5, Governance Policy, and Business Ethics)

Remuneration Policy and practice as follows:

1. To consider director and executive compensation namely executives holding the position of managing director and higher up to director or opinion submission to the Board of Directors with the Board approval for executives. As for director compensation, the Board shall propose at the shareholders' meeting for approval consideration, with appropriation of the amount limit within the Board's discretion.
2. To establish policy, form, and basis for director and management, and benefit as appropriate, including responsibilities in comparison with other companies within the same industry by having linked benefit to company's operating performance as incentive, and retention of competent with potential director, and management.

Types of compensation

- Retainer fee: monthly or annual compensation considering 3 factors (1) general practice of companies in the same industry (2) operating results and size of company, and (3) responsibility, knowledge, competency, and experience of director or executive required by the company.
- Incentive: linked to value creation for shareholders by the company e.g. profit, or dividend, director and executive compensation in this caption should not be too high.
- Attendance fee: directors may be paid meeting fees in addition to regular retainer fee, and incentive in which the Nomination and Remuneration Committee shall consider at an appropriate level as incentive to directors performing their duties by attending meeting regularly.

(Form and basis for compensation disclosed in the charter of the Nomination and Remuneration Committee per Attachment 5, Governance Policy, and Business Ethics)

The Nomination and Remuneration Committee has proposed director compensation to the Board for further submission for approval consideration at the AGM 2020, and 2021 amounting to Baht 8.5 million. The Board exercised discretion in the appropriation of monthly compensation and meeting fees.

2. Board independent from management

The company has policy in segregating role, duties, and responsibilities between management and those who are tasked with supervision clearly by having The Executive Committee responsible for day to day operations, monitoring performance, and reporting activities to the Board. The Audit Committee performs the duties of operational, and financial review, arranges for the establishment of internal control, and internal audit etc., and report to the Board of Director. All 3 Audit Committee members are independent directors. The

company adopts clear segregation of duties and responsibilities of the Chairperson of the board, and Chairperson of the Executive Committee as Chairperson of the Board is not the same individual as the Chairperson of the Executive Committee.

Furthermore, the company establishes policy for company director and executive disclosing information in which the individual and related person for the transaction and activities which may be conflicting with the company's interest, and director must not participate in the approval of transaction in which the individual director may be related to provide opportunities for other directors to consider and decide freely and truly for the benefit of the company.

Presently each independent director of the company must meet the SEC and SET requirement without having the nature of business relationship with entity which may have conflicting interest with the company or the nature of which may impede application of fair judgment freely in the performance of duties in anyway.

3. Director Development

The company requires new director orientation and arranges for director manual document and information beneficial to director to create knowledge base and understanding of business, and various operational aspects as well as policies, and best practices in good governance principles. The company has policy to promote and encourage company directors to participate in training, seminar in various courses relevant to the performance of duties more efficiently for example courses prepared by the Thailand Institute of Directors – IOD, the Securities Exchange of Thailand or other entities for example.

4. Board Performance Assessment

The company assesses performance of the Board of Directors, the Chairperson of the Executive Committee, the Managing Director, and Executives as follows:

1. Assessment of the overall performance of the Board of Directors as a whole
2. Self-assessment of the sub-committees on a committee basis
3. Self-assessment of the individual sub-committee member
4. Assessment of the Chairperson of the Executive Committee, and the Managing Director

The assessment process for each committee shall be at least annually in which the Nomination and Remuneration Committee shall be responsible for reviewing the results and submit with development and process efficiency improvement recommendation to the Board of Directors (details presented in item 8, Entity Governance: Important Operating Results Report, (5) self-assessment)

5. Monitoring of Affiliate and Subsidiary Policy

The company has policy to appoint individual as director of affiliate, subsidiaries with approval from the Executive Committee, with the number of appointed directors in accordance with pro-rata shareholding of the affiliate or subsidiaries.

The company requires the appointed director, the duties of monitoring, and taking action for the best interest of the affiliate, subsidiaries (not for the company), the duties to vote in important matters as approved

by the Executive Committee prior to the voting. Furthermore, the appointed director shall be responsible for monitoring related party transactions, the acquisition or disposal of assets or other important related party transactions with the company for completeness, accuracy with basis, and information disclosure in the same manner as that of the company including supervision for retention of information, and recording of transaction of the affiliate, subsidiaries for audit, and compilation of information for a timely preparation of the consolidated financial reports (director information, reported details in section 7.2).

6.1.2 Policy and Practice toward Shareholders, and Stakeholders

Section 1: Right of Shareholders

(1) Policy related to Upholding Shareholders' Right

The company has established policies upholding shareholders' right within its governance policies. Basic shareholders' right concerns right regarding trading of shares or share transfer, right of access to information related to operating results regularly, accurate, complete, and timely, right to receive dividend from profit, right to attend shareholders' meeting in order to exercise voting right to appoint, remove directors, appoint auditor, having informed shareholders of basis and procedure for attendance and sufficient information for consideration and participate in agenda proposal, director candidate proposal, the opportunities to enquire or express opinion at the meeting, and the right to assign other to attend meeting under proxy including resolution decision on major and important changes including information regarding related party transactions.

(2) The Promotion of Shareholders' Right

The company undertakes measures in supporting and facilitating upholding shareholders' right, and to exercise their rights, but to refrain from infringing on other shareholders' right as follows:

- During the year:
 - The Company distributes essential information to shareholders concerning business operations, results of operation, reports, financial statements, and related party transactions regularly with clarity and timely via the channels provided by the securities exchange, and website of the Company.
- Prior to the meeting date:
 - The company arranged for the Annual General Shareholders' Meeting annually, 120 days after the close of the company's accounting period. In the event of urgency in consideration of extraordinary agenda which may affect or relate to shareholders' interest requiring shareholders' approval, the Board may convene an extraordinary shareholders' meeting on a case-by-case basis. During the year 2021, the company convened an Annual General shareholders' meeting for the year 2021 on 28 April 2021. The company encourages shareholders to participate in the meeting by submitting query in advance, express opinion, propose agenda of the meeting, and propose candidate for consideration for appointment as director prior to the meeting date by informing all shareholders via company's website during 1 October 2020 until 30 December 2020. During the period, there were no proposed agenda or appropriately qualified individual for the position of directors submitted to the company. Where agenda needs to be increased, shareholders shall be informed. In the event of

urgency to safeguard company's right and interest, the company shall forward invitation document no less than 14 days prior to the meeting date along with distributing information supporting meeting agenda in advance via website of the securities exchange, and company website prior to mail posting.

- The company prepares and forwards invitation document for the Annual General Shareholders' Meeting to all types of shareholders including institutional shareholders along with detailed meeting agenda, important and necessary information supplementing shareholder consideration, as well as the Board opinion, prior period meeting minute, annual report, proxy documents of all types consisting of type GOR, KOR, and COR per Ministry of Commerce requirement and indicating with clarity the type of proxy document required, the location, date, time, and meeting location map. The invitation document shall indicate details of the types of documents required to be presented to retain the right to meeting attendance which shall be forwarded to shareholders both in Thai and English at least 14 days in advance prior to the meeting date, Shareholders may access various information regarding each meeting agenda via company website publicized in advance at least 30 days prior to the meeting date in order to inform about the ordinary shareholders' meeting in advance for shareholders to be prepared.

- The company encourages all types of shareholders including institutional investors to attend the meeting without restriction for late arrival shareholders having the right to vote for agenda in process and yet to be resolved. As for meeting facilitation for shareholders, the Company adopts policy which encourages shareholders exercising their right in meeting attendance and for preparedness both for essential documents, registration, including stamp duties, the selection and preparedness of meeting venue, with convenient walkway, parking, adequate food and drinks including an appropriate meeting time allowing shareholders advance registration of 2 hours prior to the meeting with independent individuals performing the duties of vote counting during the meeting promptly and reliably.

- Pursuant to the Corona Virus Pandemic situation (COVID-19) during the year 2020 adversely affected the Company's annual shareholders' meeting arrangement, to enable a successful completion of the meeting in compliance with the law, and for the benefit of safeguarding the health of shareholders and related individuals, the Company encourages shareholders of the risk group or exhibiting respiratory symptom as well as the non-risk group but desires infection prevention for hygienic reason, to exercise their right of attendance through assignment of others to attend and vote on their behalf, or assigning one independent director whom the company designates as an option shareholders may assign on their behalf. Shareholders may utilize the proxy document the Company forwarded along with the invitation document, or download same from Company website. Shareholders may also submit advance questions until 26 April 2021 via post to 'Office of the Company Secretary', Eastern Commercial Leasing PLC, 976/1 Soi Rama IX Hospital, Rim Klong Samsaen Road, Bangkok Sub-district, Huay Kwang District, Bangkok 10310, or via email at: apitsara@ecl.co.th At the timing of the AGM, there was announcement from the Bangkok Metropolitan Administration, Notification 25, dated 25 April 2021 closing down temporarily certain area in Bangkok as prevention measure against the

Covid-19 pandemic, thus rendering inability to organize the meeting, and catering at the time, the company has changed the meeting venue from Hotel Golden Tulip Sovereign Rama IX to the branch office of Eastern Commercial Leasing PLC, at the AIA Building, Floor 12A, with attendance restricted to 20 individuals, with permit requested from the Dindaeng District Office. The company shall comply with all rules, regulations, and Covid-19 prevention measures, for the safety of all attending participants.

- On the meeting date:

- Shareholders or assignees under proxy who wish to attend the meeting, shall comply with below measures:

1. All attendants must fill in the self-screening form, and go through the sensor equipment for temperature measurement. If body temperature is from 37.5 degree Celsius up, or attendants or individuals close to the attendants having travelled in or through the area or location risky of Covid-19 infection in accordance with the announcement of the Ministry of Public Health or location established by the authority for a period less than 14 days prior to the meeting date, and / or having symptom which may be suspected of being infected by Covid -19, such individuals shall not be permitted to enter the area or the venue of the meeting. Shareholders who do not pass the screening process may assign the Company independent director to attend and vote on their behalf.

2. Attendants are requested to stay one meter apart on cueing line at the screening station, document inspection, and registration.

3. The conference room seating shall be at least one meter distancing which may support around 20 attendances, with specific seating number assignment at registration. Attendants must sit at the designated seating location for the benefit of prevention or follow-up in the event of any incident occurring, and in the event all seats have already been taken shareholders will not be able to attend the meeting. The Company would like to request cooperation from the shareholders who attend the meeting by themselves to please assign their right to the independent director of the Company to attend on their behalf.

4. Attendants who pass the screening process shall be affixed with the sticker, and shall wear hygienic mask in the area or the meeting venue throughout the meeting. Attendants shall clean their hands with alcohol gel to be provided at entrance and exit locations of the branch office.

5. If during the meeting, attendants suffered from fever, coughing, sore throat, sneezing, running nose, respiratory problem resulting in exhaustion and/or symptom suspicious of being COVID-19 infection, the attendants shall be requested to leave immediately the location or venue of the meeting.

- Prior to the meeting the Chairman of the meeting explained the meeting rules e.g. , voting procedures, vote count of shareholders for resolution passed for each agenda in accordance company articles with vote count for each agenda and reported clearly within the meeting room, and as for the conduct of the meeting along with the established agenda sequence without modification, not increasing agenda without prior notification, and permitting late comer to participate in the meeting. The Chairman of the meeting provides shareholders with opportunities to enquire on matters regarding operating results,

express opinion and enquire freely prior to voting on each agenda e.g. the appointment or removal of directors, the appointment of auditor, the appropriation of dividend prior to resolution for each agenda.

- The invitation document provides details, factual matter, reasoning for each agenda along with Board opinion with clarity and sufficient for resolution consideration e.g.

On appropriation of dividend, the company advised dividend payout policy, proposed profit appropriation, proposed rate of dividend payable along with reasoning and comparative ratios paid over the past years.

On the agenda concerning director appointment, the company provided information and details i.e. educational background information, work experiences, years of services, attendance record of the directors proposed for appointment with adequate information for shareholders. And on the director appointment, the company proposed for voting on an individual person basis, to allow shareholders the right to select the specific director they wanted.

On director compensation, the company proposed compensation limit at the shareholders' meeting for approval annually along with compensation policies, basis for compensation of each director position

On auditor appointment and establishment of audit fee, the company proposed name of auditor, the audit firm the auditor works for, record of auditor independence, years of audit duties (where the existing auditor is being proposed), reasoning for change of auditor, and audit fees including comparative audit fees for the past years which have been reviewed by the Audit Committee.

- After the meeting

- The company reports resolutions passed and detailed dividend declared via the security exchange news channel system and company website the next day as well as preparing minutes of the meeting both Thai and English recording director attendance, questions, and answers, vote procedure, vote count, votes for, against, or abstention for each meeting agenda, including detailed shareholder suggestions and query for each agenda submitting to the securities exchange of Thailand and relevant entities within 14 days from the meeting date, and publicizes the information via company's website to keep the un-attending shareholders informed, and verifying information without waiting for the next meeting to convene.

AGM conference quality assessment (AGM Check List) result for the year 2021 conducted by the Thai Investor Association, rated the company with score of 97, the same as last year, above the average score of registered companies in the securities exchange of 94.8.

Section 2: Equal Treatment with Shareholders

(1) Treatment with Shareholders

The company has policy to treat all shareholders fairly and equally regardless of whether they are major or minor shareholders, individuals or institutional investors, Thai or foreigners enabling every shareholder, all

groups the basic right and other right they are eligible to have equally as presented within the equal treatment with shareholder's section. During the AGM 2021, the company has performed the followings:

- Prior to the meeting date, the Company provides opportunities and right to shareholders to participate in proposing meeting agenda, and candidates for the position of independent director in advance through the Company website, by accepting such proposal during 1 October to 30 December of every year. Nonetheless during that time period no such proposal was submitted by shareholders.

- The Company facilitated foreign shareholder attendance by preparing relevant meeting document in English.

- The Company facilitates shareholders who were unable to attend the meeting in person to assign others to attend and vote on their behalf through submission of Proxy Type Gor, and Kor provided along with the meeting document. Alternatively, the Company proposed two independent directors namely Mr. Thailuck Leetavorn and Mr. Soraps Suttienkul, members of the Audit Committee to act under proxy for shareholders.

- The Company forwards news and information regarding the meeting to shareholders in advance approximately 30 days prior to the meeting date via company website, and forwarded same by post at least 14 days prior to the meeting date including data CD allowing shareholders sufficient time to study content of the meeting document to support decision making prior to receipt of hard copy documents from the company.

- In consideration and voting on each agenda required voting, vote count system is 1 share for 1 vote equally for all shareholders with resolution passed generally according to majority vote. The Company utilizes vote card compiled from votes 'against' or 'abstention" deducted from total eligible voters to derive at the votes 'for' the agenda being considered and accordingly announced the resolution passed agenda by agenda for transparency and retained vote cards for subsequent verification and in the event of dispute, including disclosure of vote results and recorded with clarity within the minute of the meeting.

- The company conducts meeting in sequence according to established agenda provided within the invitation documents, not adding new agenda without prior advice to shareholders for fairness to shareholders not attending the meeting except out of necessity for the best interest of the company, and strictly in accordance with rules of relevant law.

- The Chairperson of the meeting provides opportunities and time for all shareholders to have equal rights to express opinion and enquire about operations of the company fully regardless of whether they are major or minor shareholders as presented in the shareholders' right section.

(2) Prevention of Exploiting Insider Information

The company emphasizes the prevention of directors, management, and employees exploiting insider information for self-benefit with conflict of interests, and unfair to shareholders. The company has policies monitoring conflict of interests with requirements prohibiting directors, management, and employees from any activities which might have caused conflicting interest with the company's business or for personal benefit from company's activities. The company requires directors and executives to disclose information about themselves and related parties having business and entities which may have conflicting interest with the company.

The company complies strictly with law, regulation, and basis namely where it is necessary to engage in transaction with conflicting interest having director and executive as related parties, the company requires the transaction to be scrutinized by the Audit Committee and if necessary approved by the Board and at the shareholders' meeting. The transaction shall have been considered with fairness and in accordance with market price and terms in the normal course of business as if engaged with external parties. Directors and executives who have vested interests must not be involved in the approval of such transactions

(3) Supervising utilization of insider information

The company has policies regarding prevention of utilization of insider information in writing prohibiting director, management or employees who have received such insider information from disclosing or exploiting the information for personal gain in the trading of company securities or providing insider information to external party or unauthorized individuals for the benefit of purchasing or sale of company shares which may cause damage to shareholders as a whole, and prohibiting directors and management from purchasing or sales of company shares for a period of 1 month prior to the public disclosure of company financial statements. The company has informed the individuals concerning the duties in reporting company securities holding as well as changes in such holding within 3 working days to the securities exchange commission. Notwithstanding such requirement, the company reports such securities holding as an agenda for acknowledgement in the Board of Directors' meeting on a quarterly basis.

For the safeguarding confidentiality of important information of the Company, and customers, and relevant trading partners, the Company has prepared confidentiality agreement documents for directors, executives, interpreters, and employees at all levels, affiliated company management, including relevant trading partners and Company's operating agents to sign and strictly adhere to the agreement.

Failure to adhere to requirement aforementioned shall result in disciplinary actions for directors, executives and all employees.

Related party transactions for the year 2021 have been conducted with transparency, fair, and in the normal course of business.

The company has no group related business transactions having the nature that may have conflicting interests.

Section 3 Consideration of the Role of Stakeholders

(1) Preparation of policies and practices

The company engages in its business recognizing its responsibilities toward all groups of stakeholders namely both internal – employees and management, or external - shareholders, creditors, trading partners, customers, competitors, public sector, the community surrounding the company, the environment and the society at large. The company recognizes the protection and care of the right of all stakeholders fairly both legally or under agreement with the company. The company established policies related to stakeholders within its governance policy and business ethics (details shown on company's website) with annual review and update

corresponding with the changing environment, and publicizes in writing such policies for director, management and employee acknowledgement, and adherence to, coupled with other operating rules and procedures.

The company also recognizes the importance of the fight against fraud and corruption, the decline to accept bribery or other illegal gain with established policy against fraud and corruption, distributed with arranged employee training and test at all levels for matters related to policy and practices in the fight against fraud and corruption of the company. The company is confident that it conducts its business fairly and discloses relevant information to stakeholders adequately for efficient participation enhancing a solid and sustainable growth. Treatment with various stakeholders may be summarized below:

Treatment with shareholders: The Company is dedicated toward business engagement with sustainable growth under good governance principle, transparency without fraud and corruption within the organization and with external parties to ensure shareholders continuing receipt of investment return. The company recognizes the importance of shareholders' right and treatment toward all shareholders equally. The company forwarded information and progress reports to shareholders accurately, completely, timely, and promoting shareholders' right to participate in the meeting (details per policy and practice relevant to shareholders under section 1, item 6.1.2).

Treatment with creditors: The Company has strictly complied with terms of creditors. The company administers borrowings in accordance with the objective, without mis-use of fund which may have caused damage to the company. The company conducts and controls in accordance with lending terms and conditions both for principal repayment for all types of borrowings, and interests fully, timely, without breach of agreement terms, without concealing information or factual matters which may have caused damage to creditors. The company undertake financial management to uphold creditor confidence in the company's financial position, and good capability of meeting repayment terms. The company has been able to maintain financial ratios per loan covenant and has never had default record on debt or interest due to creditors.

Treatment with trading partner: The Company strictly complies with terms and conditions of the agreement, law and fair practices, and transparency with trading partners. The company has policy prohibiting directors, management, and employees from demanding or receiving assets or other benefit which are dishonest from trading partner. Where the company or trading partner found or knew of the information regarding dishonest activities, it shall inform or disclose such information for joint resolution and prevention of future damage.

Basis for selection and assessment of trading partners:

- | | |
|--|--|
| ☐ Financial position | ☐ Business reputation |
| ☐ Product and service quality | ☐ Skill and experiences |
| ☐ Engage in business with good governance principle | |

Treatment with customers: The Company emphasizes dedication toward good service quality, and utmost customer benefit and satisfaction. The company conducts business in compliance with term and condition of

the agreement with customers with transparency and fairness. The company has unit prepared to provide advice and listen to customer suggestion or thought. Guideline for treatment with customers are:

- ☐ The company utilizes hire purchase contract which is fair to customers
- ☐ Upholding customer's right to utilize vehicle
- ☐ Upholding customer's right to receive vehicle registration upon complete installment payment in full
- ☐ Provide factual and complete vehicle information and characteristics to buyer
- ☐ Retain and monitor stringently, appropriately, customer confidential information, and shall not disclose such confidential information to others unless with customer consent or required by law
- ☐ Shall not demand or accept cash, gift, or reward or any other benefit from customer or any other individuals except under customary practice
- ☐ Undertake business in accordance with good governance principle without promoting or encouraging unlawful activities or transaction

Treatment with competitors: The Company emphasizes business conducts mindful of good business ethics, engaging in business professionally, upholding fair competition not engaging in misinformation or any other means inconsistent with fair competition, not in search of competitor confidential information in a dishonest way or inappropriately e.g. payment made to competitor employee, and defaming competitor based on accusation falsely fabricated. The company avoids conduct which may impact on competition and engages in relationship building and exchanging opinion and experiences via the hire purchase association continuing every year.

Treatment with Government Sector: The Company engages in business strictly in full compliance with law and regulations, requirements or various rules of relevant regulatory entities, with established direct operational oversight sub-committee, providing full cooperation, supporting government entity when opportunities arise.

Treatment with society, and environment: The Company engages in business with socially responsible policy emphasizing due care, supporting society, preserving environment, participating in constructive social and community activities where the entity is located, promoting utilization of environmentally friendly products, promoting energy conservation, educating and training of employees concerning environment. Notwithstanding the above, the company does not support any activities which may have caused damage to natural resources or community.

Intellectual property or copyright: The company has policy regarding intellectual property right requiring directors and all employees to protect company's intellectual properties e.g. trad mark, and trade secret which provides competitive edge, protecting leakage of information or exploiting such information for personal gain, or for others without authorization, including not supporting employees acting infringement of others' intellectual property right e.g. patent, trade mark, software belong to others, not utilizing works done by others without authorization.

Prevention of fraud and corruption: The Company is intent on engaging in business with honesty within the framework of good governance principle, with adherence to responsibilities toward the society and all stakeholder groups in accordance with good governance principle, conducting business with transparency, fairness and verifiable. The company has become member of the Private Sector Collective Action Coalition Against Corruption, or Thai CAC, a joint national project among the private sector, supported by the Thai Government, and the Office of the National Anti-Corruption Commission, to express its intent and dedication in the fight against corruption in all forms. The company has prepared policy against fraud and corruption practices, practice guidelines in business engagement to prevent risks arising from fraud, and corruption having been approved by the Board (details per item 8.1.4 Monitoring compliance with governance policy and practices (3) prevention of corruption practice)

Treatment with employees: The company foresees and emphasizes continually the importance of human resources. Employees are considered the most valuable resources of the company. The company has human resources administration policy with treatment of employees in accordance with requirement of the labor protection, and social securities laws, strictly recognizing the respect for individual human right. The company has improved on its system and policy on HR administration corresponding with its business strategy continually (Treatment with employees, details per part of 3.4 sustainable management in social dimension, 3.4.1.1 human right policy, and 3.4.1.2 Fair labor treatment policy)

- **Human right and human right policy**

The company has human right policy with requirement for director, management and employees to respect the international human right principle, to be held as foundation basis for its operations. The company has formed a sub-committee for operational oversight to compile rules, and regulation, and prepare policy to encourage communication channel for knowledge distribution, risk assessment, and support units within the organization to enable conduct in accordance with the required guideline, to ensure that the company respects and complies with the law, rules, and regulation including all relevant local and international laws accurately and completely.

The human right policy covers the followings:

1. Employee treatment on the basis of human dignity, supporting employees exercising their right under the constitution and law, promoting respect for others' right and duties.
2. Employee treatment with equality, unbiased, and without infringement on others' human right verbally or physically as a result of status differences in any forms.
3. The company shall safeguard personal information of employees in accordance with policy and operational manual regarding safeguarding individual personal information BE 2562
4. The company supports and respects human right protection with policy refraining from or not involving in breach or threat against human right.

5. The company has policy regarding prevention of sexual harassment, protection against acting, criticizing, replicating or publicizing, distributing message, photograph presenting sexual harassment. During the year 2021, there has been no complaint regarding human right issue.

- **Employee care**

The company recognizes the importance of human resources and provides fair compensation to employees appropriately and consistent with other companies in the same industry. There has been appointment, transfer including benefits and penalty with honesty on the basis of knowledge, competence, and appropriateness of employees, arranging for fringe benefits, compensation, provident fund, channel of communication to listen to opinion freely. The company adopted safety, occupational health, and environment policies taking care of the working environment considering safety, and employee properties, including office hygiene preventing danger and enhancing good health. Each year the company arranges for office environment check e.g. lighting within the office, quantity of dust, measurement of carbon di oxide gas, level of bacteria. The company arranges for annual health check for all employees including training regarding occupational health and safety at work for employees at all levels.

The setting up of channel of communication for employee opinion and suggestion: The company has arranged for annual meeting continually to communicate with employee policies and operating results. Furthermore, the company provides opportunity for questioning, suggestion, thought to management. As for new hires, the company arranges for orientation at the first day of work in order for new employees to learn company policies, rules, regulations and company's business model, the basis for company's corporate culture, fringe and employee benefits, including good governance principle, and the fight against fraud and corruption practices, the safeguarding of confidentiality of information of the Company, and relevant parties for example. The company has been stringently in full compliance with law and regulation regarding employees, facilitates and taken care of employees enabling them to be entitled to all rights fairly and equally.

(2) To Provide Opportunities for Stakeholders to Contact the Company

The Company provides opportunities for employees and all stakeholders to achieve satisfaction, and participating in monitoring the operations of the Company, conduct in breach of rules and regulation, business ethics or violation of rules of laws including reporting behavior which may be conducive to fraud and corruption or suspicious conduct relating to money laundering, finance, accounting. The stakeholders may contact the Company to express their opinion, provide lead, or complain both by letter to the various committees namely the Chairman of Audit Committee, Director of Administration, at head office, or Company Secretary per the provided address of the Eastern Commercial Leasing PLC, 976/1 Soi Praram 9 Hospital, Sub-district Bangkapi, Huay Kwang District, Bangkok 10310 or via facsimile 02-641-5995 or company website <http://www.ecl.co.th>. Such lead, complaint, and suggestions shall be considered and actioned upon as appropriate. If the lead involves fraud and corruption or violation of law, the company shall retain such information and lead confidentially, and proceed with due consideration for safety of the informant including whoever cooperating

with the investigation to ensure that all relevant parties shall not be affected from the act of providing lead and complaint aforementioned. Over the past year, the Company received no complaints from stakeholders.

(3) Proceeding Against Non-Compliance with Policy and Practice Guideline

1. The company establishes requirement in its ethics policy for directors and management to strictly conduct and supervise employees under their chain of command to strictly comply with business ethics and governance policy because failure to cooperate, ignorant, or breach shall result in penalty in accordance with the nature of the breach as appropriate from warning up to employment termination.

2. The company provides opportunities for employees, stakeholders, and relevant parties channel of complaint, opinion, or enquiry, and report suspicious case of breach of ethics or complaint about breach of ethics directly with the supervisor up the chain of command or delivery of complaint to the HR Department or company secretary or presenting with or informing directly to the Audit Committee.

3. In the event the complaint is untrue and done with ill-intent or deliberately causing damage to other individual or misrepresented, the company shall consider penalty in accordance with work regulation including legal action.

4. In the event management and employees fail to conduct themselves in accordance with policy or breach of ethics, each responsible department or function shall consider at the preliminary phase and report the matter to upper management through the chain of command, with penalty consideration in accordance with work regulation. However, if the issue has the nature of conflicting interest arising severely, and causing substantial damage, beyond functional or departmental authority, the matter should then be presented to company management to resolve the issue or consider penalty, and presented further to the Audit Committee.

Section 4: Disclosure and Transparency

(1) Efficiency of Information Disclosure Process

Management has policy to disclose information with transparency, financial reports, and operating results with information disclosure complete and accurate, transparent equally, regularly and timely in accordance with requirement of the Securities Exchange Commission, and the Securities Exchange of Thailand. Disclosed information has passed the review of the responsible individuals and with consent from the Board. Information disclosed consists of quarterly and annual financial statements, information disclosure Form 56-1, ONE REPORT, Annual Report, related party transaction report, invitation document for shareholders, minutes of the meeting of directors, audit fees, director compensation, duties of director for example. The information has been publicized in various form both Thai and English via securities exchange channel of communication, and company website on the investor relation section with updates regularly to enable users of information up to date, easy access, and maximum usefulness.

(2) Quality of Financial Report:

The company's financial statements are prepared in accordance with Generally Accepted Accounting Principles, with appropriate selection of accounting policies consistently applied, and with careful judgment,

including sufficient disclosure of important information within the notes to financial statements. Disclosure of such financial statements have been audited/reviewed by independent auditor in collaboration with internal auditor and approved by the Audit Committee/Board. The Board reported on its responsibility toward financial reports in the company's annual report.

(3) Investor Relation

On the investor relation function, the Company has assigned the Chairman of the Executive Committee, the investor relation, and Finance Director to perform the duties of disseminating useful information and liaise with institutional investors, shareholders, including stock analysts, public media, and the general public. During the year 2021 the company has disclosed information regarding its operating results to shareholders, investors, stock analysts, in line with the good governance principle disclosing during the appropriate time, transparent, and equal as follows:

1. The reception of investors and analysts who request for visit (company visits) or via tele-conference calls for 14 times.
2. Provide information via media interview in the forms of newspaper or TV program on air or via phone interview for 8 times.
3. Provide press releases in the event the company has had investment activities or important business transaction

This is to provide channel of communication between the company, shareholders, and investors. Interested parties may contact investor relation of the company at Miss Apitsara Sriamorn phone number 02-641-5252, extension 9419, email address apitsara@ecl.co.th in order to enable shareholders and the stakeholders to receive information equally.

Section 5: Responsibilities of the Board of Directors

The Board of Directors has an important role of entity oversight, and as shareholder representative in the establishment of vision, commitment, strategy, system of internal control, system of risk management, system of audit to enable management meeting its objectives, and operational control of implemented policy compliance, with fairness, transparency, consistent with law, regulation, and policies including business ethics. As the Board of Directors is appointed by shareholders through a transparent process, all individual director must be knowledgeable, and experienced and contribute to the business engagement of the company. Directors must exert, be dedicated with time to perform their duties fully, being honest, having leadership quality, vision, independent in decision making for the best interest of the company and shareholders as a whole. The Board must be able to arrange for a system that provide assurance that all activities of the company are conducted in compliance with law and ethics and be independent from company management. The Board is authorized to appoint the various sub-committees to assist in the monitoring, studying, and filtering as necessary to enable an efficient Board performance. The Board has the duties of considering Board structure being appropriate with the company's business engagement, clear scope of operations, authorities and responsibilities, beneficial to an efficient Board performance.

6.2 Business Ethics

Good Governance Policy and Business Ethics

The company establishes policy and business ethics in writing related to governance standards on code of conduct. This policy has been prepared with revision and improvement annually, and announced via all communication media, with director, management, and employee training to enable performance in compliance with law and regulations with honesty, morality, transparency. The policy recognizes the importance of all groups of stakeholders, responsibilities to ward society, community, and the environment, not involving in politics, recognition of individual right under the law, respect for human right, without infringement in intellectual property or patent right of others, fight against fraud and corruption practice, prevention of money laundering, not involved in demanding/receiving bribery of any kind, monitoring and control of insider information not subject to conflicting interests.

The company has formed the sub-committee for ethics, and prevention of fraud and corruption practices, and sub-committee for operational oversight to monitor and be instrumental to the drive toward assurance of acknowledgment and strict operational compliance by director, management, employees of the company, and subsidiaries.

Company's complete version of good governance information and business conduct may be referred to at <http://www.ecl.co.th> under the caption investor relation, sub-menu entity governance.

6.3 Important change and development of the policy, practice guideline, and governance process over the past year

6.3.1 Review of policy, practice guideline, and system of entity governance, and various charters

1. Improve and add policy and regulation on related party transactions
2. Improve on Board charter to be consistent with good governance principle

6.3.2 Adoption of the good governance principle for registered company, Year 2017 (CG Code)

The Board has prepared policy on entity governance, business ethics, and ethics for directors, executives, and employees including policy and practice guideline in the fight against fraud and corruption practices, and monitoring for strict compliance, transparent disclosure of information, fair treatment with stakeholders, recognition of the importance of system of internal control, internal audit, and risk management. Board has complied with best practices of directors of registered companies, regular meeting attendance, along with supervision of shareholders' meeting considering as primary principle the shareholders' right, and equality.

For the year 2021, there are issues the company have not complied with, and appropriate replacement measures as follows:

	Non-compliance	Reasoning
1	The Board should consist of independent directors more than half of the total number of directors if the Chairperson of the Board is not an independent	The Chairperson of the Board is a separate individual from that of the Chairperson of the Executive Committee, with segregation of duties and

	director, and non-executive directors accounted for than 66%.	responsibility of the Board, and executive clearly without overlapping administration duties, able to counter balance between governance, and administration.
2	The Board should require terms of service of independent directors consecutively no longer than 9 years from date of first appointment as independent director	The Board has yet to determine the longest consecutive term of service for independent director, sub-committee members, as the Board is confident that all directors are knowledgeable, competent, and experienced, well understand company's business engagement, independent in expressing opinion, advice beneficial to the company, are not or unrelated to the major shareholders or control interest, not under the influence of or control by Management, having independent director qualification per SEC, and SET requirements.
3	The Nomination and Remuneration Committee consists of independent directors in its entirety	The Nomination and Remuneration Committee consists of 3 members, at least two of whom are independent directors, and the Chairperson of the Committee must be an independent director
4	Requirement for director or senior management inform the Board of Directors or director designated individual related to trading of company's shares at least 1 day in advance prior the transaction date.	The Board establishes measures preventing unauthorized utilization of insider information of relevant individuals, spouse, and children not of legal age including relevant individuals to information, prohibiting utilizing of information yet to be disclosed to public, for transactions or for self-interest which may be conflicting, and construed as serious breach of company's business ethics.
5	The Chairperson of the Board should be an independent director	The Chairperson of the Board is not an independent director as the business requires specific knowledge, understanding, and experiences. Even though the Chairperson is not an independent director, but the company has an adequate system of internal control with operational mechanism to ensure transparency, consistent with good governance principle and conduct of duties for the best interest of stakeholders as a whole throughout

6.3.3 Information about other matters in accordance with good governance principle to support various assessment

The company and subsidiaries have undergone review and proceeded to upgrade and modify good governance policy, and business ethics annually to meet standards namely good governance principle of registered company of the SEC and SET. On the basis of the Thai registered company governance survey project (Corporate Governance Report of Thai Listed Companies – CGR) of the Institute of Directors, the company has been assessed regarding entity governance practice summarized below:

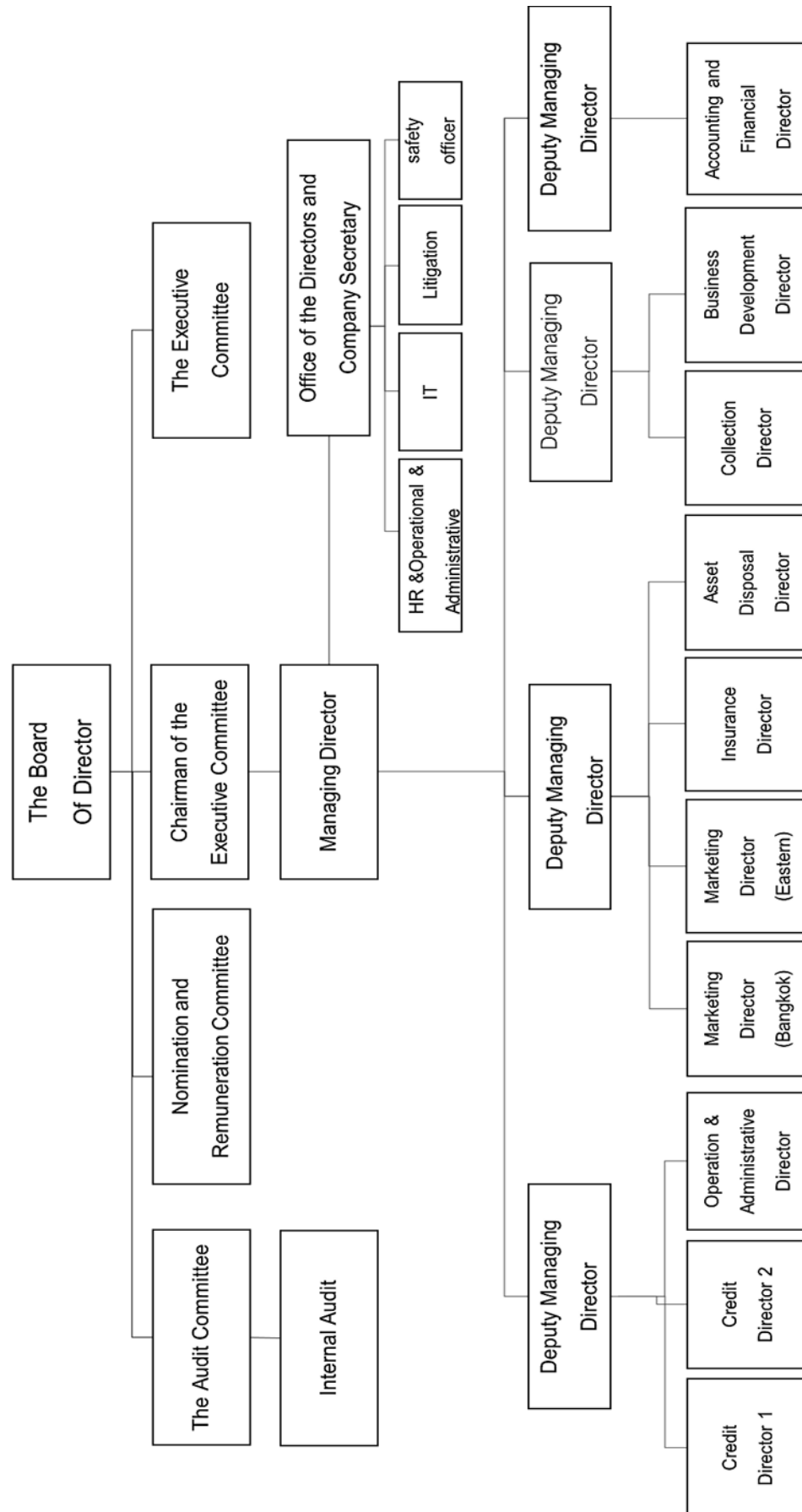
1. The company has been rated with the score of 92% from the governance survey project of registered entities (Corporate Governance Report of Thai Listed Companies – CGR) for the year 2021, at the Excellent level by the Institute of Directors

2. The company has been rated with the score of 97 for the AGM conference organization quality assessment for the year 2021 (AGM Checklist) by the Thai Investors Association

Entity Governance Structure and
Important Information regarding the Board
of Directors, Sub-Committees, Executives,
Employees and Others

7. Entity Governance Structure and Important Information regarding the Board of Directors, Sub-Committees, Executives, Employees and Others

7.1 Management Structure At 31 December 2021



7.2 The Board of Director Information

7.2.1 Structure of the Board of Directors

1. The Board of Directors consist of at least 5 directors, no less than half of the directors must reside within Thailand, at least a third of the directors must be independent directors and no less than 3 individuals (per basis required in notification Tor Jor 4/2552) and at least one director must be knowledgeable in accounting and finance.

2. Company directors are appointed with complete qualification without prohibitive character per Public Company Act, SEC requirement, and regulation of the Securities Exchange of Thailand, must be knowledgeable, competent, experienced, and understand nature of the company's business engagement, and industry in which the company operates, exertive and dedicated time in the performance of duties and responsibilities with good work record, morality, ethics, and extensive vision.

3. The Board of Directors elects one non-executive director as the Chairperson of the Board

4. The Chairperson of the Board must not hold Chairperson or membership position in the sub-committees and not being the same individual as the Chairperson of the Executive Committee

5. To enable directors sufficient time in performing well the duties of company director, directorship in other companies must not become obstacle to the performance as company director. It is therefore established that directorship position in other listed companies should not exceed 5 companies concurrently.

6. The Board of Directors elects one individual to perform the duty of Board Secretary. The Board Secretary may or may not be a company director.

As at 31 /December 2021, the Board of Directors consists of 9 directors who are knowledgeable in variety of fields in terms of skill, knowledge, and experiences beneficial to the operation in accordance with company strategy in business engagement and for the successful operation as follows:

Rank	Name of Director	Executive Director	Non-Executive Director	Independent Director	Audit Committee Member
1	Mr. Preecha Veerapong		/		
2	Mr. Danucha Veerapong	/			
3	Mr. Prapakorn Veerapong	/			
4	Mrs. Duangrat Jaengmongkol	/			
5	Mr. Masayuki Nozawa	/			
6	Mrs. Prapasri Permsub		/	/	/
7	Mr. Sorapas Suttienkul		/	/	/
8	Mr. Thailuck Leetavorn		/	/	/
9	Mr. Wichai Maithong		/	/	
Total		4	5	4	3

(1) 4 executive directors 4/9 or 44.44%

(2) 5 non-executive directors 5/9 or 55.56%

(3) 4 independent directors 4/9 or 44.44% exceeding a third

(4) Audit Committee consists of 3 independent directors or 1/3 and not less than 3 individuals, per regulation of the SET, and 1 knowledgeable and experienced in reviewing reliability of financial report

- (5) The company isolates the positions of Chairperson of the Board and the Executive Committee (2 positions) without being the same individual, with clear segregation of duties, without any individual having unlimited power. Nonetheless the Chairperson of the Board, and the Chairperson of the Executive Committee are representatives from the same major shareholder group i.e. the Veerapong family, holding 25.38% of the company equity as at 5 January 2022. To provide check and balance for management, Board structure comprises non-executive directors more than executive directors, independent directors more than a third, and the Audit Committee having no less than 3 independent directors,

7.2.2 Board of Director information and authorized director having control power over the company

Names of the Board of Directors

Rank	Name of Director	Position	Date of Appointment	Years of Service
1	Mr. Preecha Veerapong	The Chairperson	15 Sep 2003	18 Y 3 MO
2	Mr. Danucha Veerapong	CEO, and Chairperson of the Executive Committee	17 Nov 2003	18 Y 2 MO
3	Mr. Prapakorn Veerapong	Managing Director, and Member of the Executive Committee	15 Sep 2003	18 Y 3 MO
4	Mrs. Duangrat Jaengmongkol	Director, Member of the Executive Committee, Company Secretary, Member of the Nomination and Remuneration Committee, and	15 Sep 2003 13 Aug 2008 24 Apr 2018	18 Y 3 MO
5	Mr. Masayuki Nozawa	Authorized Director	15 May 2020	1 Y 7 MO
6	Mrs. Prapasri Permsub	Independent Director, Chairperson of the Audit Committee, and Member of the Nomination and Remuneration Committee	24 Apr 2018 24 Apr 2018	3 Y 8 MO
7	Mr. Sorapas Suttiengkul	Independent Director, Audit Committee Member, and Chairperson of the Nomination and Remuneration	26 Feb 2015 25 Apr 2018 24 Apr 2018	6 Y 10 MO
8	Mr. Thailuck Leetavorn	Independent Director, and Audit Committee Member\	15 Aug 2017 15 Aug 2017	4 Y 4 MO
9	Mr. Wichai Maithong	Independent Director	24 Apr 2018	3 Y 8 MO

Having Miss Apitsara Sriamorn acting as Board Secretary

Authorized Directors

Authorized Directors consist of Mr. Preecha Veerapong, Mr. Danucha Veerapong, Mr. Prapakorn Veerapong, and Mrs. Duangrat Jaengmongkol. Any two of the four authorized directors may sign jointly and affixed with company seal to bind the company.

7.2.3 Information about the Role and Duties of the Board of Directors

Authority of The Board of Directors

1. Appoint, remove, and assign authority to advisors to The Board of Directors, various committees, and Chairperson of the Executive Committee and/or the Managing Directors, to carry out the assigned duties.
2. Seek advices from specialists or company consultants (if any), or hiring of advisor or outside specialists as necessary at the company's expenses.
3. Approve loan borrowing transaction to be used as the company's working capital, for such portion exceeding the authority of the Executive Committee.
4. Approve or cancel credit facility, for such portion exceeding the authority of the Executive Committee.
5. Approve loan extension to companies having business relationship with the company, either as the Shareholder or the company engaging in business transaction, or other companies, for such portion within the amount limit exceeding the authority of the Executive Committee.
6. Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion within the amount limit exceeding the authority of the Executive Board.
7. Approve the formation, merger, or dissolution of subsidiary company.
8. Approve the investment, sales of investment in common shares, and/or any other securities, for an amount portion exceeding the authority of the Executive Committee.
9. Approve the procurement and fixed asset investment for such an amount portion exceeding the authority of the Executive Committee.
10. Approve the sales and transfer transactions of fixed assets, for such an amount portion exceeding the authority of The Executive Committee.
11. Approve the adjustment, destruction, write-off for fixes assets, and/or intangible assets no longer in use, or being subject to damage, loss, destruction, deterioration, obsolescence, or no longer functionable, for such accounting value (historical cost) exceeding the authority of The Executive Committee.
12. Approve the compromise, settlement of conflicts by arbitration, petition, lawsuit, and/or court proceedings on the company's behalf, for such case not considered as normal business practice, and/or such case considered as normal business practice, for such portion exceeding the authority of The Executive Committee.
13. Approve the entering into such transaction not considered as normal business practice, for such portion exceeding the authority of The Executive Board.
14. Propose the capital increase or capital decrease, or the change in par value of stocks, change or amendment to memorandum of association, articles of association, and/or objectives of the company to the shareholders for consideration.

15. Approval for The Executive Committee to set up authority manual and other operating procedures as they deem appropriate.
16. Assign management, executive or employees at the executive level or any other person under power of attorney to act on their behalf.
17. Authorize summon of management, executive or relevant employees to provide explanation or opinion, to join the meeting, and to submit relevant documents deemed necessary.
18. Appoint and remove Company Secretary.
19. The scope of authority for the Board of Directors pertaining to the acquisition and disposal of assets and connected transactions, shall comply with the Notification of the Capital Market Supervisory Board.

Duty and Responsibility of the Board of Directors

The Board of Directors has authority, duty, and responsibility primarily toward shareholders in the business engagement of the company, in managing and supervising the management to ensure the operation in accordance with the objectives, and articles of the company including the relevant law, as well as legitimate resolution passed at the shareholders' meeting, conducted with integrity, honesty, and due care considering the best interest of the company and fairness toward shareholders and all stakeholders equally.

Scope of duties, and important responsibilities of the Board may be summarized below:

1. To arrange for the Annual General Shareholders' Meeting within 4 months after the closing date of the company's accounting period.
2. To arrange for the meeting of the Board of Directors at least once every 3 months.
3. In considering approval for any transactions for the company and its subsidiary which may have material impact on the financial position, liabilities, and capital structure of the company.
4. To arrange for the preparation of the statement of financial position as at the end of the fiscal year, and statement of comprehensive income for the year ended at the same date, the financial statements of which shall have been audited, reliable, and presented for consideration and approval at the Annual General Shareholders' Meeting.
5. The approval consideration or providing consent in the related party transaction, and transactions which may have conflicting interest between the company or subsidiary with related party in accordance with rules, regulations of the securities, and securities exchange commission, and the securities exchange of Thailand.
6. To delegate its authority to one or more directors or other individuals to perform any acts on behalf of the Board of Directors under the control of the Board or to delegate to such individuals with authority and within the duration as the Board sees fit. The Board may withdraw, cancel, or modify individuals being delegated or the authority delegated as appropriate.

The Board may delegate its authority to the Executive Committee empowering it to perform tasks with detailed delegated authority per scope of duty and authority of the Executive Committee. Such

delegation must not be so delegated that will enable the Executive Committee consider approving transactions which the Executive Committee or individuals may have conflicting or vested interests or any other conflicting interests with the Company or subsidiaries except for transaction approval in accordance with policies and principles the Board of Directors has already considered and approved.

7. To establish vision, commitment, goal, guidance, policy, plan, and budget of the company, supervise, oversee the administration and management of the Executive Committee in accordance with assigned policies with the exception of such matters which the Board of Directors requires the approval via the resolution passed at the shareholders' meeting with vote count no less than three quarter of the attending and eligible shareholders prior to the execution namely matters by law require approval at the shareholders' meeting such as the increase, decrease of capital, the issuance of debenture, the sale or transfer of the business of the company in whole or in part with material substance to other individuals or the acquisition or being recipient of the transfer of the business of other company, the modification of the memorandum and articles of association of the company. In addition, duties of the Board also encompass the supervision of the company to perform in accordance with the law and regulation relevant to the securities, and securities exchange for example related party transaction and the purchase and sale of assets of material substance in accordance with regulation of the Securities Exchange of Thailand or other law relevant to the company's business.
8. To consider structure of management, to appoint the Executive Committee, the Chairperson of the Executive Committee, and other committee as appropriate including the establishment, segregation of duties and responsibilities of the Board, sub-committees, and management by establishing clear authorities in the delegation of authorities and company operations.
9. To continuously monitor the operating results in accordance with business plan, and budget
10. To arrange for the review and approval of the vision, commitment, ethical code manual, and business ethics of the company at least once every 3 years.
11. Directors must not engage in the same type of business and in competition with the company or being partner in an ordinary partnership, or being managing partner in a limited partnership, or being director of private companies or other companies engaging in similar business and in competition with the company regardless of whether such acts are for the individual directors' interest or for others except for prior appointment notification at the shareholders' meeting.
12. Directors must inform the company without delay in the event conflict of interests arises directly or indirectly within the contract the company enters into or increase, decrease in shares or debenture holding in the company or group companies.

The Appointment and Removal of Company Director

Recruitment of Directors

The Nomination and Remuneration Committee is assigned jointly with the Executive Committee the duties in consideration of director recruitment, selection of individuals with appropriate qualification for appointment as directors, and proposing to the Board, and at the shareholders' meeting for approval consideration.

Qualification of Directors

1. Director qualification per public company act principle
 1. Being an individual
 2. Reaching legal age
 3. Not being bankrupt, incapacitated, or appeared incapacitated
 4. Not being convicted to jail term at last verdict for offence relating to asset fraud
 5. Not being expelled or terminated from civil service or organization or public sector entity on ground of fraud on active duty
2. Being knowledgeable, competent, and experienced beneficial to the business operations, truly interested in the business of the company, and being able to dedicate time, being independent in expressing opinion in performing the oversight duty counterbalancing with the operations under management

Director Selection

- 1) Appointment of directors by resolution of the shareholders for example appointment of directors replacing directors scheduled to be retired through rotation at the Annual General Shareholders' Meeting and/or the appointment of additional new director requiring approval at the shareholders' meeting. The Board is to submit names of candidates with appropriate qualification for the position of director to the shareholders' meeting for consideration. The Meeting shall consider according to standard, and procedures per company articles namely
 - 1.1 Each shareholder has voting right equal to the number of shares held
 - 1.2 The poll for director may be conducted with voting for each individual director, one poll for one director or one poll for multiple number of directors as the Meeting sees fit. In each poll, each shareholder must vote with the number of votes per 1.1 in its entirety. The shareholder may not allocate one's votes to multiple candidates.
 - 1.3 The vote for director is by majority with the Chairman having the casting vote in the event of a tie vote.
 - 1.4 The right of minority shareholders in the appointment of directors: Company articles provided that each shareholder shall have voting right one vote for one share held, and not the cumulative voting

system. The Nomination and Remuneration Committee provides opportunity for directors, and shareholders to participate in proposing qualified individuals as director candidates.

The company has advised shareholders via information system of the securities exchange the opportunities for shareholders to propose individuals with qualification in accordance with the articles of the company, the Public Company Act, BE 2535, and the Announcement of the SEC, to the company secretary as director candidate for approval consideration. The company has publicized method of proposing, and consideration procedure on the company's website in advance approximately 3 months prior to the meeting date of the Nomination and Remuneration Committee, and the Board. Shareholders, who may propose individual as director candidate, should have below requirements i.e. 1. Being shareholder (s) of the company, as one shareholder or a number of shareholders combined, 2. Proportion of shares held no less than 0.25% of total shares issued with voting rights, 3. Holding shares as at the date of proposing director candidate.

1.5 At the Annual General Shareholders' Meeting each year, at least a third or proportion close to a third of the number of directors shall retire with the longest servicing directors retiring first. Retired directors are eligible to be reappointed.

During the AGM for the year 2021 on 28 April 2021, there were three retired directors through rotation and reappointed namely 1. Mr. Danucha Veerapong, 2. Mr. Masayuki Nozawa 3. Mrs. Prapasri Permsup

- 2) The appointment of director replacing retired director for reasons other than scheduled retirement in accordance with Company Articles namely the Board considers individuals with required qualification and without prohibitive record according to law, to be appointed as replacement director at the next meeting of the Board unless the service tenor of the director is less than 2 months. The replacement director shall stay as director only within the service tenor remaining of the director one replaces. The voting of the Board for such director must be at least three-quarter of the total votes of the Board remaining.
- 3) Director with intention to resign should submit the resignation letter to the company, and may also inform the resignation with the registrar. The resignation takes effect upon arrival of the resignation letter at the company.
- 4) Resolution removing director prior the scheduled retirement, requires at least three-quarter vote of the attending and eligible shareholders, with shares held no less than half of the attending and eligible shareholders.

Duty and Authority of the Chairperson of the Board

1. The individual is responsible as the leader of the Board to chair the Board's, and the shareholders' meetings, and encourage all individual directors to participate in the meetings.
2. The individual has the role to control the meeting to be conducted with efficiency in accordance with company articles, support and provide opportunities for directors expressing their views freely.

3. The individual is to supervise the performance of duties of the Board with responsibility, honesty, and with efficiency enabling the achievement of the objectives and core targets of the entity.
4. The individual is to encourage and provide oversight to enable director participation to support achievement of a corporate culture of adherence to ethical values, and good governance principle.
5. The individual is to support good relationship enhancement between executive and non-executive directors, and the Board of Directors and management.

In order to achieve a clear segregation of duties between policy establishment for entity governance, and routine administration, the company requires the Chairperson of the Board, and the Chairperson of Executive Committee to be two separate individuals.

7.3 Sub-Committee Information

7.3.1 Sub-Committee Structure and Components

The Board appointed three sub-committees namely the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee for monitoring and company's operation oversight and reporting to the Board regularly. Furthermore, the Executive Committee appoints 9 sub-committees to perform regular duties and report to the Executive Committee, for further submission to the Audit Committee and/or the Board of Directors.

(1) The Audit Committee

The Audit Committee is responsible for reviewing company's financial reports, the adequacy of the system of internal control, and system of risk management, reviewing compliance with relevant regulation, laws, and rules, selection consideration and establishment of audit fees for the company's external auditor, reviewing related party transactions or transaction which may have conflicting interest, to assure correctness, completeness, and transparency, supervise and consider plan, operating results, budget, and headcount of the internal audit office. For the year 2021, the Audit Committee convened 4 meetings with all members' full attendance and conducted in accordance with scheduled agenda, coordination and follow-up proceedings as recommended by the Audit Committee, and recorded within the minute of the meeting.

As at 31 December 2021, the Audit Committee consists of 3 independent directors as follows:

Rank	Director's Name	Position	Appointment Date	Terms end
1.	* Mrs. Prapasri Permsub	The Chairperson of the Audit Committee/ an independent director	23 April 2018	15 August 2023
2.	* Mr. Thailuck Leetavorn	Member of the Audit Committee/an independent director	15 August 2017	15 August 2023
3.	** Mr. Sorapat Suttienkul	Member of the Audit Committee/ an independent director	23 April 2018	24 April 2022

Miss Apitsara Sriamorn, Audit Committee Secretary

Remarks: * As per BOD 4/2564 dated 11 August 2021, directorship of Mrs. Prapasri Permsup, and Mr. Thailuck Leetavorn have been approved for extension for another term in the position of the Chairperson, and member of the Audit Committee respectively.

** As per BOD 1/2563 dated 26 February 2020, directorship of Mr. Sorapat Suttienkul has been approved for extension for another term in the position of member of the Audit Committee.

Knowledgeable and experienced individual for reviewing company's financial reports

Mrs. Prapasri Permsup, the Chairperson of the Audit Committee is knowledgeable and experienced in accounting and finance, capable of performing the duties of reviewing financial reports very well.

Authorities of the Audit Committee

1. Establish coordination for understanding along the same line among the external auditor, the Board, and internal auditor
2. Hold consultation with specialist or company consultant (if any) or hire advisor or external specialist when necessary, under company expense
3. Authorized to invite participation by relevant management, executives, or employees of the company to clarify, express opinion, join the meeting or submit of documents deemed relevant and necessary including access to information at all levels of the organization
4. Authorized to investigate relevant individuals and matters within the scope of authorities and duties of the Audit Committee

Duties and responsibilities of the Audit Committee

The Audit Committee has the scope of duties and responsibilities as assigned by the Board of Directors including reporting to the Board equivalent in accordance with new regulation BE 2551 of the securities exchange as follows;

1. Review for company financial report to be accurate with adequate disclosure with coordination with external auditor and management responsible for preparation of financial reports both quarterly and annually. The Audit Committee may suggest the external auditor to review or audit any transactions deemed necessary and important during the course of company audit.
2. Review to ensure that the company maintains appropriate and effective system of internal control, and internal audit, system of risk management, jointly with external auditor, and internal auditor including providing opinion in considering appointment, transfer, or termination of internal auditors for impropriety.
3. Review company compliance with law regarding securities and securities exchange, regulation of the securities exchange or relevant law to the company's business engagement.
4. To consider the selection and propose an independent party for appointment as the external auditor of the company, propose for the auditor's compensation, and to participate in the meeting with external auditor without management present at least once a year.
5. To consider related party transactions or transactions which may have conflicting interests to be in accordance with the law and regulation of the securities exchange to ensure that such transactions are reasonable and for the best interest of the company.

6. To prepare report of the activities of the Audit Committee and disclose the report within Company's Annual Report such report to be affixed with the signature of the Chairperson of the Audit Committee. The report should comprise the following information:
 - Opinion on the process of preparation and disclosure of financial reports of the company whether they are accurate, complete and reliable,
 - Opinion on the adequacy of the system of internal control of the company
 - Opinion on legal compliance related to the securities and securities exchange, regulation of the securities exchange, or law relevant to the company's business
 - Opinion on the appropriateness of the external auditor
 - Opinion on transactions that may have conflicting interests
 - The number of meetings of the Audit Committee, and attendance of individual audit committee member
 - Opinion or overall observation of the Audit Committee in performing its duties in accordance with the Audit Committee Charter
 - Any other reports the Committee felt the shareholders and investors in general should know within the scope of duties and responsibilities assigned by the Board of Directors
7. To perform any other duties as assigned by the Board of Directors and agreed by the Audit Committee such as reviewing financial policy and risk management, executive management conduct in accordance with code of ethics in business, reviewing jointly with management for important reports required to be presented to the public in accordance with the law such as management report and analysis.
8. To arrange for preliminary investigation upon receiving external auditor's report where the auditor found suspicious behavior involving fraud or breach of relevant law concerning performance of directors and management of the company, and to report the results of the investigation to the SEC and the external auditor within 30 days from the date of report receipt.
9. To accept complaints, and consider complained matters as submitted by the stakeholders

Duration of Appointment of the Audit Committee

The Audit Committee member has a 2-year term of service. Retiring Audit Committee member per schedule in accordance with articles may be reappointed. Where the position of Audit Committee member is vacant for reason other than scheduled retirement, the Board may appoint individual with full qualification as Audit Committee member to maintain full membership of the Audit Committee as established by the Board. The replacement Audit Committee member shall hold the position only up to the remaining terms of the replaced Audit Committee member.

(2) The Nomination and Remuneration Committee

As at 31 December 2021, the committee comprises three qualified individuals namely:

Rank	Name of Director	Position	Appointment Date	Terms end
1.	Mr. Sorapas Suttienkul	Chairman of the Nomination and Remuneration Committee/ Independent Director	24 April 2018	24 April 2024
2.	Mrs. Prapasri Permsub	Nomination and Remuneration Committee member/ Independent Director	24 April 2018	24 April 2024
3.	Mrs. Duangrat Jaengmongkol	Nomination and Remuneration Committee member/ Director	24 April 2018	24 April 2024

Having Miss Apitsara Sriamorn acting as secretary of the Nomination and Remuneration Committee

Remark: * Mr. Sorapas Suttienkul, Mrs. Prapasri Permsub, and Mrs. Duangrat Jaengmongkol have been approved for extension for another term in the position of Chairperson of the Nomination and Remuneration Committee, and members of the Committee respectively as per BOD 4/2564 dated 11 August 2021

Scope of Authorities and Duties of the Nomination and Remuneration Committee**Authority of The Nomination Committee**

1. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
2. Authorized to summon the management, executive or relevant employees to provide clarification, opinion, to take part in meetings, and to submit documents deemed necessary.

Duty and responsibility scope of The Nomination Committee

1. Consider structure and composition of the Board of Directors, provide Board advice regarding an appropriate number of directors for the size and type of business undertaking, terms of office, work process, and practice guide of the Board of Directors, and the sub-committees.
2. Consider qualification of independent directors in accordance with the SEC requirements and request approval for change with the Board of Directors
3. Consider reviewing basis, qualification of the individuals to be appointed as directors of the company as prescribed within the good governance policy annually.
4. Establish basis for director recruitment appropriately for the specific nature of the company for example basis for considering existing directors for reappointment, the announcement for the application for directorship position, the opportunity for shareholder submission of director candidates, appointing external recruitment agency, consideration of individuals as listed within the professional director registry, assigning each director to propose appropriate director candidate. The basis and procedures for the recruitment of directors aforementioned shall be disclosed within the annual report, and posted on the company web site.
5. Nominate individual in accordance with the established recruitment process for Board consideration for submission at the shareholders' meeting for the appointment of directors or for Board consideration for

appointment of director replacing directorship position vacant or increasing new directorship position during the period.

6. Consider individual directorship candidate as proposed by shareholders for Board consideration and subsequently at the shareholders' meeting.
7. Consider proposing for approval the appointment of individual for the position of committee member and chairman of the various sub-committees to the Board of Directors.
8. Prepare training and development plan regarding the performance of directors, and business knowledge of the company for the Board of Directors, and senior executives continuingly to enhance Board potential and in the event of new director appointment, the Nomination and Remuneration Committee shall have the duties of arranging for orientation, distribution of documents and information useful to the performance of directors' duties.
9. Prepare and review jointly with the Board Chairperson and Chairperson of the Executive Committee regarding the director and senior executive development plan continuingly to ensure succession in the event of director or senior executive retirement or incapacitated to sustain the continuing administration of the company.
10. Monitor, review results of self-assessment of the Board individually including assessment of the annual performance of the Board, and sub-committees.
11. Perform duties in accordance with the corporate governance principles, provide advice to the Audit Committee related to corporate governance.
12. Empower to invite management or relevant individuals to the company to provide opinion, participate in meeting or provide relevant information.
13. Prepare written Nomination and Remuneration Committee Charter, submit to the Board for approval consideration, and review the adequacy of such charter annually.
14. Disclose operating information, and compensation to the Nomination and Remuneration Committee for shareholder acknowledgement.

Authority of The Remuneration Committee

1. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants if it is necessary at the company's expenses.
2. Authorized to summon the management, executive, and company employee to provide clarification, opinion, to take part in meetings, and to submit documents deemed necessary.

Duty and responsibility scope of The Remuneration Committee

1. Consider director and senior executive compensation namely management having positions of Deputy Managing Director up to the position of directors, in order to present opinion to the Board of Directors with the Board having authority to approve compensation for senior executives, and as for compensation for directors, the Board shall present to the shareholders' meeting for approval.

2. Establish policy, forms, and basis for director compensation, other fringe benefits as appropriate in accordance with duties and responsibilities, in relation to the overall operating results of the company, in order to provide incentives, and retain high potential and competent director with below measures:

2.1 Review appropriateness of currently applicable basis

2.2 Consider compensation information of other companies in the same industry

2.3 Establish appropriate basis to render results as anticipated, with fairness, and rewarding to individuals who help accomplish the company's objective

2.4 Review the form of compensation of all types considering monetary value, and proportion of payment of each type of compensation appropriately, with the various types being:

Retainer Fee: For example, monthly, annual compensation considering 3 factors namely (1) Applicable practice guide of company in the same industry (2) Operating results and size of business of the company and (3) responsibility, knowledge, competency, and experience of director or senior executive the company requires.

Incentive in relation to operating results: which relates to value add created for shareholders e.g. operating profit or dividend paid. Director and senior executive compensation in this regard should not be paid excessively.

Attendance Fee: Directors may receive meeting fees in addition to retainer fees, and incentives in relation to operating results in which the Nomination and Remuneration Committee shall consider at an appropriate level in order to provide incentive for directors performing their duties by attending meetings regularly.

3. Establish bases for performance appraisal of the chairman of the executive committee to be presented to the Board for approval consideration. As for the performance appraisal process itself, the Board may elect to appraise the Chairman of the Executive Committee by itself or assigning the Nomination and Remuneration Committee to perform such task.

4. Consider establishing annual director and senior executive compensation procedure below:

4.1 Establish annual director and senior executive compensation per basis considered

4.2 The senior executive compensation establishment should be considered along with the results of their performance appraisal.

4.3 Compare with compensation in other companies in the same industry

4.4 Present proposed established senior executive compensation for Board approval, director compensation is to be submitted by the Board at the shareholders' meeting for approval.

5. Offering for sale of new securities or warrants to directors or employees

In the event new securities or warrant are being offered for sale to directors and employees, the Nomination and Remuneration Committee shall consider the terms of offering to provide incentive to motivate directors and employees to perform their duties in such a way that they enhance shareholders value add over the long term and truly enabling the retention of quality employees but concurrently should not be excessive and be fair to shareholders.

Furthermore, any directors or employees who are eligible to be appropriated with securities in excess of 5% of the entire assets be appropriated, the Nomination and Remuneration Committee shall consider the appropriateness, and provide consent (Nevertheless, it must perform in accordance with the SEC requirement indicating that the no member of the Nomination and Remuneration Committee itself shall be eligible to receive securities in excess of 5%, in order for the Committee to be authorized to provide consent).

Terms of Office of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall have the term of 3 years each. Members who are scheduled to retire per Articles may be reappointed. In the event member position is vacant for reasons other than scheduled retirement, the Board shall appoint individual with full qualification as member of the Nomination and Remuneration Committee, in order to maintain the number of committee members as required by the Board. The replacement committee member shall be in the position up to the term of the replaced committee member.

(3) The Executive Committee

As at 31 December 2021, the Executive Committee comprises 4 directors who are executive directors, and 8 management staff:

Rank	Name	Position
1	Mr. Danucha Veerapong	Director, The Chairperson of the Executive Committee
2	Mr. Prapakorn Veerapong	Director/Managing Director
3	Mrs. Duangrat Jaengmongkol	Director/ Company Secretary
4	Mr. Masayuki Nozawa	Director/Deputy Managing Director
5	Mrs. Walaiporn Panyatanya	Deputy Managing Director
6	Mrs. Charatsang Yuampai	Deputy Managing Director
7	Mr. Tiratee Patiparnvoharn	Deputy Managing Director
8	Miss Kanchana Sophonpongpiat	Accounting and Finance Director
9	Mr. Sukkasem Titasaro	Director of Collection
10	Mr. Mano Boonyasrisawasdi	Insurance Business Director
11	Mr. Teera Chunchacha	Marketing-3 Director (Eastern)
12	Miss Yuwadi Tongthai	Credit Director - 2

Miss Apitsara Siamorn is the Committee Secretary

Duty and Authority of the Executive Committee

The Executive Committee has authority, duty, and responsibility in managing the on-going operation, and other administrative function of the company. The Committee is to establish policy, business plan, budget, management structure, company's delegation of authority, and operating procedures corresponding to the economic condition in order to submit to the Board of Directors for consideration and approval and/or acknowledgement including the audit, and follow-up the operating result in accordance with established policy. In summary, the important duty, authority, and responsibility of the Committee are as follow:

1. To operate and manage the business of the company fully in accordance with the objectives, the articles, policy, rules, regulation, orders and resolution of the Board of Directors and/or resolution at the shareholders' meeting
2. To consider policy establishment, direction, and strategy for the operation of the company, the establishment of financial plan, budget, human resources management, investment in information technology, business expansion, public relations, and control and supervision to ensure appointed sub-committee's conduct fulfilling the Committee's goal.
3. To consider annual budget appropriation as proposed by Management prior to the submission to the Board of Directors for consideration and approval, including the consideration and approval for modification, increase in annual expense budget during the period when the Board is not in session and subsequently submit for acknowledgement when the Board convenes its session.
4. The Committee is authorized to consider and approve operating expenses in the normal course of its business for example bank account setup, acquisition of assets, acquisition of motor vehicles, credit approval within the limit of Baht 50 million per transaction.
5. The Committee is authorized to approve important investment expenditures which have been included in the annual expense budget as assigned by the Board of Directors or as approved in principle by the Board of Directors.
6. The Committee is authorized to consider and approve borrowing, lending, arranging for credit facilities, issuance of instrument including providing securities, guarantee for loan or credit, or solicitation of any credit facilities of the company.
7. The Committee is to function as an advisory committee assisting Management in the areas of financial policy, marketing, human resources management, and other operating areas.
8. The Committee is to establish organizational structure, delegation of authority for the management of the company, including the appointment, hiring, transfer, and establishment of salary and wages, compensation, bonus for management staff, and employment termination.
9. The Committee is authorized to delegate under power of attorney to one or more committee members or other individuals to perform any duties under the Committee's supervision or to delegate to such individuals to have authority within duration as the Committee sees fit. The Committee may cancel, withdraw, or modify the delegated individuals or the authority as appropriate.
10. The Committee is to establish management succession plan to maintain entity quality from generation to generation and recognizes the importance of quality human resources development and administration for example the position of Director, Accounting Manager.
11. To perform any other duties as assigned by the Board of Directors from time to time.

The authority of the Executive Committee does not include transaction approval which may have conflicting interest or other transaction the Executive Committee or individuals related to the Committee having interests or any other interest in conflict with the Company or its subsidiary in accordance with regulation of the

Securities Exchange of Thailand. Approval of such transactions must be submitted to the Board of Directors and /or at the shareholders' meeting for consideration and approval in accordance with company's articles or relevant law and regulations.

(4) The Company's 9 Sub-Committees

The Executive Committee appointed 9 sub-committees to perform duties closely and regularly and presented to the Executive Committee for further submission to the Audit committee and/or the Board of Directors as the case may be namely 1) the Sub-Committee for Credit, 2) the Sub-Committee for Asset Appraisal, 3) the Sub-Committee for Risk Management, 4) the Sub-Committee for Ethics, and Prevention of Fraud and Corruption Practices, 5) the Sub-Committee for Corporate Social Responsibility, 6) the Sub-Committee for Operational Monitoring and Oversight (Compliance), 7) Sub-Committee for Personal Data Protection, 8) the Sub-Committee on Safety, Occupational Health, and Environment at Work Place, and 9) Sub-Committee for Welfare in Work Place.

1) **The Sub-Committee for Credit** comprises 5 executive committee members, 1 Deputy Director for Asset Disposal totaling 6 individuals performing the duty of high value credit approval or reviewing credit for increase to be submitted to the Executive Committee for approval, as well as approval for credit policies, marketing, and other relevant principles.

2) **The Sub-Committee for Asset Appraisal** comprises 6 executive committee members, 1 Deputy Director for Asset Disposal, 1 Directors of Marketing, 1 Manager of Marketing and 1 operational employee totaling 10 performing the duty of valuation of vehicle, and administer disposal of repossessed vehicles jointly and regularly on a weekly basis, with meeting at least once a month.

3) **The Sub-Committee for Risk Management** comprises 7 executive committee members, 1 Director, 1 manager and 1 operational staff totaling 10 individuals performing the duties to

- consider and identify risk factors internal and external to the entity corresponding with policies, annual business strategies covering various risks for example marketing, liquidity, and other operational risks.

- establish preventive measures and manage overall risks, as indicated within the risk management policy manual in which the risk management committee must prepare and modify corresponding with risk factors which may be changing annually at the beginning of the year, submit to the Executive Committee, the Audit Committee for review, verification, and consideration regarding the preventive measures and risk management with sufficient coverage and further submit to the Board of Directors for approval as practice guidelines.

- undertake analysis, assessment, monitoring, and control risks in relation to various duties and work processes at the acceptable and appropriate level at all times on a quarterly basis, to minimize adverse impact from such risks and submit process improvement recommendation and corrective action to the Executive Committee for the preparation of policy or practice guideline for all relevant departments.

- prepare result of risk management quarterly, submit to the Executive Committee in order to submit to the Board of Directors via the Audit Committee.

- establish information technology security policy of the Company corresponding with plan and objective of the Company.

- arrange for the development of the information technology security policy consisting of policy, standard, procedure, and guideline to achieve the safeguarding of confidentiality and integrity of information, and system security and stability (Availability).

- submit for consideration to the senior executives e.g. the Chairman of the Executive Committee regarding operational plan, policy, budgeting, staffing in the area of information technology securities.

- arrange for the assessment and management of risks regarding the Company's information technology, report to the Executive Committee, and the Audit Committee for consideration for further submission to the Board of Directors on a quarterly basis.

4) **The Sub-Committee for Ethics, and Prevention of Fraud and Corruption Practices** comprises 7 Executive Committee members, 1 Director, 3 Deputy Directors, 2 Managers and 1 operational employee totaling 14 individuals performing supervision for compliance with manual and guidelines for the prevention of fraud and corruption practices with training, monitoring, testing to assess knowledge, employee understanding, including activities relating to CSR of the company.

5) **Sub-Committee for Corporate Social Responsibility** comprises 6 members of the Executive Committee, 1 Deputy Director, 2 Managers, and 1 operational staff totaling 10 individuals performing the duties of approving policy, target, work plan including oversight for performance corresponding with policy, procedure related to social responsibility, reporting activities, promoting communication regarding provisioning of knowledge, and benefits of CSR, supporting activities regarding CSR both internal and external to the organization.

6) **The Sub-Committee for Operational Monitoring and Oversight (Compliance)** comprises 4 member of the Executive Committee, 1 Directors, 1 Deputy Director, 1 manager and 1 operational employee totaling 8 individuals, to perform the duties of supervision, support, and operational process development corresponding with rules, procedures the company must comply with, with tasks summarized as studying, compiling laws, and regulations relevant to the company's business engagement, preparation of company's manual, policies, rules and regulation, distribution of announcement, training for all department to comply strictly in order that all departments perform in accordance with rules and regulations efficiently, auditing, and assessing and reporting to the Executive Committee, as well as providing advice regarding procedures and laws beneficial to the investment planning for new line of business expansion for example.

7) **Sub-Committee for Personal Data Protection** comprises 6 members of the Executive Committee, 1 department director, 4 deputy directors, 5 managers, and 2 operational staff totaling 18 individuals performing the duties of a working committee for the Data Protection Officer (DPO), of whom Mr. Krittapa Dutprateeb, the IT Manager was appointed by the company. Sub-Committee to perform the duties of comprise the preparation of policy, regulation, control, operating manual, requirement, form, administrative design for the whole process regarding the protection of private personal information of the Company, arranging for measures for the purpose of security, safety, implementing employee training, auditing employee performance, and audit assessment of

the system of private personal information protection, arranging for committee meeting jointly with the DPO at least once a year.

8) **The Sub-Committee for Safety, Occupational Health and Environment at Work Place** comprises 1 member of the executive committee, 2 Manager and 4 operational employees totaling 7 individuals performing the duties of considering policies, plan, process improvement recommendation to improve, promote, and encourage safety at work.

9) **Welfare in the Business Office Sub-Committee** comprises 3 section managers, and 4 operational staffs totaling 7 individuals performing the duties of joint consultation with employer for welfare arrangement for employees, providing consultation, and presenting opinions to employer for employee welfare arrangement, inspection, control, and monitoring welfare arrangement provided by employer for employees, presenting opinion, and suggesting welfare guideline beneficial to employees to the Welfare in the Business Office Sub-Committee.

7.4 Management Information

7.4.1 Executive List

As at 31 December 2021, the company management consists of 14 individuals summarized below:

	Management Name List	Position
1	Mr. Danucha Veerapong	Director, The Chairperson of the Executive Committee
2	Mr. Prapakorn Veerapong	Director/Managing Director
3	Mrs. Duangrat Jaengmongkol	Director/ Company Secretary
4	Mr. Masayuki Nozawa	Director/Deputy Managing – Collection
5	Mrs. Walaiporn Panyatanya	Deputy Managing Director – Credit
6	Mrs. Charatsang Yuampai	Deputy Managing Director – Accounting and Finance
7	Mr. Tiratee Patiparnvoharn	Deputy Managing Director – Marketing
8	Mr. Sukkasem Titasaro	Director of Collection
9	Miss Kanchana Sophonpongpiat	Director of Accounting and Finance Director
10	Miss Sunee Kulrawuth	Director of Credit -1
11	Miss Yuwadi Tongthai	Director of Credit – 2
12	Mr. Teera Chunhacha	Director of Marketing - 3 (Eastern)
13	Mr. Toolpitak Wongsang	Director of Marketing – Bangkok
14	Mr. Mano Boonyasrisawasdi	Director of Insurance Business

Duty and Authority of the Chairman of the Executive Committee

1. To supervise the on-going operations and/or the daily administration of the company
2. To engage or perform duty in accordance with policy, plan, and budget as approved by the Board of Directors and/or the Executive Committee
3. The Chairman is authorized as delegated by the company to manage the business of the company in accordance with the objectives, the articles, policies, rules, regulations, orders, resolutions passed at the shareholders' meeting, and/or the Board of Directors and the Executive Committee.

4. The Chairman is authorized to appoint and manage the various sub-committees for the benefit, efficient and good management of the company, with transparency. The Chairman is also authorized to delegate and/or assign with such authority within the scope of this power of attorney and/or in accordance with rules, regulation, or order established by the Board and /or the Company.
5. To follow-up and assess the operation of the company regularly to prevent risks from various factors from within or outside the company.
6. To consider entering into contracts involving the business of the company and other contracts for the benefit of the company, including establishing procedures and process to prepare such contracts /agreements and submit for acknowledgement by the Executive Committee, and the Board of Directors.
7. To consider the profit and loss of the company. To propose interim dividend declared or annual dividend declared for Board of Directors approval.
8. To consider appropriation of retirement benefit, reward, or various compensation which have been approved by the Board of Directors for employees or any other individuals performing duties for the company
9. To perform any other duties as assigned by the Board of Directors from time to time.

Notwithstanding the delegation, the authority including further delegation to other individuals as appropriate does not include authority and/or power of attorney for transaction approval which the delegated individual or individual who may have conflicting interest, vested interest, or interest in any other forms in conflict with interest of the Company or subsidiary in accordance with regulation of the Securities Exchange of Thailand. Approval for such transactions must be submitted to the Board of Directors and /or at the shareholders' meeting for consideration and approval in accordance with Company articles or relevant law.

Duty and Authority of the Managing Director

1. To establish mission, objectives, guidelines, policies of the company including command and supervision of the entire operations of the company.
2. The Managing Director is authorized to consider hiring, appointment, transfer across functional lines/departments/section or termination of employment, establish hiring rate, compensation, bonus including fringe benefit involving all employees of the company.
3. The Managing Director is authorized to issue order, rules, announcement, memoranda to enable operations in accordance with policies and interests of the company and to maintain order, discipline for the operations within the organization.
4. To engage in activities involving the general administration of the company.
5. To be authorized to delegate and/or assign other individuals to perform specific duties on behalf of the Managing Director such delegation to be within the scope of authority delegated in accordance with this power of attorney and/or rules, regulation or instruction issued by the Board of Directors and/or established by the company.

Notwithstanding the delegation, the authority including further delegation to other individuals as appropriate does not include authority and/or power of attorney for transaction approval which may involve the delegated individual or individual who may have conflicting interest, vested interest, or interest in any other forms in conflict with interest of the Company or subsidiary in accordance with regulation of the Securities Exchange of Thailand. Approval for such transactions must be submitted to the Board of Directors and /or at the shareholders' meeting for consideration and approval in accordance with articles of the company or relevant law.

Delegation of Authorities

Position	Acquisition / Disposal of Movable Properties	Acquisition / Disposal of Real Estate Properties	Borrowing from Financial Institutions
The Board of Directors	Unlimited	Unlimited	Unlimited
The Executive Committee	No more than Baht 50 million	No more than Baht 50 million	Unlimited
The Chairperson of the Executive Committee	Joint signing no more than Baht 20 million	-	-
Managing Director	Joint signing no more than Baht 20 million	-	-

7.4.2 Senior Executive Compensation

Senior Executive Compensation Policy

The Company considers guidance in the establishment of clear, fair and reasonable senior executive compensation policy, having been carefully screened in detail by the Board of Directors, and the Nomination and Remuneration Committee. The compensation shall be considered within the appropriateness in various forms including consistency with the operating results of the company, duties and responsibility of the management, with due consideration of the comparative information with reference to companies in the same industry of similar size. As for individual executive compensation, the Board shall perform the individual's annual performance appraisal with the results included in the establishment of compensation.

7.4.3 Total Executive Committee and Senior Executive Compensation

Financial and Other Compensation

Compensation in Baht	Year 2021	Year 2020	Year 2019
Number of individuals	15	16	16
- Salary	32,542,870	31,695,730	34,400,400
- Bonus	2,854,700	140,000	2,232,897
- Contribution to Provident Fund*	3,197,167	2,379,632	3,567,600
- Others such as transportation, and costs of living	828,000	494,940	1,099,200
Total	39,422,737	34,710,302	41,300,097

Remark: * Company contribution at variable rates 3-10% of salary of each executive

* Year 2020, compensation was reduced as a result of the Covid-19 situation

7.5 Employee Information

Employee Headcount and Compensation

The company foresees and emphasizes the importance of human resources continually. Value of employees is considered the highest value of the entity's resources. The company establishes human resource policy which treating employee in accordance with the labor protection act, and social welfare, considering respect to privacy right stringently. Furthermore, the company has improved system and administration policy regarding human resources corresponding with business strategy continually. As at 31 December 2021, the company has permanent employees both at head office and branch operations open for services in 4 branches namely Chonburi, Chantaburi, Pattaya and one branch in the Bangkok area namely Kanchanapisek totaling 243 employees consisting of 117 male, 126 females. Employee headcounts for the year 2021, and 2020 were 243, and 225 respectively.

Total employees including management of the company as at 31 December 2021 stood at 243 individuals assigned to various departments as follows:

	Department	Number of Employees	Contract Employee
1.	Chairman of the Executive Committee, Managing Director, Deputy Managing Director, Company Secretary, Department Director and Deputy Department Director	22	-
2	Office of the Directors, and Company Secretary, safety officer, HR, Central Administration, IT and Legal Section	3 17	- 4
3	Credit Department Credit Analysis Department, Head Office, and branches within the Bangkok metropolitan area, Credit Bureau Department Credit Analysis Section, Eastern Region	9 3	- -
4	Head Office Marketing Department	47	4
5	Marketing Department, Eastern Branches (Chonburi, Chantaburi, Pataya)	13	1
6	Registration and Credit Administration Department Registration Credit Administration, HO and branch in Bangkok	10 18	- 1
7	Collection Department Collection Section, Expedite Collection Section	15 14	14 2
8	Asset Disposal Department Asset Disposal Section and Tent's Kanchanapisak branch	6	2
9	Insurance Department, Insurance Administration, Sales promotion Insurance	6	1
10	Business Development Department	11	-
11	Accounting and Finance Department (Purchasing, Accounting, Finance and Coordinator)	17	-
12	Product Development and Sales Promotion, Sales Promotion Section, Marketing Section	3	-

	Total	214	29
	Total	243	

Material changes in number of employees over the past 3 years

Over the past 3 years, the number of employees changed from 315, to 225, and 243 for the year 2019, 2020, and 2021 (as at 31 December 2021) respectively with 2020 decreased by 40.00% from 2019, and 2021 increased by 18 employees or 8% from 2020. The Covid-19 pandemic situation resulted in shut down of 4 branches and the corresponding reduction in employees during 2020. The pandemic situation has continued until present resulted in company modification of organizational structure, and strategy for an efficient management and in accordance with company target. For the year 2021, there has been increased of headcounts as appropriate corresponding with business engagement and competitive environment under the Covid-19 pandemic.

Material labor dispute over the past 3 years

- None -

Establishment of compensation and welfare for employees

1. Compensation in the form of salary and bonus

The company has compensation policy for employees considering entity structure appropriately, fairly in accordance with knowledge and competence, and operating results of each individual. Compensation shall be consistent with average compensation for the same industry in line with results and entity growth.

Since the year 2018 HR has improved on the KPI system for compensation inclusive of annual bonus linked to KPI in which each unit shall establish for every employee, submit operational plan to be goal congruent, and subsequently submit through the chain of command.

2. Other compensation

Other compensation consists of provident fund with rate of employee contribution and company contribution at the same rate depending on years of services namely:

Years of services	Rate of contribution at employee discretion	Rate of employer contribution
Less than 4 Y	3% - 15%	3%
4 Y but less than 5 Y	3% - 15%	4%
5 Y but less than 6 Y	3% - 15%	5%
6 Y but less than 7 Y	3% - 15%	6%
7 Y but less than 8 Y	3% - 15%	7%
8 Y but less than 9 Y	3% - 15%	8%
9 Y but less than 10 Y	3% - 15%	9%
10 Y or more	3% - 15%	10%

Apart from compensation in the form of salary and bonus, and provident fund, the company also provides other welfare benefits summarized below:

1. Health/accidental insurance coverage / dental care
2. Annual physical check-up
3. Welfare assistance e.g. funeral assistance for family members of the employee as pertinent to decease, sickness visit/pregnancy
4. Social security fund
5. Employee uniforms welfare
6. Vehicle loan welfare (as necessary)
7. Multi-purpose loan (as necessary)
8. Sport welfare
9. Leave welfare for example sickness, business leave, pregnancy, training and development leave sterilization leave, military service, monkhood leave, funeral leave, wedding leave
10. Annual vacation leave

The company permitted formation of the Labor Welfare Committee within the business office in accordance with article 96 of the Labor Protection Act BE2541 to provide opportunities for employees to safeguard their interests, by participating in presenting idea and various guidelines to management to jointly resolve possible problems and conflicts, to create good relationship, leading toward understanding, and joint efforts for eventual mutual benefits.

During the year 2019, as a result of the promulgation of the Labor Protection Act (Version 7) BE 2562, implemented from 6 May 2019, the company initiated detailed modification of the company's work rule and regulation namely maternity leave (inclusive of pregnancy test date) for a total leave period of 98 days, from 90 days previously, the maintenance of information confidentiality, employment termination compensation in the event of continuing tenor of services 20 years or more, compensation at the last pay rate of 400 days, and the employment termination through special compensation as a result of business office relocation, and cease of entity operations, with announcement posted and communicated with all employees for acknowledgement via various company media. As for the protection of employee personal information, the Company has established human right policy contained within the business ethics policy in which the Company has complied with all along by safeguarding employee personal information for example employee biography, work history, health record etc., refraining from breach of private information or wrongful exploiting employee information, disclosure or transfer of information permitted only upon specific employee consent unless under Company regulation or in compliance with law.

As the announced Personal Data Protection Act BE 2019 becoming effective from 1 June 2022 onward, the Company recognizes the importance of personal information protection in effect covering customer information etc., and employee information as well. During the year 2021, the Company participated in the private personal information protection project with the HP business association, and has been in process of preparing operating manual and devising administrative structure to protect personal information from

information compilation, utilization, access, retention, modification, disclosure, and protection against loss inclusive of the distribution of such policy and notification to owner of information of such right for customers and employees to provide confidence that owners of information may apply their right in accordance with policy and law.

Provident Fund Participation Information as at 31 December 2021

Company Name	Provident Fund	Employees Participated in the PF scheme	Proportion of Employee participated in the PF %
Eastern Commercial Leasing PLC	Yes	243	100
ECL Asset Co., Ltd.	No	-	-
Mighty Broker Co., Ltd.	Yes	6	60

Number of employees and compensation

Eastern Commercial Leasing PLC

Compensation in Baht	Year 2021	Year 2020	Year 2019
Number of Employees	228	316	337
- Salary	62,987,172	68,364,427	75,667,628
- Bonus	4,748,147	3,492,429	5,267,103
- Provident Fund Contribution	2,375,874	3,407,343	2,429,429
- others i.e. cost of living, transportation, and phone bill	10,583,400	13,118,000	17,673,580
Total	80,694,593	88,382,199	101,037,740

Remark: * Company contribution at variable rates 3-10% of salary of each employee

Subsidiaries

Compensation, Baht	ECL Asset Co., Ltd.	Mighty Broker Co., Ltd.
Number of employees	1	10
- Salary	965,000	1,999,469.88
- Bonus	70,000	77,000
- Provident fund contribution	-	32,010
- Others i.e. commission, brokerage license costs, transport, phone	-	107,396.54
Total	1,035,000	2,215,876.42

7.6 Other Important Information

7.6.1 Company secretary, the controller, head of internal audit, head of operational compliance oversight

Company Secretary

The Board of Directors appointed Mrs. Duangrat Jaengmongkol, as Company Secretary in accordance with good governance principles and to perform duties in accordance with the securities and the securities exchange act

(4th version) 2008, effective from 31 August 2008. Mrs. Duangrat Jaengmongkol, graduated with Bachelor of Accountancy, and Bachelor of Law from University of Thammasart, is an individual with qualification, knowledgeable, competent, and experienced beneficial in the good performance of duties of company secretary having been trained via seminar curriculum necessary and relevant, able to support the conduct of the Board of Directors, and management in accordance with law and good governance principle.

The scope of duties of the company secretary:

1. To provide basic legal counseling, rules and regulations the Board should know
2. To oversee company oversight activities
3. To oversee various activities of the Board of Directors to be in compliance with the law and relevant regulations
4. To arrange for the Board meeting, preparation for shareholders' meeting, coordinating for an efficient conduct in accordance with law, articles, and regulations of the securities exchanges, accurately, and timely.
5. To follow-up for actions in accordance with resolution passes by the Board and at the shareholders' meeting.
6. To act as advisor, and coordinator with secretaries of the company's various sub-committees
7. To communicate, respond to queries of shareholders related to shareholders' right, and information about the company
8. To prepare and retain documents as follows:
 - (a) Director registry
 - (b) Board meeting invitation, minute of the Board, company Annual Report
 - (c) Shareholders' meeting invitation, and minute of the shareholders' meeting
9. Retention of report on conflicting interest reported by directors or management
10. Submission of copy of report on conflicting interest in accordance with Article 89/14 to the Chairman of the Board, and Chairman of the Audit Committee within 7 working days from the date of receipt of such reports. To ensure that the Company has system of document retention or evidence related to the disclosure of information, and ensure the accurate and complete safekeeping and verifiable for at least 5 years from the date of preparation of such document or information.
11. To perform any other duties as prescribed by the Capital Market Commission.

The Chief Financial Officer: CFO

The Executive Committee has appointed Mrs. Charatsaeng Yuampai to perform the duties of the Chief Financial Officer (CFO) for the accounting and finance function in accordance with the principles for appointment and qualifications of the chief financial officer who is in charge of accounting function as per the Securities Exchange of Thailand announcement to correspond with the Securities Exchange Commission guideline to promote quality preparation process for financial reports effective from 1 January 2019. Mrs. Charatsaeng Yuampai, graduated with the Bachelor's Degree in Business Administration, with major in Finance and Banking, Ramkhamhaeng University, has been knowledgeable and competent, with practical experiences in charge of accounting and finance of the company since the year 2012. Mrs. Charatsaeng Yuampai has gone through training seminars in courses necessary relevant to the good performance of her duties and capable of

supporting the Board of Directors, and the Executive Committee in meeting their objectives and directly beneficial to the company's business engagement.

Scope and Duties of the Chief Financial Officer

1. Supervise and be responsible for the accounting and finance function, ensuring the system performs efficiently in the prevention of various risk exposure of the company.
2. Supervise and be responsible for all financial reporting of the company.
3. Plan and manage every section relevant to finance, company asset management, accounting and financial audit, budgetary planning, expense control, cash flow and liquidity management for example.
4. Supervise finance matter, sourcing of funding, investment planning to enhance company profitability or planning to avoid inappropriate payment of interests including investment with strategy.
5. Provide financial information and finance strategy advice to management of the company in particular the chief executives.

Head of Internal Audit Function

The company engages in the services of an outsourcing firm, Improvis Co., Ltd., and individual assigned by the firm – Mr. Chalot Logkittajariya, as the company's head of internal audit function (details per background of head of internal audit function, attachment 3)

Head of Operational Compliance Oversight

The company formed a sub-committee for operational compliance oversight with a working group (details per section 7.3.1, sub-committee structure and components, item (4) the Company 9 sub-committee, item 6) sub-committee for operation compliance oversight.) The company assigns Mr. Sukkasem Titasaro, Chairperson of the Operational Compliance Oversight Sub-Committee, to prepare manual, policy, and regulation of the company corresponding with the law and rules relevant to the operation of the company, distribute, announce, and train all departments to strictly comply including auditing and assessment of the results of operation with coordination with the internal auditor.

7.6.2 Head of Investor Relation and contact information

Miss Apitsara Sriamorn has been assigned to perform the duties of investor relation. Shareholders, or the general public may contact at phone number 02-641-5252, extension 9419, email: apitsara@ecl.co.th or via company website www.ecl.co.th

External auditor compensation

Year Audited	2019	2020	2021
Firm	DIA International Audit Co., Ltd.	DIA International Audit Co., Ltd.	DIA International Audit Co., Ltd.
Auditor	Miss Somjintana Pholhiranrat	Miss Somjintana Pholhiranrat	Miss Somjintana Pholhiranrat
Years auditing for the company	3 rd year	4 th year	5 th year
Reason for Auditor Change	-	-	-
Audit fee	1,460,000	1,611,000	1,780,000
Allowance in the event upcountry branch audit is required	None	None	None
Non audit fee	None	None	None
Paid during the year	None	None	None
Future payment required	None	None	None

The Annual General Shareholders' Meeting for the year 2021 resolved to approve DIA International Audit Co., Ltd., which is a firm with good work standard, experienced and skillful by Miss Somjintana Pholhiranrat, CPA license # 5599, as company's external auditor to perform review and audit for the firm and authorized to affix her signature on the audit report.

7.6.3 Audit Fees

The company paid compensation for auditing the company to DIA International Audit Co., Ltd. in which the individual auditor is from for the accounting period of 2021 amounting to Baht 1,780,000. Audit fees for ECL Asset Co., Ltd., a joint venture, and Mighty Broker Co., Ltd., a subsidiary) amount to Baht 270,000, and Baht 255,000 respectively. Audit fees for the three combined amount to Baht 2,305,000.

Non-Audit Fee

There has been no non-audit fee payable to individual or related entities to the individual auditor and the audit firm where she works with whatsoever.

**Important Operating Result Report
Regarding Entity Governance**

8. Important Operating Result Report Regarding Entity Governance

8.1 The Board of Director Performance Summary Over the Past Year

8.1.1 Recruitment, Development, and Performance Assessment of the Board of Directors

(1) Recruitment of Independent Directors

The Nomination and Remuneration Committee has the duties of recruitment of independent directors with appropriate qualification for appointment considering knowledge, competency, and experiences without prohibitive qualification by law, and charters of each committee. The Committee shall consider compensation and name list of the appropriate individuals, and propose to the Board or at the shareholders' meeting for appointment consideration with qualification and requirements as follows:

Definition of an independent director is the qualification of an independent director strictly equivalent to new requirements prescribed on 5 June 2008 by the Securities Exchange Commission as follows:

- 1) Directors holding no more than 1% of the company's, parent's, subsidiary's, affiliate's, or legal entity with possible conflicting interest's shares with voting rights including related parties of the particular independent director's holding,
- 2) Directors not being or was former directors participating in the management of the Company, employee, staff, advisor with regular salary, or individual with controlling interest in the company, parent, subsidiary, affiliate, subsidiaries at same level, or legal entity which may have conflicting interest unless having vacated from such situation at least 2 years prior to current appointment.
- 3) Not an individual with hereditary relationship or through legal registration in the form of parents, spouses, brother or sister, and children including spouse of children of the executive management, major shareholders, individual with controlling interest, or individual who may have been proposed to be executive management or with controlling interest of the company or subsidiaries.
- 4) Not having or used to have business relationship with the Company, parent, subsidiary, affiliate, or legal entities which may have conflicting interest in such a way that may impede one's independent judgment, including not being or used to be major shareholders, director who is not independent director or management of one who has business relationship with the Company, parent, subsidiary, affiliate, or legal entity which may have conflicting interest except for having vacated from such circumstances aforementioned at least for a period of 2 years prior to the appointment. Business relationship aforementioned includes trade transactions conducted in the normal course of business for the purpose of engaging in rental business or property lease, transaction related to assets or services or providing or receiving financial support by receiving or lending, guaranteeing, providing asset as collateral for liabilities including other similar conduct resulting in the company or contract party having payment liability obligation to the other party for value from 3% of company's net tangible assets or from Baht 20 million up whichever is the lower. The calculation of such debt obligation is to apply the procedure for calculation of value of related party transaction announced by the Securities Exchange of Thailand commission relating to information disclosure and operations of listed entities

concerning related party transactions by deduction. The consideration for such debt obligation is to include also debt obligation occurred within one year prior to the date having business relationship with the same party.

- 5) Not being or used to be auditor of the company, parent, subsidiary, affiliate, or legal entity which may have conflicting interest, and not being major shareholders, director who is not independent director, management, or managing partner of the audit firm having staff being auditor of the company, parent, subsidiary, affiliate, or legal entity which may have conflicting interest, except for having vacated from such position at least 2 years prior to the appointment.
- 6) Not being or used to be service provider for any professions including legal counseling, or financial advisor receiving service fees in excess of Baht 2 million per year from the company, parent, subsidiary, affiliate, or legal entity which may have conflicting interest. Where the professional service provider is a legal entity to include major shareholder, director who is not independent director, management, or managing partner of the professional service provider as well except for having vacated from such circumstances for at least 2 years prior to the appointment.
- 7) Not being directors appointed for the purpose of representing director of the company, major shareholders, or shareholders related to major shareholders of the company.
- 8) Not having any other characteristics that will result in the director incapable of rendering independent opinion relating to the operations of the company

The company has 4 independent directors accounting for one third of total directors in the Board namely Mrs. Prapasri Permsab, Mr. Thailuck Leetavorn, Mr. Sorapas Suttienkul, and Mr. Wichai Maithong.

(2) The Recruitment of the Audit Committee

The Nomination and Remuneration Committee has the duties of recruiting members of the audit committee with required qualification as prescribed by the Securities Exchange Commission as follows:

- 1) Appointed by the Board or at the shareholders' meeting as Audit Committee member
- 2) Being independent director in accordance with definition and qualification of an independent director as prescribed by the Securities Exchange Commission and must
 - 2.1 Not be directors assigned by the Board to make decision in operating business of the company, the parent, subsidiary, affiliate, subsidiary at the same level or legal entity which may have conflicting interest and
 - 2.2 Not be director of the parent, subsidiary, or subsidiary at the same level specifically for the listed entities
- 3) Having duties in the same manner as prescribed in the announcement of the Securities Exchange of Thailand relating to qualification, and scope of duties of the Audit Committee
- 4) Having knowledge, and experiences sufficiently to enable the performance of duties in the position of Audit Committee member. It is required that at least one of the Audit Committee members must be knowledgeable and sufficiently experienced to be able to perform the duties

of reviewing reliability of financial statements.

During the year 2020, the Board resolved to approve the appointment of Mr. Sorapas Suttienkul as members of the Audit Committee for another term.

During the year 2021, the Board resolved to approve the appointment of Mrs. Prapasri Permsab as the Chairperson of the Audit Committee, and Mr. Thailuck Leetavorn as member of the Audit Committee for another term (terms of office expires on 15 August 2023). The Audit Committee Chairperson has been knowledgeable, and experienced in accounting, with ability to review reliability of financial reports.

(3) Recruitment and Appointment of Directors and Senior Executives

Recruitment of Company Directors

For the recruitment of directors, the company has assigned the Nomination and Remuneration Committee jointly with the Executive Committee in the recruitment consideration, selection and proposed individuals with appropriate qualification for director candidate approval consideration with the Board of Directors and subsequently at the shareholders' meeting.

Qualification of Directors

1. Director qualification per public company act principle
 1. Being an individual
 2. Reaching legal age
 3. Not being bankrupt, incapacitated, or appeared incapacitated
 4. Not being convicted to jail term at last verdict for offence relating to asset fraud
 5. Not being expelled or terminated from civil service or organization or public sector entity on ground of fraud on active duty
2. Being knowledgeable, competent, and experienced beneficial to the business operations, truly interested in the business of the company, and being able to dedicate time, being independent in expressing opinion in performing the oversight duty counterbalancing with the operations under management

Director Selection

- 1) Appointment of directors by resolution of the shareholders for example appointment of directors replacing directors scheduled to be retired through rotation at the Annual General Shareholders' Meeting and/or the appointment of additional new director requiring approval at the shareholders' meeting. The Board is to submit names of candidates with appropriate qualification for the position of director to the shareholders' meeting for consideration. The Meeting shall consider according to standard, and procedures per company articles namely
 - 1.1 Each shareholder has voting right equal to the number of shares held
 - 1.2 The poll for director may be conducted with voting for each individual director, one poll for one director or one poll for multiple number of directors as the Meeting sees fit. In each poll, each

shareholder must vote with the number of votes per 1.1 in its entirety. The shareholder may not allocate one's votes to multiple candidates.

1.3 The vote for director is by majority with the Chairman having the casting vote in the event of a tie vote.

1.4 The right of minority shareholders in the appointment of directors: Company articles provided that each shareholder shall have the right to vote, one vote for one share held, and not the cumulative voting system. The Nomination and Remuneration Committee provides opportunity for directors, and shareholders to participate in proposing qualified individuals as director candidates.

The company has advised shareholders via information system of the securities exchange the opportunities for shareholders to propose individuals with qualification in accordance with the articles of the company, the Public Company Act, BE 2535, and the Announcement of the SEC, to the company secretary as director candidate for approval consideration. The company has publicized method of proposing, and consideration procedure on the company's website in advance approximately 3 months prior to the meeting date of the Nomination and Remuneration Committee, and the Board. Shareholders, who may propose individual as director candidate, should have below requirements i.e. 1. Being shareholder (s) of the company, as one shareholder or a number of shareholders combined, 2. Proportion of shares held no less than 0.25% of total shares issued with voting rights, 3. Holding shares as at the date of proposing director candidate.

1.5 At the Annual General Shareholders' Meeting each year, at least a third or proportion closeto a third of the number of directors shall retire with the longest servicing directors retiring first. Retired directors are eligible to be reappointed. During the AGM for the year 2021 on 28 April 2021, there were three retired directors through rotation and reappointed namely 1. Mr. Danucha Veerapong, 2. Mr. Masayuki Nozawa, 3. Mrs. Prapasri Permsup

2) The appointment of director replacing retired director for reasons other than scheduled retirement in accordance with Company Articles namely the Board considers individuals with required qualification and without prohibitive record according to law, to be appointed as replacement director at the next meeting of the Board unless the service tenor of the director is less than 2 months. The replacement director shall stay as director only within the service tenor remaining of the director one replaces. The voting of the Board for such director must be at least three-quarter of the total votes of the Board remaining.

Directors from the major shareholders

The company has 4 directors representing major shareholders namely Mr. Preecha Veerapong, Mr. Danucha Veerapong, Mr. Prapakorn Veerapong, and Mrs. Duangrat Jaengmongkol.

Recruitment of Management

In recruitment of the Chief Executive Officer, the Board assigns the Nominatino and Remuneration Committee jointly with the Executive Committee in consideration for recruitment, selection, and propose appropriately qualified individual as Chairperson of the Executive Committee or the Managing Director for Board approval consideration.

Executive Appointment

Promotion consideration or hiring of an appropriate individual for executive position is the duties of the Executive Committee.

Appointment of Company Secretary

The Board of Directors appoints Company Secretary. In the event the Company Secretary leaves the position or no longer capable of performing its duties, the Board shall appoint new Secretary within 90 days. The Board is authorized to assign any director to perform the duties of Company Secretary in the interim period. The consideration for the selection of Secretary is in accordance with qualification of company secretary as follows:

- 1) Individual performing the duties of company secretary must be
 - a company director who may be executive director or non-executive director,
 - an individual from external entity such as law firm, audit firm, or security company,
 - an employee or company official who will perform the duties of company secretary along with other duties of the company
- 2) Educational background and experiences
 - Knowledgeable about the core business, and operations of the company
 - Knowledgeable about accounting, finance, general management, relevant law relating to the operations of the company, good governance practice in accordance with good governance principle, and standard best practices relevant to the business operations of the company
- 3) Be independent in the decision making with objectivity without being influenced by any departments or anyone within the entity
- 4) Being acceptable to the Board of Directors of the company
- 5) Having sound ethical conducts without blemish record

(4) Director and Management Development

When there are new director, senior executive, and secretary appointment, each individual shall have received information from Company Secretary and Board Secretary shall coordinate in providing documents and information to the new incumbent director, senior executive, and secretary for acknowledgement and understanding their duties, and responsibilities of directorship of a listed entities in accordance with Securities, and Securities Exchange Act, including laws, and policies in various aspects of the company's operations for preparedness and be capable of performing its duties namely director's manual for listed entities, good

governance principle, governance policy, Memorandum and Articles of Association, information on audit report, results of operations, business plan, and overall picture of the company's risk management for example. This is to ensure that each individual shall be able to perform their duties with honesty, due care, and for the best interest of the company and shareholders as a whole.

At the same time, the company recognizes the importance of curriculum required by the SEC for training enrolment by the Board, encouraging director, all member of the Audit Committee enroll in the curriculum arranged by the IOD in order to bring the acquired knowledge and experience to apply and develop the company for such courses as Director Accreditation Program (DAP), Director Certificate Program (DCP), Audit Committee Program (ACP), Advance Audit Committee Program (AACP)

Furthermore, the company encourages facilitating directors, Audit Committee members, Management, Company secretary, and relevant employees to have opportunities to participate in the various training programs regularly for their benefit in the performance of their duties for continuing professional development for example current changing rules and regulations, good governance principles, and ethics, with additional development training via the hire purchase business association, Federation of Accounting Professions, the SEC, and securities exchange, and other important curricular of the Thai Institute of Directors Association for example (details disclosed per human resources development under section 3.4, Sustainable Management in the Social Dimension). During the year 2021 Directors participated in training/seminar to enhance operational and activity knowledge of the company e.g.

- Mrs. Duangrat Jaengmongkol, Director and Company Secretary enrolled in the non-deductible expense – often encountered mistake and prevention technique, application of cash flow information for analysis and decision making, CGR survey basis for the year 2023, the Secret Sauce Strategy Forum 2022, and Strategic Bible through Year 2022 Crisis.

(5) Performance Self-assessment

The Company through its good governance practice, requires performance assessment for the Board of Directors, Chairperson of Executive Committee, the Managing Director, and senior executives by company secretary consisting of:

1) The overall Board performance assessment on a committee basis in various aspects namely (1) Structure and qualification of the Board (2) Roles and Responsibilities of the Board (3) Board meeting (4) The Board's fiduciary duties (5) The relationship between the Board and the Management (6) Self-improvement development of the Board and the management development.

The performance assessment procedures are as follows;

1. The performance efficiency assessment of the Board of Directors as a committee at least once a year.
2. Company Secretary summarized and reports the result of the Board performance efficiency assessment to the Nomination and Remuneration Committee for results review and operational efficiency improvement recommendation.

3. The Nomination and Remuneration Committee reports the result and efficiency improvement recommendation to the Board of Directors.

Overall board assessment on a committee basis on 6 topics found most proceedings have been done with excellent rating and average score of 93.75 %

2) Self-assessment of the sub-committees:

The performance assessment of the sub-committees namely the Audit Committee, and the Nomination and Remuneration Committee, shall be evaluated both as a committee and individual (self-assessment). Topics for the evaluation of the performance of the sub-committees shall depend on scope of duties and authorities of each sub-committee and the relevant basis and regulation.

2.1) Sub-Committee performance assessment on a committee basis:

The performance assessment procedures are as follows;

1. The performance assessment of the Sub-Committees as a committee at least once a year.
2. Company Secretary summarized and reports the results of all the sub-committee performance assessments to the Nomination and Remuneration Committee for review of the results and for process efficiency improvement recommendation.
3. The Nomination and Remuneration reports the results of all the sub-committee performance assessment to the Board of Directors for review of the results and for process efficiency improvement recommendation.

2.2) Sub-Committee self-assessment on an individual member basis:

The performance assessment procedures are as follows;

1. Sub-Committee self-assessment on an individual basis at least once a year
2. Company secretary summarizes and reports results of performance assessment of all the sub-committees on an individual basis to the Nomination and Remuneration Committee for review and and preparation of process efficiency development and improvement recommendation.
3. The Nomination and Remuneration Committee reports assessment results, and process effectiveness improvement recommendations for all the sub-committees on an individual basis to the Board of Directors

3) The assessment of the CEO on

(1) plan progress, (2) performance measurement under the following topics 1. Leadership, 2. Strategy establishment, 3. Application of strategy, 4. Planning and financial operational results, 5. Relationship with the Board, 6. Relationship with external parties, 7. Administration and employee relation, 8. Position succession, 9. Product and service knowledge, 10. Personal characteristics

As the duties of the Chairman of the Executive Committee and the Managing Director are similar, and different only on the approval amount limit, the same assessment form for the Chairman of the Executive Committee (CEO) is therefor applied also to the Managing Director.

The performance assessment procedures are as follows;

1. The performance assessment of the Chairman of the Executive Committee and the Managing Directors at least once a year.
2. Company Secretary summarizes and reports the results of the performance assessment of the Chairmen of the Executive Committee, and the Managing Director to the Nomination and Remuneration Committee for review and preparation of the process efficiency improvement recommendations.
3. The Nomination and Remuneration Committee reports the results of the performance assessment, and process efficiency improvement recommendation of the Chairman of the Executive Committee and the Managing Director, to the Board of Directors.

Results of performance assessment of the Board of Directors, and sub-committees on a committee basis, and on an individual self-assessment basis.

During the year 2021, the Company reported Board performance assessment as follows:

1. Overall Board performance assessment
2. Sub-Committee Self-Assessment on a committee basis
3. Board, and Sub-Committee Self-Assessment on an individual member basis
4. Performance assessment for the CEO, and the MD

The assessment criteria are presented in the table below;

Score	Description
90% -100%	Excellent
80% - 89%	Very Good
70% - 79%	Good
60% - 69%	Satisfactory
50% - 59%	Pass
Lower 50%	Need improvement

Results of the performance assessment of the Board of Directors, and sub-committees on a committee, and on an individual self-assessment basis, the Chairperson of the Executive Committee, and the Managing Director during the year 2021 with the following details:

1. Result of Board performance assessment on a committee basis was scored at 93.75% which was considered excellent with the opinion that the Board was knowledgeable, competent, skillful in various aspects covering all issues relevant to the Company's business engagement, adequate and appropriate in the Board performance efficiently.

2. Result of performance assessment of the Audit Committee on a committee basis was scored at 91.76% which was considered excellent, and on an individual self-assessment basis was scored at 95.37% on averaged basis which was also considered excellent, with the opinion that the Audit Committee was knowledgeable, competent, skillful in various aspects covering all issues relevant to the Company's business

engagement in particular in the area of finance and accounting, and legal, adequate and appropriate in the Audit Committee performance efficiently.

3. Result of performance assessment of the Nomination and Remuneration Committee on a Committee basis was scored at 93.75% which was considered excellent, and on an individual self-assessment basis was also scored at 93.75% which was considered excellent with the opinion that the Nomination and Remuneration Committee was knowledgeable, competent, skillful in various aspects, including knowledges in personnel administration, compensation for executive, and company Borad of Directors, adequate and appropriate for the Nomination and Remuneration Committee in their efficient performance corresponding with the current changing environments.

4. Result of the performance assessment for the Chairman of the Executive Committee was scored at 89.25% which was considered very good, and the Managing Director was scored at 89.25% which was considered very good as well with the opinion that the Chairman of the Executive Committee and the Managing Director were knowledgeable, competent, skillful in various aspects in the organizational management corresponding with strategy, targets, with planning for an efficient finance cost management. The Nomination and Remuneration Committee provided suggestion regarding the strengthening of the arrangement for finance costing that would support suspension of payment by Company's debtors in response to the Covid – 19 Pandemic situation, and increasing potential regarding modernizing technology, and improving Company' competitiveness.

8.1.2 Meeting Attendance and Board of Directors Compensation on an Individual Basis

1. Board of Director Meeting Attendance

The Board convened 5 meeting during the year 2021 performing the duties of approving quarterly financial reports, considering policy establishment, company business plan, management governance control and executive committee performance, transactions which may have conflicting interets

The Borad convened at least once every 3-month, and additional special meetings as needed. Non-executive directors convene at least once a year without executive director participation with meeting date and time to be scheduled annually in advance by the company secretary. Each meeting shall be established with clear agenda, and regular operating results follow-up agenda, forwarding of invitation document including meeting agenda and supporting document 7 days in advance prior to the meeting date providing sufficient time for director informatin study. The Board has policy expecting full attendance of all directors, and therefore restriting listed company directorship of each director no more than 5 companies without exception, and director Board attendance record at a proportion of at least 75% of the whole year meetings. At the meeting the Chairperson encourages careful judgment, and maintains policy of a minimum meeting quarum. At each Board meeting resolution, the Board must have at least two third of the directors in attendance. After the meeting, written minute of the meeting must be prepared, with certified copy by the Board retained and available for director or relevant party verification.

As a result of the Covid –19 pandemic from 2020 to end of 2021, for safety and compliance with safety from and control of Covid -19 infection measures, the Board by the Chairperson permitted online electronic media meeting which in 2021 convened [5 meetings with detailed Board attendance below](#):

Rank	Name of Director	Position	Board Attendance	AGM 2021
1.	Mr. Preecha Veerapong	Chairperson of the Board	5/5	1
2.	Mr. Danucha Veerapong	Vice Chairperson of the Board, Chairpeson of the Executive Committee	5/5	1
3.	Mr. Prapakorn Veerapong	Member of the Executive Committee, Managing Director	5/5	1
4.	Mrs. Duangrat Jaengmongkol	Member of the Executive Committee, Copany Secretary, Member of the Nomination and Remuneration Committee	5/5	1
5.	Mr. Masayuki Nozawa	Member of the Executive Committee, Deputy Managing Director	5/5	1
6.	Mr. Sorapas Suttienkul	Independent Director, Member of the Audit Committee, Chairperson of the Nomination and Remuneration Committee	5/5	1
7.	Mrs. Prapasri Permsub	Independent Director, Chairperson of the Audit Committee, Member of the Nomination and Remuneration Committee	5/5	1
8.	Mr. Thailuck Leetavorn	Independent Director, Member of the Audit Committee	5/5	1
9.	Mr. Wichai Maithong	Independent Director	5/5	1

2. Board Compensation on an individual Director Basis

Remuneration Policy

Director Compensation

The Company considers guidance in the establishment of clear, fair and reasonable Board of Director compensation policy, having been carefully screened in detail by the Board of Directors, and the Nomination and Remuneration Committee. The compensation shall be considered within the appropriateness in various forms including consistency with the operating results of the company, duties and responsibility of the Board of Directors with due consideration of the comparative information with reference to companies in the same industry of similar size.

The Board shall submit director compensation proposal at the Annual General Shareholders' Meeting for approval consideration annually.

1. Financial Compensation

Director compensation for the year 2021 was within a limit amounted to Baht 8.5 million as approved by resolution passed at the shareholders' meeting and appropriated as monthly compensation

and meeting fees as follows:

Company Chairperson	Baht 260,000 / month	no meeting fees
Company Director	Baht 40,000 / month	Baht 7,000 / meeting
Audit Committee Chairperson	Baht 16,000 / month	no meeting fees
Audit Committee member	Baht 8,000 / month	no meeting fees
Chairperson of the Nomination and Remuneration Committee	Baht 4,000/month, no meeting fee	
Nomination and Remuneration Committee member	Baht 4,000/month, no meeting fee	

Compensation in Baht	2021	2020	2019
Number of Individuals	5	6	6
Amounts	5,632,000	6,174,000	7,640,000

Remark: the exhibit depicts number of directors and compensation only for non-executive, and independent

directors which the company paid for the whole year

Year 2020 and 2021 compensation declined as a result of the Covid-19 pandemic

Year 2021, compensation for 5 directors as Mr. Yoichi Shibata resigned effective on 13 May 2020

Individual director compensation in the forms of individual payment and meeting fees detailed as follow:

Names	Position	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Meeting Fees	Baht Total
1. Mr. Preecha Veerapong	Chairperson of the Board	3,120,000	-	-	-	3,120,000
2. Mrs. Prapasri Permsub (replacing Mr. Phiphat Phornsuan)	Director/Chairperson of the Audit Committee/Member of the Nomination and Remuneration Committee	480,000	192,000	48,000	28,000	748,000
3. Mr. Thailuck Leetavorn	Director/Audit Committee member	480,000	96,000	-	28,000	604,000
4. Mr. Sorapas Suttienkul	Director/Audit Committee Member/ Chairperson of the Nomination and Remuneration Committee	480,000	96,000	48,000	28,000	652,000
5. Mr. Wichai Maithong	Director	480,000	-	-	28,000	508,000
Total		5,040,000	380,000	96,000	112,000	5,632,000

Remark * Four other directors who are management staff received compensation in the form of salary and others detailed in the management section

2. Compensation and other Benefits

Life and accidental insurance coverage limit amount to no more than Baht 300,000. Health insurance coverage limit amounts to no more than Baht 100,000. Total insurance premium for the two individuals for the year 2021 equal Baht 12,736 (only for directors with Thai residency, and age less than 70 years old, without individual illness per insurance company requirements)

8.1.3 Supervision over the Subsidiaries and Affiliates

1. ECL Asset Co., Ltd. (ECL ASSET) is engaged in the land for cash business founded since 27 March 2018 as a joint venture company with ECL in joint venture with Global Best Real Estate Loan Co., Ltd. (GB), and equity holding in the proportion of 60:40 respectively. The company is under joint venture agreement, with ECL entitled to appoint 3 individuals as authorized directors, pro-rata to equity held, having voting right, jointly managing the operations of the company. (details per section 1.3.1.1 shareholding structure of the group (ECL Asset))

2. Mighty Broker Co., Ltd. (ref. Mighty) is engaged in the business of an insurance commission agent founded on 20 November 2019 with the Company invested 100% of its equity and the company - Mighty considered 100% subsidiary. The Company appointed 7 individuals as management team for business administration of the company, and authorized directors to act on behalf of Mighty (details per 1.3.1.2 , shareholding structure of the group (Mighty))

3. Premium Service (Thailand) Co., Ltd. (PST), formerly Eastern Premium Service Co., Ltd. (EPS), has been engaged in the automobile repair and service center business founded since 16th November 2016.

During the year 2017-2018, EPS is classified as a joint venture between ECL and PG who are the core shareholders having the right to appoint 2 directors from either side, to jointly manage the company's operation, and voting right, one individual for one vote.

During the year 2019, because of ECL's reduction in the proportion of investment holding from 54.55% to 15 % by selling part of the shares to new investors, ECL investment in EPS has changed its status from 'investment in a joint venture' to 'investment in other company' with investment holding of only 15%. ECL therefore does not appoint director to participate in the administration of the Company any longer (details per section 1.3.1.3, shareholder structure of Group companies (PST))

The company appointed individuals as directors in the affiliate and subsidiary as approved by the Executive Committee. The appointed director has the duties of performing for the best interest of the affiliate and subsidiary (not to the company) and the company requires the appointed individual to exercise their rights in important matters as approved by the Executive Committee prior to voting. The secondment of representative directors has been under the proportional holding of shares in the joint venture company. Furthermore, the representative individual must also monitor related party transactions, the acquisition and disposal of assets or any other important transactions related to the company to ensure accuracy, and completeness with disclosure basis, and corporate governance policy, and business ethics in the same manner as the company including oversight for information retention, and transaction recording of the affiliate, subsidiaries allowing verification, and compilation for the preparation of consolidated financial statement in a timely manner.

The Board assigned individuals to act as directors in the affiliate and subsidiary company on 31 December 2021 as follows:

1. ECL Assets Co., Ltd., 3 individuals: (per BOD 19 March 2018)

By appointing pro-rata as provided in the affiliate/subsidiary company articles of association

<u>Position in ECL</u>	<u>Position in ECL-Asset</u>
1.1 Mr. Danucha Veerapong Chairman of the Executive Committee	as Chairman of the Board (27 March 2018 – present)
1.2 Mrs. Valaiporn Panyathanya, Deputy Managing Director	as Director (27 March 2018 – present)
1.3 Miss Sunee Kultrawuth Director of Credit 1	Director (17 May 2019 – present)

2. Mighty Broker Co., Ltd. 7 individuals: (per BOD 12 November 2019)

<u>Position in ECL</u>	<u>Position in Mighty Broker</u>
2.1 Mr. Prapakorn Veerapong, Managing Director	as Chairman of the Board (20 November 2019 – present)
2.2 Mrs. Duangrat Jaengmongkol, Member of Executive Committee	as Director (20 November 2019 – present)
2.3 Mr. Mano BonnyaSrisawasdi, Director of Insurance	as Director (20 November 2019 – present)
2.4 Mr. Thawatphat Konpetch, Manager of Insurance Department	as Director (20 November 2019 – present)
2.5 Miss Thanatchamon Wongleatborirak, Manager of Insurance Business Administration	as Director (20 November 2019 – present)
2.6 Mr. Teera Chunnacha, Director of Marketing - Eastern	as Director (20 November 2019 – present)
2.7 Mr. Kopkrit Ketmaenkit, Manager of Marketing, Chantaburi Branch	as Director (20 November 2019 – present)

8.1.4 Governance Policy and Practice Guidance Compliance Monitoring**(1) Conflict of Interest Prevention**

The prevention of directors and management utilizing insider information for benefit in conflict with company's interest, the company has established policies monitoring conflict of interest by prohibiting Company directors, Management, and employees engaging in any activities that may be in conflict with company's interest for example resulting in company loss of interest, pursuing self-interest from the company or pursuing benefit or equity holding in competing entity. The company has established policies requiring directors and management disclosure of information and security holding in accordance with Law and reported to the Board regularly, and disclosure of their own and related parties' vested interests in business or activities that may have conflicting interest with the company. The Board may then consider and determine truly for the best interest of the company as a whole in which directors having vested interest may not be involved in the approval process.

The company has established policies for related party transactions requiring such activities to be considered thoroughly by the Audit Committee. And if necessary, the transaction shall seek approval from the Board and at the shareholders' meeting including in compliance with regulation established by the Securities Exchange of Thailand with pricing and terms the same as an outsider and disclosure of details, transaction value, contract party, reasoning and necessity of such transactions in the Annual Report, and form 56-1.

During the year 2021 the Board has considered and approved 4 related party transactions below:

- On 25 February 2021, the Board at its 1/2564 Meeting, resolved to approve leasing of a warehouse within a building for contract document storage, from a related party namely Mr. Prapakorn Veerapong as owner of the warehouse. The lease was for the warehouse located on the first floor of the building number 38/3 Soi Ramkamhaeng 21, Yaek 5 (Navasri 5), Ramkamhaeng Road, Wang Thonglang Sub-District, Bangkok District, Bangkok for an area of 233 square meters, and a lease term of one year from 1 March 2021 to 28 February 2022 at the monthly rental rate of Baht 52,631.58.
- On 13 May 2021, the Board at its 2/2564 Meeting, resolved to approve leasing of space on the first floor of the building housing the Choburi Branch Office from Hi-Tech Land Cholburi (2002) Co., Ltd. to be utilized as the Cholburi Branch Office at a leasing term of 1 years from 1 June 2021 to 31 May 2022, with negotiated reduction in rental rate by 10% to Baht 42,318.95 for the first 3 months from 1 June to 31 August 2021, and the remaining 9 months at the rate of Baht 47,021.05.
- On 13 May 2021, the Board at its 2/2564 Meeting, resolved to approve the Company to enter into the loan guarantee fee payment to Premium Co., Ltd. (formerly Premium Financial Services Co., Ltd. (PFS)) at the rate of 1.2% per annum of the credit limit amounting to Baht 300 million, amounting to Baht 3.6 million for the period 1 June 2021 to 31 May 2022. Reasoning for agreeing to the transaction was that SMBC lending rate has declined to 1.70% p.a. (floating rate changing in accordance with the BOT announced rate) plus the loan guarantee fees of another 1.2% p.a. became 2.90% p.a., which was not a high rate, and such borrowings were beneficial for credit expansion, and reduction of Company's costs of finance.
- On 11 November 2021, the Board at its 5/2564 Meeting, resolved to approve borrowings through limited issuance of short-term bills of exchange to lenders who were major shareholders for an amount limit of Baht 300 million.

In consideration of such a matter, the company has complied with procedures and policies and reported in detail to the securities exchange within the required timeframe (details disclosed per section 9.2, related party transaction).

(2) Exploiting insider information

On the supervision regarding utilization of insider information, the Company has established practice guide for the utilization of insider information and the safeguarding of client and trade partner private information

in the corporate governance manual, and business ethics, to prevent disclosure of company insider information or exploit such information for their interest or interest of other. Furthermore, directors and management receiving Company financial information must not utilize such information for their benefit prior to public disclosure in a manner considered to be advantageous to other shareholders and may have caused damages to shareholders as a whole. The Company has advised directors and management to refrain from trading Company stocks during the 30-day period prior to public disclosure of Company's financial statements. The Company has also advised directors and management about their duties in reporting Company securities holding including spouse and children before legal age, and the changes on their holding within 3 days to the Securities, and Securities Exchange Commission pursuant to Article 59 and penalty clause, Article 275 of the Securities, and Securities Exchange Act BE 2535. Such information must be provided to company secretary who shall compile director and management securities holding information, and present to the Board for acknowledgement on a quarterly basis.

The Company has established disciplinary penalty for those who exploit Company insider information, distributing, or disclosing such information which may have caused damage to the Company, by considering disciplinary action on a case-by-case basis as outlined in the Company rules. During the year 2021, directors, management, and employees have strictly complied with such insider information requirement and without Company stock trading in the restricted period. The company has not received any complaints on breach of requirement by directors, management, and employees regarding exploit of insider information for individual gain.

Nonetheless, the Nomination and Remuneration Committee on its 2/2561 meeting on 19 December 2018 resolved to prepare the confidentiality agreement document for directors, executives, interpreter, company secretary, and participants in the meetings of all company committees to sign acknowledgement of the confidentiality agreement, the prohibition for exploiting company's insider information for individual gain, or rendering damage to the company. During July, 2019, the Company has prepared the confidentiality agreement documents, announced and delivered to directors, executives, interpreters, all levels of employee, affiliated company management including relevant trading partners and Company's operating agents, to sign the agreement in safeguarding confidentiality of information of the Company, customers, and relevant parties, and to strictly adhere to the agreements completely with all parties.

During the year 2021, there has been no breach by directors, authorized directors, senior executives and relevant employees relating to insider information.

Report on Company security held by the Directors and Management within the year 2021

Rank	Directors and Management	Position	Shares held as at 6 January 2021	Shares held as at 5 January 2022	Change in shares held, increase/ (decrease) during the year
1.	Mr. Preecha Veerapong	Chairman of the Board	ECL 61,565,800 ECL-W3 22,000,000	ECL 61,565,800 ECL-W3 -	- -

	Spouse		ECL 25,400,075 ECL-W3 -	ECL 25,400,075 ECL-W3 -	- -
2.	Mr. Danucha Veerapong	Director/ Chairman of the Executive Committee	ECL 50,000,000 ECL-W3 -	ECL 40,000,000 ECL-W3 -	10,000,000 -
3.	Mr. Prapakorn Veerapong	Director/ Managing Director	ECL 44,348,480 ECL-W3 39	ECL 44,348,480 ECL-W3 -	16,305,200 -
	Spouse		ECL 2,350,000 ECL-W3 -	ECL 2,750,000 ECL-W3 -	400,000 -
4.	Mrs. Duangrat Jaengmongkol	Director/ Member of the Nomination and Remuneration Committee	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
	Spouse		ECL 2,460,000 ECL-W3 -	ECL 2,960,000 ECL-W3 -	500,000 -
5.	Mr. Sorapas Suttienkul	Independent Director/ Member of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
	Spouse		ECL - ECL-W3 -	ECL - ECL-W3 -	- -
6.	Mr. Masayuki Nozawa	Director/Deputy Managing Director	ECL - ECL-W3 -	ECL 500,000 ECL-W3 -	500,000 -
7.	Mrs.Prapasri Permsub	Independent Director/ Chairperson of the Audit Committee /Member of the Nomination and Remuneration Committee	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
8.	Mr. Thailuck Leetavorn	Independent Director/ Member of the Audit Committee	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
9.	Mr. Wichai Maithong	Independent Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
10.	Mrs. Walaiporn Panyatanya	Deputy Managing Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
11.	Mrs. Charatsang Yuampai	Deputy Managing Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
12.	Mr. Tiratee Patiparnvoharn	Deputy Managing Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
13.	Mr. Sukkasem Titasaro	Director of Collection	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
14.	Mr. Mano Boonyasrisawat	Director of Insurance Business	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
15.	Miss Kanchana Sophonpongpiat	Accounting and Finance Director	ECL - ECL-W3 -	ECL - ECL-W3 -	- -

16.	Miss Sunee Kulthawuth	Credit Director 1	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
17.	Miss Yuwadee Thongthai	Credit Director 2	ECL - ECL-W3 -	ECL - ECL-W3 -	- -
18.	Mr. Toonpitak Wongsan	Marketing Director (Bangkok)	ECL - ECL-W3 -	ECL - ECL-W3 -	
19.	Mr. Teera Chunhacha	Marketing-3 Director (Eastern)	ECL - ECL-W3 -	ECL - ECL-W3 -	- -

(3) Anti-Corruption

The company is determined to engage in business with honesty, transparency, openness, and auditable. During the year 2015, the company has participated as member of the Private Sector Collective Action Against Corruption project or Thai CAC on 16 October 2015. The company has prepared policies against fraud, corruption and various practice guidelines in the prevention of risks arising from fraud and corruption, which have been approved by the Board of Directors. The company has anti-fraud and corruption policy in all forms namely no fraud, no bribery, not taking, not receiving, and with practice guide namely prohibiting directors, executives, and employees accepting material gift, entertainment cash donation, and any other benefit to oneself from individual engaging in business with the company. The company refrains from participating in activities which may lead to corruption problem in public or private sectors.

On 18 October 2019, the company has been certified for membership extension for the Private Sector Collective Action Coalition Against Corruption project or Thai CAC. During the year 2019, the company has reviewed and modified anti-fraud and corruption policies, and practice guide which have been announced, and communicated to directors, executive, employees, subsidiaries, and affiliates, trade partner, agent, and the general public for acknowledgement.

Company activities to conform with policies against fraud and corruption

- The company recognizes the importance of participation along with promotional support for the creation of cooperation between private sector entities, public sector, and the general public, mass media, and multilateral organization in the drive toward implementation of the measure against fraud, information disclosure, and establishment of clean business engagement standards, emphasizing market competitive mechanism.

- The Company isolated fraud and corruption risk from the entity risk management for convenience of oversight, monitoring, and risk assessment. To prevent fraud and corruption covering charitable donation, political contribution, receiving of gifts, and entertainment expenditure for example,

- Company has modified its risk assessment form for fraud and corruption to cover more areas of potential risks in particular fraud, and corruption risks as pertinent to the Government sector entities in which the Company, affiliated companies, or its trading partners are required to engage in various joint business activities.

- The Company has modified agreement with trading partners, and agents who act on behalf of the Company with external parties for example customers, trading partners or government entities with specific

additional clause with clarity regarding the conduct of business that will not engage in fraud and corruption in all forms. In the event of breach, the agreements shall be cancelled immediately upon investigation, and verdict reached. Agents must report to the Company immediately upon discovery of bribery.

- The Company has delivered policies and manuals regarding measures against fraud and corruption practices to all agents for acknowledgement and practice compliance.

- The company establishes operating mechanism for the accounting and finance department to report status of financial position accurately, with transparency to ensure efficiency in preventing fraud and fight against bribery and corruption

- The company arranges for system to assess risk against fraud and corruption separated from risk against routine daily operation, and report to the Audit Committee, and the Board of Director on a quarterly basis.

- Arrange for the establishment of a sub-committee for ethics and fight against fraud and corruption consisting of executives, and employees to assess and manage risks against corruption practices covering important functions such as marketing, procurement of goods and services, collection, payment for example. There is a continuingly review of risks on a quarterly basis to create measures, and perform appropriate corrective action regularly and promptly by presenting the result of the assessment to the Executive Committee, the Audit Committee, and the Board in that order.

Duties of the sub-committee for ethics and anti-fraud and corruption are as follows:

1. Present information, new risk issue which may arise regarding fraud and corruption.
2. Provide advice to management for risk assessment regarding fraud and compile results for the preparation of the organization's document regarding fraud risks.
3. Support arrangement for training, follow-up, testing to assess employee knowledge and understanding.
4. Follow-up in arranging for each functional line to have measures against fraud and adequate risk management, and report events and information in all forms which are material fraud risks for efficient and speedy management.
5. Supervise for compliance with manual and practice guide against fraud and corruption.

- Arrange for the formation of the sub-committee for the operational monitoring and oversight comprising member of the Executive Committee, management, and employees tasked with the preparation of rules, manual, and policies for operating departments, announcement for implementation, training for employee understanding, acknowledgement, and practices properly and with efficiency including the duties of control and monitoring compliances or violation thereof of all departments in accordance with established rules, policies, and regulation internal, and external to the company. The performance of such duties should consider the negative impact against expectation of shareholders, customers, employees, business circle, the public, community which might affect company's reputation.

- Arrange for internal audit, assessment of system of internal control covering risk of fraud and corruption and report results of audit with process improvement recommendation to the Audit Committee.

- Arrange for reporting channel for complaint, lead, activities in breach of regulation, guidelines or codes of business ethics of the company or suspicion regarding financial reports or system of internal control or suspicion of involvement in fraud or corruptions by providing counseling to supervisor or reporting through email or confidential letter to the company secretary or Director of Operations and Central Administration or Personnel Manager or the Audit Committee.

- The company has policy protecting provider of information or lead to the company (WhistleBlowing Policy) by providing assurance that it will safekeep the informer information confidentially and shall not penalize employees who provide information with honest intent.

- Arrange communication and training against corruption practices to educate directors, management, and all employees of the entire organization to be aware of the policies and practices against fraud and corruption including other relevant policies, as well as indicating the serious damaging results toward the society, and the country as a result of fraud and corruption, and offenders may be prosecuted, to entice conscientious cooperation as part of the fight against fraud and corruption in all forms and concurrent communicating with families, friends, external parties for understanding of fraud and corruption. The Human Resources Department has arranged for training regarding governance policy, business ethics, and policy against fraud and corruption practices, and practice guidelines.

In future, there shall be additional training channel and testing online to promote providing of knowledge and increasing recognition of the importance of ethics, fraud and corruption.

- Arrange for communication with customers or external parties who come to contact the company both at HO, and branches to acknowledge such policies and intent against corruption practices by the company by posting sign board and campaign photo against corruption, and desk framed photo for all.

- Arrange to prepare company uniform sewn with message 'against fraud and corruption' provided to executives, and employees at all levels within the organization to be worn at least once a week in order to communicate such message as reminder for the wearers as well as for external parties for awareness, recognizing the danger and inviting the participation in the fight against corruption.

- The company complied with the policies, refraining from activities which may lead to corruption problem with the public or private sectors, and is prepared to cooperate in supporting public and private sector measures against fraud and corruption practices.

During the year 2021, the company has arranged for project supporting anti-fraud and corruption as follows:

1. Testing of knowledge and understanding for employees at all levels regarding fraud and corruption at the operational level and entity level during the year 2021.
2. Monitoring news and new manual announced by the Thai CAC for implementation for example Guidelines for Developing Anti-corruption Operating Control
3. Work with internal audit in the preparation for reimbursement standard regarding commission payment, various welfare to be consistent, appropriate, and controlled.

4. Prepare manual, and practice rule regarding hiring of Outsoure in the result reporting on follow-up and acceleration operation.
5. As a result of the Covid-19 Pandemic, various organizations have undergone modification in the form of their conference, seminar arrangement to become on-line or VDO Conference. The Company has still monitored and recognized the importance of activities promoting and fight against fraud and corruption practices regularly and continually. On 6 September 2021, the Anti-Corruption Day under the theme idea of “acquaintance with the new generation, and together building the Thai nation without corruption” with the company posting hatchtag # Unit # Anti-Corruption Day 2021 # acquaintance with the new generation # and follow-up with the seminar in the form of Online Event via Facebook Live, Facebook of organization against corruption. The company has engaged and participated in activities to express its standing in the refusal to be involved in fraud and corruption in all forms continuingly by indicating the importance and enabling the cooperation and fight against fraud and corruption extensively and jointly driving the government sector to improve work process with transparency, accepting participation and verification from the private sector and civil society in the protection of public interest from fraud and corruption.

(4) Whistleblowing

The company provides opportunities for employees and all groups of stakeholders satisfaction and participating in the monitoring of company operations, joint surveillance about activities in breach of rules, regulation, codes of business ethics, or law including report of suspicious behavior which may indicate fraud and corruption or money laundering activities, finance, accounting where the stakeholders may contact the company, expressing idea, lead or complaint via post to any committees namely Chairperson of the Audit Committee, Director of Central Operations or Company Secretary at company's address – Eastern Commercial Leasing PLC, 976/1 Soi Rama IX Hostpital, Bangkapi Sub-District, Huay Kwang District, Bangkok 10310 or facimile 02-641-5995 or at company website <http://www.ecl.co.th>. All complaints and suggestions shall be considered and handling as appropriate.

The company has policy protecting provider of information or lead to the company (Whistle Blowing Policy) by providing assurance that it will safekeep the information confidentially and shall not penalize employees who provide information with honest intent. In the event of lead against fraud or illegal act, the company shall retain the information confidentially, and proceed with consideration for safety of the informer including individual who cooperate in the investigation process to ensure confidence of all concerns shall not be affected from such lead and complaint.

Over the past years the company has not received any complaints from stakeholders, and during the year 2021, there was no compliant regarding fraud and corruption, or breach of policy regarding good corporate governance principle.

8.2 Audit Committee Performance Report for the past year

8.2.1 Number of Audit Committee meetings

During the year 2021, the Audit Committee convened 4 times as follows:

Rank	Names of Directors	Position	Audit Committee Attendance
1.	Mrs. Prapasri Permsub	Chairperson of the Audit Committee/ Independent Director	4/4
2.	Mr. Thailuck Leetavorn	Member of the Audit Committee/ Independent Director	4/4
3.	Mr. Sorapas Suttienkul	Member of the Audit Committee/ Independent Director	4/4

8.2.2 Result of the Audit Committee Performance

The Audit Committee convened 4 times during the year 2021 including one without management participation with Mrs. Prapasri Permsub acting as the Chairperson of the Audit Committee who is knowledgeable and experienced sufficiently to perform the duties of reviewing reliability of financial reports. The Audit Committee held meeting with the external auditor, and internal auditor for the review of financial reports, internal control, selection and consideration for the appointment of external auditor of the company, internal auditor, and compensation, related party transactions, assessment of system of internal control, reviewing risk management, monitoring compliance with rule, regulation, policy, and supervision of the Executive Committee performance, summary report the opinion of the Audit Committee in various aspects to the shareholders within the Annual Report.

8.3 Summary Report of Various Sub-committee Performance

8.3.1 Number of meetings of the Nomination and Remuneration Committee

During the year 2021, the Nomination and Remuneration Committee convened twice below:

Rank	Names of Directors	Position	The Nomination and Remuneration Committee Attendance
1.	Mr. Sorapas Suttienkul	Chairperson of the Nomination and Remuneration Committee/ Independent Director	2/2
2.	Mrs. Prapasri Permsub	Nomination and Remuneration Committee Member /Independent Director	2/2
3.	Mrs. Duangrat Jaengmongkol	Nomination and Remuneration Committee Member	2/2

8.3.2 The Nomination and Remuneration Committee convened twice during the year 2021. The Nomination and Remuneration Committee has performed the duties of establishing basis for the recruitment and selection of new directors replacing existing independent director, compensation for directors, senior executive, establishing policy, reviewing form and basis for director compensation, and other compensation annually. The

Committee establishes rules for the assessment of the committee performance, the Chairperson of the Executive Committee, and the Managing Director, preparation of summary report of the Committee performance to be presented at the shareholders' meeting within the Annual Report.

8.3.3 Number of Executive Committee Meetings

During the year 2021, the Executive Committee convened 11 times as follows:

Rank	Names	Position	Executive Committee
			Attendance
1.	Mr. Danucha Veerapong	Chairman of the Executive Committee	11/11
2.	Mr. Prapakorn Veerapong	Vice Chairman of the Executive Committee	11/11
3.	Mrs. Duangrat Jaengmongkol	Member of the Executive Committee, and Company Secretary	11/11
4.	Mrs. Walaiporn Panyatanya	Deputy Managing Director (Credit)	11/11
5.	Mrs. Charatsang Yuampai	Deputy Managing Director (Accounting and Finance)	11/11
6.	Mr. Masayuki Nozawa	Deputy Managing Director (Collection)	11/11
7.	Mr. Tiratee Patipanwoharn	Deputy Managing Director (Marketing)	11/11
8.	Miss Kanchana Sophonpongpiat	Director – Accounting and Finance	11/11
9.	Mr. Sukkasem Titasaro	Director - Collection	11/11
10.	Mr. Mano Boonyasrisawasdi	Director – Insurance	11/11
11.	Mr. Teera Choonhacha	Director – Marketing – Eastern	11/11
12.	Miss Yawadee Thongthai	Director – Credit 2	11/11

8.3.4 The Executive Committee convened 11 times with scheduled meeting at least once a month with special urgent meeting as needed to consider marketing plan, credit approval, operational rule and regulation approval, routine business control and administration of various departments with minute of the meeting prepared at all times, and presented to the Audit Committee, and internal audit as guideline for operational, control and monitoring of management continuingly and timely. The Executive Committee comprises 12 members consisting of 4 directors who are executives, and 8 other executives (details per section 7.2 Board of Directors information, 7.3 sub-committee information)

8.3.5 Results of other sub-committee performances presented at sub-committee, section 9, item 7.3.1 (4)

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

To the Shareholders of the Eastern Commercial Leasing PLC

The Board of Directors of the Eastern Commercial Leasing PLC appointed the Nomination and Remuneration Committee, with requirement for the Committee to review and consider compensation, comprising at least 3 company directors one whom must be an independent director.

At present, the Nomination and Remuneration Committee comprises 3 directors having Mr. Sorapas Suttienkul, as independent director, and Chairperson of the Nomination and Remuneration Committee, and Mrs. Prapasri Permsub, an independent director, and Mrs. Duangrat Jaengmongkol, a director, as members of the Committee.

During the year 2021, the Committee convened twice to perform its duties with material substances of the meetings summarized below:

1. Considered selection and proposing individuals with appropriate qualification to be appointed directors replacing directors scheduled to be retired in accordance with the rotational procedure to be presented at the Board of Directors' Meeting, and subsequently to the shareholders' meeting for approval consideration.

2. Considered the Board of Directors, and executive compensation at an appropriate rate in accordance with their duties and responsibilities, representing the rate comparable to entities in the same industry on the basis established by the company to be presented to the Board of Directors for approval consideration prior to submission to the general shareholders' meeting for approval.

3. Arranged for performance assessment of the Board of Directors, the sub- committees, the Chairperson of the Executive Committee, and the Managing Director on an annual basis, and reporting to the Board of Directors for acknowledgement in order to utilize the results of the assessment for operational improvement to enhance efficiency and achieving company's objectives.

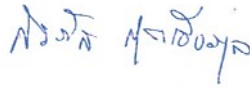
4. Performed the duties as consultant and provided guidance to the Human Resources Department in the preparation of succession plan commencing from the executive positions namely Deputy Managing Directors and Directors, because available information indicated that individuals in such positions having age group near retirement. To enable the Company engaging in business continuingly, the Human Resources Department has been assigned the task of preparing human resources training and development process in support of knowledgeable individuals and with potential, to achieve job advancement, with the emphasis on HR development in the area of leadership skill, and readiness to assume the open position, or new advanced position.

5. Performed the duties of consultant and provided advice regarding the Covid-19 situation which may adversely affect the labor force, and basis for new recruitment of the Human Resources Department.

The Nomination and Remuneration Committee has performed its duties as assigned and reported results of its meeting to the Board of Directors continuingly. During the year 2021, the Nomination and

Remuneration Committee has performed its duties completely with due care, cautious, transparent, and independent for the best interest of shareholders, and stakeholders corresponding with the good governance principles as established by the Securities Exchange of Thailand.

As authorized by the Nomination and Remuneration Committee



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Mr. Sorapas Suttienkul,

The Chairperson of the Nomination and Remuneration Committee

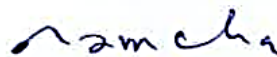
Executive Committee Report

The Executive Committee, as appointed by the Board of Directors, consists of 12 members, 4 of whom are executive directors namely 1. Mr. Danucha Veerapong, the Chief Executive Officer is the Chairperson of the Executive Committee, 2. Mr. Prapakorn Veerapong, the Managing Director is the Vice Chairperson of the Executive Committee, 3. Mrs. Duangrat Jaengmongkol, Company Secretary is the member of the Executive Committee, 4. Mr. Masayuki Nosawa, Deputy Managing Director is the member of the Executive Committee. There are additionally 8 executives in the position of Deputy Managing Director, and Department Directors being member of the Executive Committee with Miss Apisara Sriamorn being Committee Secretary.

The Executive Committee performs its duties within the scope of authorities as assigned by the Board of Directors. During the year 2021, the Executive Committee convened 11 meetings, approximately once a month with minute of meeting prepared for all meetings for submission at the quarterly Board of Directors' meeting with material issues summarized below:

1. Considered refinement in company objective, target, and business plan including budget and investment project of the company and subsidiaries for the year 2021 prior to submission to the Board for approval consideration.
2. Considered monitoring company and subsidiaries' operating results regularly on a monthly, and quarterly basis, and considered acknowledgement of problem or obstacle arising in the operations of various departments in the normal course of business including providing advice for improvement, rectification, and strategy to be implemented to enhance efficiency and achieve objective.
3. Considered approval for the preparation, review and improvement on policies, operational manual relevant to business engagement with new announcement or new act coming into force.
4. Considered repayment suspension project approval for debtors with close monitoring of the results
5. Considered acknowledgement of entity governance survey results of the Thai listed company (CGR) for the year 2021 prepared by the Institute of Directors, with the company rated 5 stars or excellent rating for the 2nd consecutive year (2020, and 2021)
6. Considered compensation payment adjustment approval related to employee work expense, incentive payment, and provident fund as appropriate corresponding with the Covid-19 pandemic situation.

For the Executive Committee



(Mr. Danucha Veerapong)

Chairperson of the Executive Committee

**Internal Control
and Related Party
Transactions**

9. Internal Control and Related Party Transactions

9.1 Internal Control

The company recognizes the importance of system of internal control and risk management as a mechanism enabling the company engaging in business with efficiency by arranging for the system of internal control covering all aspects of operations – financial, operational, and compliance in accordance with rules, and relevant law, by having the Audit Committee performing the oversight duties over internal control activities in accordance with the Committee of Sponsoring Organization of the Treadway Commission: COSO internal control framework. The internal auditor performs internal audit per annual audit plan reporting to the Audit Committee regularly. As for risk management, the Executive Committee appoints the sub-committee for risk management responsible for reviewing company's risk management policy to be utilized as the framework and guidance in the supervision of the risk management function with efficiency, and responsive to changing circumstances and environment appropriately. Internal control practices consist of 5 elements namely:

1. Control Environment

The company arranges for the entity's organizational structure corresponding with the nature of business including preparation of business ethics, written operating procedures for all departments, appropriate segregation of duties and responsibilities, clear reporting line to enable check and balance. The Board is independent in performing entity oversight, establishes clear business objectives, reasonably achievable, measurable as guidelines and incentive for management and employee performance. The company assigns duties and responsibilities appropriately corresponding with knowledge and competence emphasizing honesty, and ethics supporting employees with responsibilities, knowledge, skill, and experiences in each job position to realize full capabilities, with policies for development and retention of employees possessing knowledge and competence, preparing recruitment, development and retention plan for executive and employee clearly including the application of key performance indices as guidance and measurement for annual management and employee appraisal.

2. Risk Assessment

The company has risk management policy for risks which may have impact on its business engagement both internally and externally. The company manages risks at the level appropriate and acceptable without affecting its good governance policy. Risks are divided into 5 types namely strategic, operational, financial, compliance with law, rules and regulation, fraud and corruption risks. During the year 2021, the Company engaged in business subject to the Private Data Act BE 2562. The Company shall prepare supplementary risk related to this law to cover operations of all departments relevant to the application of private personal information. Furthermore, in light of the Covid-19 pandemic, the company has added risk assessment relevant to Covid to enable administration, and operational assessment, preparedness for resources and various work systems to achieve continuing functioning of employees, safety and without impact on important objectives. Risk management is part of the overall annual business planning to establish risk management

guideline for that particular risk corresponding with the objectives, strategy, direction, and business engagement target.

The company requires management and all employees to have ownership in the risk with the task of assessing the risks within their own departments including proposing plan and procedure in mitigating such risks from occurring. The company shall inform all relevant employees for compliance with established risk management measures with the sub-committee for risk management established to monitor risk management plan and report to the Audit Committee quarterly in order to prevent and mitigate loss which may occur in the operational system including to support an efficient operational system meeting the established objectives.

3. Control Activities

The company disseminates and delegates authorities to management to perform on behalf of the Managing Director in the area of credit extension, disbursement, collection, and purchasing etc. by preparation of delegation of authorities, sample signature, scope of authority, amount limit for management at each level with clarity in order to achieve operational flexibility, with clear segregation of important duties and responsibilities in the approval process, recording of accounting transaction, and access to information, and duties in safeguarding assets, with compliance audit by internal auditor regularly, retention of information regarding major shareholders, directors, management, and related parties to such individuals for the benefit of following up, and review of transactions which may have conflicting interests, with approval consideration procedures as reviewed by the Audit Committee for transactions with aforementioned major shareholders or related individuals. This is to ensure that such transactions are reasonable and for the best interest of the company as if engaged with an external party. The Company has assigned the duties in operational control to the sub-committee for operational oversight. The Company has undergone various existing control review in the operational guideline regularly, to be appropriate in light of the changing environment or risks.

4. Information Technology and Communication

The company arranges for information technology communicating with management and all functions within the organization to receive complete information accurately and timely, applying accounting policies in accordance with generally accepted accounting principles, recording of accounting transactions, and document retention in accordance with requirement of the law, sufficient important information communication and delivery for the Board of Directors supporting decision making, convening meeting between the Audit Committee with external auditor, and internal auditor quarterly. The company has communication system preparing operational report for the securities market timely. The company requires the company secretary to have the duties of coordinating with relevant parties in the organization of meeting or preparation of supplementary information when the Board requests. As for the channel of communication with stakeholders, the company assigns the Chairman of the Executive Committee along with the investor relation, and Director of Finance to disseminate information in contact with institutional investors, shareholders, analysts, public media, and relevant public-sector entities. Investors may contact for information or stakeholders may submit complaint or provide lead relating to violation of policy and practice guideline for good governance principle of the

company at phone number 02- 641- 5252 or Email: duangrat@ecl.co.th or at company website <https://www.ecl.co.th>.

5. Monitoring Activities

The company convenes the Executive Committee meeting regularly once a month to assess monthly performance of the company including corrective action consideration, establish rules and procedures of each department or modify policies corresponding with circumstances in order to implement corrective action within an appropriate time. In the event a material weakness is found in the system of internal control, relevant party must report to the Board of Directors and/or the Audit Committee on an urgent basis. As for the operational audit in compliance with system of internal control and risk management, the internal auditors will conduct follow-up audit quarterly including providing advices in various aspects to achieve assurance that all departments maintain good internal control and perform in accordance with objective of the company, and report audit results to the Audit Committee, and the Board quarterly.

9.1.1 Summary of the Board's Opinion on System of Internal Control

At the Board meeting 1/2022 on 24 February 2022, the Board assessed the system of internal control based on the Audit Committee report and concluded on the basis of control assessment of the 5 components namely entity internal control, risk assessment, operational control, information technology and information communication, and monitoring, the Board was of the opinion that the company's system of internal control regarding transaction with major shareholder, directors, executives, or related parties to such individuals per assessment form was adequate and appropriate. As for control in other topics including the monitoring of operational control of subsidiaries, being capable of safeguarding assets of the company and subsidiaries from directors or management abuse or unauthorized usage, the Board was of the opinion that the company also has had adequate control.

9.1.2 Deficiency Found

Over the past, the company has had certain deficiency related to internal control arising from daily operation, with remedial actions taken within 7 days for example

- multiple cases of error issuance of receipts as a result of incorrect input of payment receipt media code
- error reporting customer installment payment status to the National Credit Bureau as a result of outdated customer litigation pending status and follow-up record

The internal auditor has provided 'Lost Data Report' form as a reporting instrument upon error found at any operating point. The employee and/or Director of that department reports operational error found to management or the sub-committee for operational oversight (compliance) immediately with copy forwarded to the internal auditor to help investigate whether the error was human or system and promptly rectify the error in a timely manner. This includes establishing at another level, operational procedure and new IT operational

system to ensure control and prevention of error recurring. The internal auditor will revisit and perform audit on operational procedure, and the IT system at the next audit schedule.

9.1.3 Audit Committee and External Auditor Opinions

The Audit Committee has no additional nor different opinion from that of the Board and the external auditor expressed no opinion nor observation in the audit report that there was control deficiency in the system of internal control.

9.1.4 Head of Internal Audit Function

The Audit Committee meeting 1/2565, dated 24 February 2022, resolved to appoint Improvis Co., Ltd. as company's internal auditor for the year 2022 (April 2022 – February 2023). Mr. Chalot Lokittajariya as designated by Improvis Co., Ltd., performs the duties as company's internal auditor.

The Audit Committee has reviewed qualification of Improvis Co., Ltd. and Mr. Chalot Lokittajariya and found to be appropriate, adequate for such operations with efficiency, as they are independent, and with acquired experiences in the operation of internal audit function in similar business as that of the company (background information provided per attachment 3).

9.1.5. The appointment, removal consideration of the internal audit firm, performing internal audit function for the company, requires approval of the Audit Committee

9.2 Related Party Transactions

Summary of related party transactions between the Company and individuals or entities who might have conflicting interests during the years 2020, and 2021

(1) Asset Lease Transactions

Individuals or Entities /Relationship	Description of Transactions	** Transaction Value in Baht		Pricing Policy	Reason and necessity
		2021	2020		
Mr. Prapakorn Veerapong, the lessor <u>Relationship</u> Is the MD, and authorized director holding 4.25% shares of ECL, the lessee.	ECL leases land belongs to Mr.Prapakorn Veerapong. The land title deed # 477, located at Soi Navasri 5, Ramkamhaeng Road, Soi 21, Wangtonglang District, Bangkok, land area approximately 130 square wah utilized as parking space and for repossessed vehicles auction and other purposes with tenor of 2 years from 1 September 2020 to 31 August 2022, with monthly rental of Baht 48,505.26	1,164,126.24	1,164,126.24	Rent is reasonable in line with market or fair value, contract terms same as other lessor	The company needs land space to conduct business and land distance not far from office

Remark: * approved by the Board BOD 6/2020, dated 13 August 2020

**The lease agreement with tenor of 2 years.

Transaction Value 1 September 2020 – 31 August 2022 (24 months) amounting to Baht1,164,126.24

**land value approximately Baht 450/square meters based on appraisal performed by Sims Property Consultant Co., Ltd. who has performed appraisal for land belongs to Din Daeng (1969) Co., Ltd. adjacent to the land in question on 8 May 2019.

Individuals or Entities /Relationship	Description of Transactions	*** Transaction Value in Baht		Pricing Policy	Reason and necessity
		2021	2020		
Hitech Land Cholburi (2002) Co., Ltd., the lessor <u>Relationship</u> Its major shareholders are Mr. Danucha, and Mr. Prapakorn Veerapong in aggregate held 27% of the company, who are the Chairperson of the Executive Committee, and Managing Director of ECL respectively, holding jointly 7.86% of ECL	ECL leases Floor 1 of a building located at 728/10, Sukhumvit Rd, Bangprasoi Sub-District, Muang District, Cholburi Province, area of 244.05 square meters for use as branch office with tenor of 1 years from 1 June 2021 to 31 May 2022, monthly rental during June to August 2021, monthly Baht 42,318.95, September 2021 to May 2022 monthly Baht 47,021.05	536,040	536,040	* rental averaged Baht 192.67 per square meters; ** was lower than Baht 245 average estimated lease rental; Other lease term same as other lessor	The company needs office space for branch setup for business development and no other appropriate building

Remarks:

- * The transaction has been approved by the Board, BOD 2/2021, dated 13 May 2021
- ** Baht 245 per square meter is an averaged lease rental rate, appraised by Prospect Appraisal Co., Ltd. dated April 30, 2004, and Siam Appraisal and Service Co., Ltd. dated May 6, 2008
- *** The lease agreement tenor of 1 year
Transaction Value 1 June 20 – 31 May 21 (12-month) Baht 536,040
Transaction Value 1 June 21 – 31 May 22 (12-month) Baht 536,040

Individuals or Entities /Relationship	Description of Transactions	** Transaction Value in Baht		Pricing Policy	Reason and necessity
		2021	2020		
Hitech Land Cholburi (2002) Co., Ltd. <u>Relationship</u> The lessor major shareholders are Mr. Danucha Veerapong, and Mr. Prapakorn Veerapon who jointly held 27% Both are Chairperson of the Executive Committee, and Managing Director of ECL respectively, and also shareholders of ECL holding jointly 7.86% of ECL equity	The Company leases area on 3rd floor of the building, located at 728/10, Sukhumvit Road, Bangprasoi Sub-District, Muang District, Cholburi Province with area of 244.05 square meters to be utilized as branch office space, with lease term of 3 years from 1 March 2020 to 28 February 2023, with lease rental payable monthly, Baht 47,021.05*** for the first year, Baht 49,372.10 for the 2nd year, and Baht 51,840.70 for the 3rd year	1,778,806.20	1,778,806.20	* Rental rate for 3-year, Baht 150.83 – 166.29 averaged per square meters, was lower than the Baht 245 per square meter, the averaged appraised rental rate * Other terms and conditions within the lease contract were equivalent to other lessors	It is necessary to lease the office space for credit analysis section, and conference room for eastern region employees and there was no other suitable building in the area.

Remark: - Approved per BOD 1/2563 on 26 February 2020

* Baht 245 was the averaged appraised rental rate performed by Prospect Appraisal Co., Ltd. on 30 April 2004, and Siam Appraisal and Service Co., Ltd. on 6 May 2008

** Term of lease for 3-year

Transactional value 1 March 2020 – 28 February 2023 (36 months) amounted to Baht 1,778,806.20

Individuals or Entities /Relationship	Description of Transactions	** Transaction Value in Baht		Pricing Policy	Reason and necessity
		2021	2020		
Mr. Prapakorn Veerapong, lessor <u>Relationship</u> The Managing Director and authorized director, and ECL shareholder holding 4.25% of ECL (lessee) equity	The Company leased warehouse space on 1 st floor from Mr. Prapakorn Veerapong, located at 38/3 Soi Navasri 5, Ramkamhaeng Road, Soi 21, Sub-district Plabpla, Wangthonglang District, Bangkok, with leased space of 233 square wah to be utilized as document storage and other purpose, with lease term of 1 year from 1 March 2021 to 28 February 2022, lease rental payable monthly at the rate of Baht 52,631.58	631,578.96	631,578.96	* averaged rental rate Baht 225 per square meter, below Baht 450 per square meters, as appraised rental rate on an adjacent piece of land* belongs to Din Daeng (1969) Co., Ltd., terms of lease contract equivalent to other lessor	It is necessary for business engagement and the building is not far away from company's office.

Remark: - Approved per BOD 1/2564 on 25 February 2021

* Baht 450 was averaged land price as appraised by Sims Property Consultant Co., Ltd. who provided appraisal for land belonged to Din Daeng (1969) Co., Ltd. located adjacent to the leased land on 8 May 2019

** Lease term: 1 year

Transactional value 1 March 2021 – 28 February 2022 (12 months) amounted to Baht 631,578.96

(2) Borrowing:

During the year 2021 the Company borrowed short term loan from individuals who were shareholders by issuing fixed period short term bill of exchange with tenor of 180 days with said shareholder detailed as follows:

Related Parties/ Proportion of Shares Held as at 31 December 2021	Borrowing Transaction Size (Baht million)				Borrowing Continually		
	1 Jan 2021	Repaid	Additional borrowing	31 Dec 2021	Interest Rate %	Interest paid whole year 2021	Interest prepaid on 31 Dec 2021
Mr. Preecha Veerapong, holding 7.84%	185	400	405	190	3.30 – 3.15	6,097,902.30	1,416,463.62
Total as at 31 Dec 2021	185	400	405	190	3.30 – 3.15	6,097,902.30	1,416,463.62

Remarks:

- Approved by the Board, per BOD 7/2020, dated 12 November 2020
- Reviewed by the Audit Committee concerning related party transaction, per AC 6/2020 dated 12 November 2020
- Pricing policy: rate of interest payable lower than commercial bank lending rate on the B/E issued date with interest payable on B/E issuance date, the same rate payable to external parties
- Reason and necessity: fund utilized as working capital without asset collateral required.

Necessity and Reasonableness of Related Party Transactions

Related party transactions have been reasonable with terms and conditions between parties established capable of being compared with normal transactions with other entities without relationship. The Company anticipates that there may be more of the related party transaction in this same nature, in the future.

Measures and the Approval Process for Related Party Transaction

Related party transactions are conducted primarily with due consideration for the interest of the Company. Considerations include the reason, necessity, and compensation payment in accordance with market or fair value. The Audit Committee shall consider and provide its opinion for said transaction and submit to the Board for consideration and approval. The Board consideration shall exclude directors who have vested interest in the transaction.

Policy and Trend toward Related Party Transaction

In the future, for related party transactions with individuals or entities who may have conflicting interests or vested interest, as a matter of policy, the Company shall request opinion from the Audit Committee as pertinent to the necessity, the best interest to the Company of those transactions, the appropriateness of pricing, and the reasonableness of the transactions. In the event the Audit Committee lacks the expertise in

consideration of the related party transactions, the Company shall seek opinion from independent subject matter expert or Company auditor for opinion on the transactions as well. This opinion shall be submitted to assist the Board's or the Shareholders' decision-making process as appropriate. Individuals with vested interest in the transactions shall not authorize such transactions by themselves.

In conducting the transaction, the Company shall engage the transaction in accordance with the normal business practices and in accordance with law and regulations of the security exchange including the rules on disclosure of related party transactions and the acquisition or disposal of Company's essential assets per accounting standards. The Company shall disclose related party transactions in the Notes to Financial Statements as audited by Company auditor.

REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Board of Directors is responsible for the preparation of the Company's financial reports - alone financial reports, and consolidated financial reports for the Company and its subsidiaries including financial information presented in the annual report. Such financial reports for fiscal year ended on 31 December 2021 has been prepared in accordance with the Thai Financial Reporting Standard 9 effective from 1 January 2020, and with the adoption of select and appropriate accounting practice guideline announced by the Federation of Accounting Profession with judgment and due care, and best estimation including adequate essential information disclosure within the notes to financial reports covering important matters in accordance with best practices for directors of listed companies as required by the Securities Exchange of Thailand. The financial reports therefore reflect true and fair financial position and results of operations for the past fiscal year, and transparent beneficial to investors, and public at large.

Eastern Commercial Leasing PLC discloses its financial report information on a quarterly and annually basis. The Audit Committee has reviewed interim financial reports and annual financial reports of the company together with the auditor and management of the company by enquiring and listening to explanation including advice and opinion on the various issues relevant to financial reporting of the company prior to submission to the Board of Directors for approval consideration for disclosure submission to the Securities Exchange of Thailand, and the Securities and Securities Exchange Commission (SEC). It is with confidence that the company has been audited of the operations, utilization of resources, safeguarding of assets, prevention or mitigation of error, damage, loss of resources or fraud and corruption, the compliance with laws, rules and regulations in which the auditor from DIA International Audit Co., Ltd. has expressed its opinion correspondingly that it has found no problematic issue or material weaknesses.

The Board of Directors has arranged for and maintained the system of risk management, system of internal control, and internal audit, and good, appropriate, and effective supervision in prevention of fraud or material impropriety. The Board of Directors, and the Audit Committee have performed their duties appropriately with appropriate responsibilities, and in accordance with charters, principle of the securities exchange, and other relevant laws, with due care, knowledges and competence. The Audit Committee has adequate independence for the benefit of stakeholders equally.

The Board of Directors were of the opinion that the system of internal control of the company has been adequate, appropriate, and able to establish reasonable confidence that the Company's

financial reports – alone, and consolidated for the Company and its subsidiaries for fiscal year ended on 31 December 2021, were accurate, complete, and in accordance with generally accepted accounting principles, including compliance with laws, and regulations of relevant authorities.

For The Board of Directors



(Mr.Preecha Veerapong)

The Chairman of The Board of Directors

Section 3 Financial Statements

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated and separate financial statements of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES ("the Group") and of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED ("the Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2021, and the consolidated and separate statement of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED as at December 31, 2021, and 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 Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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

Allowance for expected credit losses of hire purchase receivables (consolidated and separate financial statements)

As described in Note 6 to the consolidated financial statements, as at December 31, 2021, the Group had total hire purchase receivables in the consolidated and separate financial statements amount of

Baht 4,303.78 million representing 88.75% and 89.47% of total assets respectively, and allowance for expected credit losses of Baht 218.88 million, which are material to the financial statements.

Because of the of expected credit losses calculation is required to use the basis of developing for sophisticated models calculation. The Management needs to use judgements and estimates in developing expected credit losses model to be conformed to Thai Financial Reporting Standards. The significant judgement of management include identify significant increase in credit risk of receivable accounts since the initial recognition of the transaction. The selection of forecasts relating to the economic factors used in the models and incremental adjustments from allowance for expected credit losses management due to limitation of the model.

Because of the materiality and the extent of the judgement and estimates mentioned above, I, therefore, focus on auditing the allowance for expected credit losses of hire purchase receivables by.

- Obtain an understanding and evaluate and test by sampling the efficiency of internal control relating to credit providing, debt receiving, classification of debts and calculation of expected credit losses.
- Evaluate and test internal control of related information technology.
- Obtain an understanding, evaluate and test the reasonable of the expected credit losses model by reviewing evidence supporting the development of models, and sampling test the accuracy and completeness of information used in models developing.
- Assess the calculation method and assumptions used in the consideration of expected credit losses allowance as well as the appropriation of judgements used in incremental adjustment from management.
- Test calculation of expected credit losses allowance by sampling test the completeness of the data used in the calculation and classification of receivables.
- Consider disclosure of information relating to the allowance for expected credit losses of receivables under hire purchase agreement.

Recognition of revenues from hire purchase interest (consolidated and separate financial statements)

The Group has policy for recognition of revenues from hire purchase interest as stated in notes 4.1.1 to financial statements (in 2021, has revenues from hire purchase interest on the consolidated and separate financial statements amount of Baht 513.78 million or equal to 75.10% and equal to 76.06% of total revenues respectively). The amounts of revenues from hire purchase interest is material and arose from a lot of minor receivable under hire purchase agreement and long-time installment.

Recognition of hire purchase interest is used information technology in processing. Accordingly, I have addressed such recognition of revenues from hire purchase interest as key audit matter.

I have obtained an assurance in respect of recognition of revenues from hire purchase interest, by included;

- Obtained an understanding and sampling test the Group's internal control system relating to credit providing for hire purchase agreement entering, receipt, revenues recognition, and test the general internal control of the information technology as well as the sampling test the accuracy of information and calculation.
- Tested by sampling the hire purchase agreement for checking the record of hire purchase receivable transaction and recognition of revenues from hire purchase interest that they are conformity to the conditions as stipulated in agreement and there is adjustment by the effective interest rate.
- Tested by sampling the significant adjustment made through general ledger.

Other Information

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above 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 appropriately.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal

control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate 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 Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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.

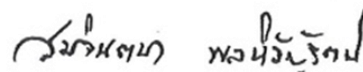
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain 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 consolidated and separate 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.

D I A International Audit Co., Ltd.



(Miss Somjintana Pholhirunrat)

C.P.A. Thailand

Registration No. 5599

February 24, 2022

STATEMENTS OF FINANCIAL POSITION
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2021

		Unit : Baht			
Assets	Note	Consolidated financial statements		Separate financial statements	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Current assets					
Cash and cash equivalents	5	55,101,265.78	54,488,493.19	51,291,095.43	50,717,065.98
Hire purchase receivables due within 1 year	6	1,645,986,581.68	1,877,883,330.50	1,645,986,581.68	1,877,883,330.50
Other current receivables	8	18,189,014.87	19,730,348.48	15,472,890.05	19,218,333.67
Short-term loans for joint venture	9	225,500,000.00	221,500,000.00	225,500,000.00	221,500,000.00
Properties foreclosed	10	37,395,216.00	67,964,867.67	37,395,216.00	67,964,867.67
Total current assets		1,982,172,078.33	2,241,567,039.84	1,975,645,783.16	2,237,283,597.82
Non-current assets					
Hire purchase receivables due over 1 year	6	2,657,796,854.54	3,437,759,857.15	2,657,796,854.54	3,437,759,857.15
Investments in subsidiaries	12	0.00	0.00	5,000,000.00	5,000,000.00
Investment in joint venture	13	70,008,174.02	63,435,389.35	36,000,000.00	36,000,000.00
Other non-current financial asset	11	0.00	2,022,840.45	0.00	2,022,840.45
Other non-current receivables	14	2,153,019.60	3,401,541.41	2,153,019.60	3,401,541.41
Long-term loans for joint venture	9	0.00	30,000,000.00	0.00	30,000,000.00
Property, plant and equipment	15	35,820,768.60	42,689,144.48	34,124,351.26	42,561,798.06
Right-of-use assets	16	27,096,159.97	27,728,728.03	27,096,159.97	27,728,728.03
Intangible assets	17	766,074.81	5,928,624.59	645,587.85	5,852,332.00
Deferred tax assets	33.3	69,411,600.75	108,358,862.36	70,127,336.30	109,074,597.91
Pledged deposit at financial institution	18	1,534,942.75	1,082,948.99	76,000.00	76,000.00
Other non-current assets		2,625,792.14	2,275,792.14	1,910,792.14	1,910,792.14
Total non-current assets		2,867,213,387.18	3,724,683,728.95	2,834,930,101.66	3,701,388,487.15
Total assets		4,849,385,465.51	5,966,250,768.79	4,810,575,884.82	5,938,672,084.97

Notes to financial statements are parts of these financial statements.

STATEMENTS OF FINANCIAL POSITION (CONT'D)
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2021

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	19	340,000,000.00	320,260,469.94	340,000,000.00	320,260,469.94
Trade and other current payables	20	40,519,066.02	43,801,236.98	39,775,373.46	42,908,050.64
Current portion of long-term loans	22	1,399,448,890.68	1,777,658,645.18	1,399,448,890.68	1,777,658,645.18
Short-term loans from related persons	21.3	188,583,536.38	183,773,223.24	188,583,536.38	183,773,223.24
Current portion of lease liabilities	23	8,915,404.57	8,197,590.97	8,701,798.12	8,197,590.97
Accrued income tax		11,078,966.69	2,246,701.07	10,882,047.60	2,258,405.46
Total current liabilities		1,988,545,864.34	2,335,937,867.38	1,987,391,646.24	2,335,056,385.43
Non-current liabilities					
Long-term loans from financial institutions	22	963,030,674.98	1,810,869,667.49	963,030,674.98	1,810,869,667.49
Lease Liabilities	23	20,181,393.16	20,181,809.27	19,530,433.23	20,181,809.27
Non-current provisions for employee benefit	24	34,904,805.87	31,126,259.71	34,812,163.00	31,126,259.71
Deferred tax liabilities	33.3	10,548,684.10	18,508,223.63	10,548,684.10	18,508,223.63
Total non-current liabilities		1,028,665,558.11	1,880,685,960.10	1,027,921,955.31	1,880,685,960.10
Total liabilities		3,017,211,422.45	4,216,623,827.48	3,015,313,601.55	4,215,742,345.53

Notes to financial statements are parts of these financial statements.

STATEMENTS OF FINANCIAL POSITION (CONT'D)
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2021

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital					
Authorized share capital					
1,663,285,866 common shares of Baht 1.00 each			1,663,285,866.00		1,663,285,866.00
1,108,859,002 common shares of Baht 1.00 each		1,108,859,002.00		1,108,859,002.00	
Issued and paid - up share capital					
1,108,857,244 common shares of Baht 1.00 each			1,108,857,244.00		1,108,857,244.00
1,108,859,002 common shares of Baht 1.00 each	25	1,108,859,002.00		1,108,859,002.00	
Paid-in capital					
Premium on common share		279,958,858.40	279,957,364.10	279,958,858.40	279,957,364.10
Reserve for Equity-Settled Share-Based Payment		42,752,220.00	42,752,220.00	42,752,220.00	42,752,220.00
Retained earnings					
Appropriated - Legal reserve	26	54,485,810.93	45,295,869.00	54,485,810.93	45,295,869.00
Unappropriated		346,118,151.73	272,764,244.21	309,206,391.94	246,067,042.34
Total shareholders' equity		1,832,174,043.06	1,749,626,941.31	1,795,262,283.27	1,722,929,739.44
Total liabilities and shareholders' equity		4,849,385,465.51	5,966,250,768.79	4,810,575,884.82	5,938,672,084.97

Notes to financial statements are parts of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2021

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Revenues					
Realized selling interest under hire purchase agreement		513,784,169.41	692,134,927.54	513,784,169.41	692,134,927.54
Interest income under sale with right of redemption agreement		0.00	1,430,464.00	0.00	1,430,464.00
Interest income		15,559,168.62	16,630,282.28	15,559,168.62	16,630,282.28
Other income					
Fee and services income		85,053,016.54	117,693,591.38	76,442,932.23	117,075,807.30
Recovered bad debts		28,598,507.56	17,891,493.22	28,598,507.56	17,891,493.22
Others		41,160,281.47	45,043,948.33	41,151,312.48	45,035,142.69
Total revenues		684,155,143.60	890,824,706.75	675,536,090.30	890,198,117.03
Expenses					
Selling expenses		(8,517,088.97)	(5,137,996.53)	(7,370,865.99)	(5,120,113.77)
Administrative expenses		(325,819,738.06)	(444,079,267.55)	(322,910,550.76)	(443,477,980.69)
Reversal of expected credit loss (loss)		22,580,655.63	(158,919,354.48)	22,580,655.63	(158,919,354.48)
Total expenses		(311,756,171.40)	(608,136,618.56)	(307,700,761.12)	(607,517,448.94)
Profit before share of gain (loss) on investments in joint venture		372,398,972.20	282,688,088.19	367,835,329.18	282,680,668.09
Finance costs		(135,066,943.83)	(216,358,910.96)	(135,060,935.45)	(216,358,910.96)
Share of gain (loss) on investment in joint venture by equity method		6,572,784.67	10,369,724.59	0.00	0.00
Profit before income tax		243,904,813.04	76,698,901.82	232,774,393.73	66,321,757.13
Tax expenses	33.1	(49,891,416.59)	(15,019,553.36)	(48,975,555.20)	(15,016,385.33)
Profit for the year		194,013,396.45	61,679,348.46	183,798,838.53	51,305,371.80
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain (loss) on defined employee benefit plan		(792,071.00)	0.00	(792,071.00)	0.00
Less : Taxable effects		158,414.20	0.00	158,414.20	0.00
Other comprehensive income for the year		(633,656.80)	0.00	(633,656.80)	0.00
Total comprehensive income for the year		193,379,739.65	61,679,348.46	183,165,181.73	51,305,371.80
Earnings per share					
Basis earnings per share	34	0.1750	0.0556	0.1658	0.0463

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Baht

		Consolidated financial statements					
	Note	Issued and	Premium on	Reserve for Equity-	Retained earnings (Deficit)		Total
		paid-up	share capital	Settled Share-Based	Appropriated	Unappropriated	shareholders' equity
		share capital		Payment			
Balance as at January 1, 2020		1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	411,016,948.63	1,885,314,377.14
Cumulative effect of change in accounting policy		0.00	0.00	0.00	0.00	(197,366,784.29)	(197,366,784.29)
Balance as at January 1, 2020 - as restated		1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	213,650,164.34	1,687,947,592.85
Appropriated for legal reserve		0.00	0.00	0.00	2,565,268.59	(2,565,268.59)	0.00
Total comprehensive income for the year		0.00	0.00	0.00	0.00	61,679,348.46	61,679,348.46
Balance as at December 31, 2020		1,108,857,244.00	279,957,364.10	42,752,220.00	45,295,869.00	272,764,244.21	1,749,626,941.31
Balance as at January 1, 2021		1,108,857,244.00	279,957,364.10	42,752,220.00	45,295,869.00	272,764,244.21	1,749,626,941.31
Ordinary shares	25	1,758.00	0.00	0.00	0.00	0.00	1,758.00
Premium on common share	25	0.00	1,494.30	0.00	0.00	0.00	1,494.30
Appropriated for legal reserve		0.00	0.00	0.00	9,189,941.93	(9,189,941.93)	0.00
Dividend paid	27	0.00	0.00	0.00	0.00	(110,835,890.20)	(110,835,890.20)
Total comprehensive income for the year		0.00	0.00	0.00	0.00	194,013,396.45	194,013,396.45
Re-measuring for post-employment benefit obligations		0.00	0.00	0.00	0.00	(633,656.80)	(633,656.80)
Balance as at December 31, 2021		1,108,859,002.00	279,958,858.40	42,752,220.00	54,485,810.93	346,118,151.73	1,832,174,043.06

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT'D)
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Baht

	Note	Separate financial statements					
		Issued and paid-up share capital	Premium on share capital	Reserve for Equity- Settled Share-Based Payment	Retained earnings (Deficit)		Total shareholders' equity
					Appropriated	Unappropriated	
Balance as at January 1, 2020		1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	394,693,723.42	1,868,991,151.93
Cumulative effect of change in accounting policy		0.00	0.00	0.00	0.00	(197,366,784.29)	(197,366,784.29)
Balance as at January 1, 2020 - as restated		1,108,857,244.00	279,957,364.10	42,752,220.00	42,730,600.41	197,326,939.13	1,671,624,367.64
Appropriated for legal reserve		0.00	0.00	0.00	2,565,268.59	(2,565,268.59)	0.00
Total comprehensive income for the year		0.00	0.00	0.00	0.00	51,305,371.80	51,305,371.80
Balance as at December 31, 2020		1,108,857,244.00	279,957,364.10	42,752,220.00	45,295,869.00	246,067,042.34	1,722,929,739.44
Balance as at January 1, 2021		1,108,857,244.00	279,957,364.10	42,752,220.00	45,295,869.00	246,067,042.34	1,722,929,739.44
Ordinary shares	25	1,758.00	0.00	0.00	0.00	0.00	1,758.00
Premium on common share	25	0.00	1,494.30	0.00	0.00	0.00	1,494.30
Appropriated for legal reserve		0.00	0.00	0.00	9,189,941.93	(9,189,941.93)	0.00
Dividend paid	27	0.00	0.00	0.00	0.00	(110,835,890.20)	(110,835,890.20)
Total comprehensive income for the year		0.00	0.00	0.00	0.00	183,798,838.53	183,798,838.53
Re-measuring for post-employment benefit obligations		0.00	0.00	0.00	0.00	(633,656.80)	(633,656.80)
Balance as at December 31, 2021		1,108,859,002.00	279,958,858.40	42,752,220.00	54,485,810.93	309,206,391.94	1,795,262,283.27

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CASH FLOWS
EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit for the year	194,013,396.45	61,679,348.46	183,798,838.53	51,305,371.80
Adjustments to net profit to cash receipt (disbursement)				
Tax expenses	49,891,416.59	15,019,553.36	48,975,555.20	15,016,385.33
Depreciation and amortized expenses	20,715,594.59	22,614,560.46	20,545,341.97	22,604,079.47
Amortized expenses	45,177,158.27	67,192,303.32	45,177,158.27	67,192,303.32
Reversal of expected credit loss (loss)	(22,580,655.63)	158,919,354.48	(22,580,655.63)	158,919,354.48
Difference from decrease rentals	(67,200.00)	4,626.87	(67,200.00)	4,626.87
Share of (gain) loss on investment in joint venture by equity method	(6,572,784.67)	(10,369,724.59)	0.00	0.00
(Gain) Loss on sales of property, plant and equipment	171,558.11	(91,067.55)	171,558.11	(91,067.55)
(Gain) Loss on disposal of property, plant and equipment	0.00	200,507.06	0.00	200,507.06
(Gain) Loss on impairment of intangible assets	5,100,000.00	0.00	5,100,000.00	0.00
(Gain) Loss on impairment of properties foreclosed	(22,777,865.72)	14,178,437.69	(22,777,865.72)	14,178,437.69
Amortization loans issuing costs	6,326,585.98	8,335,838.40	6,326,585.98	8,335,838.40
Expenses of loans issuing costs	(4,225,000.00)	0.00	(4,225,000.00)	0.00
Amortized portion of deferred transaction costs	0.00	576,433.57	0.00	576,433.57
(Gain) Loss on impairment of Other non-current financial asset	2,022,840.45	671,452.27	2,022,840.45	671,452.27
Employee benefit provisions	2,986,475.16	2,843,985.52	2,893,832.29	2,843,985.52
Finance costs	128,734,349.47	207,254,468.30	128,734,349.47	207,254,468.30
Profit (Loss) from operation before changes in current investment	398,915,869.05	549,030,077.62	394,095,338.92	549,012,176.53
(Increase) Decrease in hire purchase receivables	1,118,654,679.56	1,209,157,734.17	1,118,654,679.56	1,209,157,734.17
(Increase) Decrease in loans and sale with right of redemption receivables	0.00	24,225,600.00	0.00	24,225,600.00
(Increase) Decrease in other current receivables	1,961,326.56	8,541,483.74	4,165,436.57	9,053,498.55
(Increase) Decrease in properties foreclosed	52,632,575.08	(38,753,373.86)	52,632,575.08	(38,753,373.86)
(Increase) Decrease in other non-current receivables	(128,562,901.91)	(99,181,510.27)	(128,562,901.91)	(99,181,510.27)
Pledged deposit at financial institution	(451,993.76)	(16,948.99)	0.00	(10,000.00)
Other non-current assets	(350,000.00)	(118,343.14)	0.00	246,656.86
Increase (Decrease) in trade and other current payables	(2,578,458.39)	(15,498,393.25)	(2,428,964.61)	(16,366,579.59)
Increase (Decrease) in employee benefits	0.00	(2,089,479.81)	0.00	(2,089,479.81)
Cash generated (paid) from operation	1,440,221,096.19	1,635,296,846.21	1,438,556,163.61	1,635,294,722.58
Interest paid	(128,175,448.50)	(212,593,883.76)	(128,181,456.88)	(212,593,883.76)
Corporate income tax paid	(9,913,014.69)	(39,350,737.72)	(9,205,776.78)	(39,342,541.30)
Net cash provided by (used in) operating activities	1,302,132,633.00	1,383,352,224.73	1,301,168,929.95	1,383,358,297.52

Notes to financial statements are parts of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2021

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Payments for loans to joint venture	0.00	(20,000,000.00)	0.00	(20,000,000.00)
Proceeds from loans to joint venture	26,000,000.00	0.00	26,000,000.00	0.00
Payments for acquire of investments in subsidiaries	0.00	0.00	0.00	(2,500,000.00)
Payments for acquire of intangible assets	(66,410.00)	(79,870.00)	(9,260.00)	0.00
Proceeds from sales of property, plant and equipment	396,822.42	2,102,130.86	396,822.42	2,102,130.86
Payment for acquire of property, plant and equipment	(4,683,473.49)	(3,879,495.62)	(2,957,105.58)	(3,745,245.62)
Net cash provided by (used in) investing activities	21,646,938.93	(21,857,234.76)	23,430,456.84	(24,143,114.76)
Cash flows from financing activities - increase (decrease)				
Increase (Decrease) in bank overdrafts	(260,469.94)	(35,597,582.30)	(260,469.94)	(35,597,582.30)
Proceeds from short-term loans from financial institutions	680,000,000.00	1,940,000,000.00	680,000,000.00	1,940,000,000.00
Payment for short-term loans from financial institutions	(660,000,000.00)	(1,980,239,000.00)	(660,000,000.00)	(1,980,239,000.00)
Proceeds from short-term loans from related persons	405,000,000.00	310,000,000.00	405,000,000.00	310,000,000.00
Payment for short-term loans from related persons	(400,000,000.00)	(345,000,000.00)	(400,000,000.00)	(345,000,000.00)
Proceeds from long-term loans from financial institutions	580,000,000.00	1,295,700,000.00	580,000,000.00	1,295,700,000.00
Payment for long-term loans from financial institutions	(1,808,150,332.99)	(1,899,714,319.48)	(1,808,150,332.99)	(1,899,714,319.48)
Payments for acquire lease liabilities	(9,822,358.51)	(10,014,347.03)	(9,781,916.51)	(10,014,347.03)
Payments for right-of-use assets	899,000.00	0.00	0.00	0.00
Payments for acquire of debentures	0.00	(600,000,000.00)	0.00	(600,000,000.00)
Dividend paid	(110,835,890.20)	0.00	(110,835,890.20)	0.00
Proceeds from share capital payment	3,252.30	0.00	3,252.30	0.00
Net cash provided by (used in) financial activities	(1,323,166,799.34)	(1,324,865,248.81)	(1,324,025,357.34)	(1,324,865,248.81)
Net increase (decrease) in cash and cash equivalents	612,772.59	36,629,741.16	574,029.45	34,349,933.95
Cash and cash equivalents, as at January 1	54,488,493.19	17,858,752.03	50,717,065.98	16,367,132.03
Cash and cash equivalents, as at September 30	55,101,265.78	54,488,493.19	51,291,095.43	50,717,065.98

Notes to financial statements are parts of these financial statements.

EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

1. GENERAL INFORMATION

1.1. EASTERN COMMERCIAL LEASING PUBLIC COMPANY LIMITED ("The Company") was incorporated as a public limited company in Thailand on September 15, 2003, and as a listed company in the Stock Exchange of Thailand on March 22, 2004.

1.2. Head office is located at 976/1, Soi Rama 9 Hospital, Rim Klong Samsean Road, Bangkapi, Huaykwang, Bangkok.

1.3. The Company has 5 branches

1. Branch is located at 728/10, Sukhumvit Road, Bang-plasroy, Mueng, Chonburi.
2. Branch is located at 307, Ta-Chalab Road, Talad, Mueng, Chanthaburi.
3. Branch is located at 624/4, Kanchanaphisek Road, Bang Phai, Bang Khae, Bangkok.
4. Branch is located at 131/36, Moo.9, Nong Prue, Bang Lamung, Chonburi.
5. Branch is located at 89 AIA Capital Center Tower, 12A floor, Room No.12A05, Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok.

1.4. The Company engaged in business of credit services to personal and juristic person in the form of hire purchase, loans and sale with right of redemption agreement.

1.5. Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. 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, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. PREPARATION OF FINANCIAL STATEMENTS BASIS

2.1. Financial statements preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, 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. Preparation of consolidated financial information basis

2.2.1. Investments in subsidiaries

- On November 20, 2019, the Company entered into Mighty Broker Co., Ltd. in order to engage in business of insurance broker, which held at 100%.
- The consolidated financial statements incorporate the financial statements of Eastern Commercial Leasing Public Company Limited and its subsidiaries, control is achieved where the Company has the power to govern the financial and operating policies until the control is ceased as follows:

		Shareholding percentage (%)		
	<u>Established in</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Type of business</u>
Subsidiaries				
Mighty Broker Co., Ltd.	Thailand	100.00	100.00	Insurance broker
(Registration on November 20, 2019)				

- The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.
- The balance of accounts and transactions between the Company and its subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.
- The separate financial statements present investments in subsidiaries under the cost method.

2.2. Preparation of consolidated financial information basis (CONT'D))

2.2.2 Investment in joint venture

- Investment in joint venture is accounted for in the consolidated financial statements under the equity method.
- Investment in joint venture is accounted for in the separate financial statements 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) Accounting Guidances

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

The Federation of Accounting Professions announced the 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 Bank of Thailand 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 Bank of Thailand 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 Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations, 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. Entities providing assistance to debtors in accordance with the Bank of Thailand's measures and electing to apply this Accounting 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 Bank of Thailand makes changes, with which the entities are to comply. The guidance applies to large debtors, small and medium 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 Bank of Thailand's guidelines, it applies these procedures.

- 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 provides assistance to debtors in accordance with the circular of the Bank of Thailand No. BOT.RPD. (01) C. 380/2563, classification of the debtor remains at the same stage as before.
- 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.
- The guidelines specified in the appendix of the circular of the Bank of Thailand 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.
- Expected credit losses are determined based on the outstanding balance of the drawn down portion only.
- 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 Bank of Thailand, 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 Bank of Thailand 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 Bank of Thailand's new guidelines if there are changes.

3. NEW FINANCIAL REPORTING STANDARDS (CONT'D)

- 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 losses.

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.

3. NEW FINANCIAL REPORTING STANDARDS (CONT'D)

- 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.

3. NEW FINANCIAL REPORTING STANDARDS (CONT'D)

3.4) 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's currently evaluating the impact of these standards to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Income and Expenses Recognition

4.1.1 Hire purchase interest income

The Group recognises interest income from hire purchase agreements on an accrual basis throughout the term of the contract, using the effective interest rate method, with the calculation based on the gross book value of the receivables.

Costs directly attributable to the initial recognition of the loan receivables are amortised using the effective interest rate method and presented as adjustments on interest income throughout the term of the agreement, to reflect the effective rate of return.

When the receivables are later credit-impaired, the Group continues to recognise interest income using the effective interest rate, based on the net book value (gross book value net of allowance for expected credit losses) of the receivables. When the debtor is no longer credit-impaired, the Group changes to calculate interest income based on the gross book value.

4.1.2 The Group recognized other revenues and expenses are recognized on an accrual basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Cash and cash equivalents

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

4.3 Investment in subsidiary

Investments in subsidiary is accounted for in the separate financial statements using the cost method Less impairment (if any).

4.4 Investment in an associated company

a) Investment in associated company is accounted for in the financial statements in which the equity method is applied using the equity method.

b) Investment in associated company is accounted for in the separate financial statements using the cost method Less impairment (if any).

4.5 Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation except land are stated at cost. Impairment of assets will be provided (if any).

The Group depreciated all type of assets on over the estimated useful lives of the assets as follows:

	<u>Number of years</u>
Building and improvement	20
Temporary building	2 – 3
Furniture, fixture and office equipment	3 – 5
Office equipment	5
Vehicles	5

The Group include costs of asset dismantlement, removal and restoration as parts of cost of property, plant and equipment, the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with a cost that is significant in relation to the total cost of assets item. In addition, the entity is required to estimate the recoverable amount in the current expected to be obtained from asset to bring the age and condition at the end of useful lives. Besides, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Intangible assets

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

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The finite useful lives of intangible assets, computer software is 10 years.

No amortisation is provided for computer software under installation.

4.7 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of property, plant and equipment, right-of-use asset, investment properties, 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.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimate the asset's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Properties foreclosed

These represent assets repossessed from hire purchase and financial lease receivables and are stated at the lower of cost (which mostly comprises the net outstanding balance) and estimated net realisable value. Allowance is made for the decline in value of the repossessed assets.

4.9 Employee benefits

4.9.1 The Group recognized salaries, wages, bonus and contribution to social security fund as expenses in the period in which they are incurred.

4.9.2 Provident fund

The Group has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Group and employees made contribution into such provident fund. The Group's contribution payments to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

4.9.3 Employee benefits

The Group provide for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method of which calculated by the Independent Actuary by using Actuarial Technique. The calculation was made from determining the present value of future cash flows expected to be required to settle the obligation and determines discount rate by reference to market yield of government bonds should have term to maturity approximately equal to the terms of such obligations. In determine the future cash flows expected to be required to settle is used from employees'salaries, turnover, length of services and other factors. Changes in actuarial gains or loss are recognixed in the period in which they are incurred in other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Income tax

Income tax expense for the year comprises current income tax 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 tax is provided on temporary differences between their carrying amounts at the end of each reporting period and the tax bases of assets and liabilities by using the tax rates enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 utilized. Nevertheless, unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

The Group recognized deferred tax directly to shareholders' equity, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

4.11 Accounting estimates

Preparation of financial statements in conformity with Thai Financial Reporting Standards required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes to related thereto. Consequent actual results may differ from those estimates.

4.12 Provisions

The Group recognizes a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Measurement of fair values

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

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

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

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

4.14 Related person and parties transaction

Enterprise and individuals that directly, or indirectly control or are controlled by, or are under common control with the Group. Associates and individuals owning that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group which has a power in planning and operating control.

4.15 Earnings per share

Basic earnings per share as presented in the statements of comprehensive income is the basic earnings (loss) per share which is determined by dividing the net profit (loss) for the year by the weighted average number of common shares issued and paid-up during the year.

Diluted earnings per share is calculated by dividing profit (loss) for the year by the weighted average number of ordinary shares outstanding during the period plus the number of ordinary share issued in the conversion of potential ordinary shares to ordinary shares as assumption that the conversion is made at the beginning of year or at the issuance date of the potential ordinary shares.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

Classification and measurement of financial liabilities

At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 neither transferred nor retained substantially all the risks and rewards of the asset, but 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 the income statement.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group recognises an allowance for expected credit losses for hire purchase receivables, financial lease receivables and loan receivables using a general approach. The Group considers changes in credit risk and groups its receivables into 3 stages as described below.

- Stage 1 : Receivables with no significant increase in credit risk (Performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses in the next 12 months. For receivables under loan agreements with remaining periods of less than 12 months, recognition is based on the probability of default over the remaining period.
- Stage 2: Receivables with a significant increase in credit risk (Under-performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses over the lifetime of the receivable.
- Stage 3 : Receivables that are credit-impaired (Non-performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses over the lifetime of the receivable.

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in credit-impaired when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

If the credit quality of a receivable improves in a subsequent period and the assessment is that it is no longer a receivable whose credit risk has significantly increased since initial recognition, as assessed in a previous period, the Group will change the basis for recognising expected credit losses from the lifetime expected credit losses to the 12-month expected credit losses, or the remaining period if that is less than 12 months.

In order to estimate expected credit losses, the Group considers historically collected loss data, adjusted on the basis of current observable data. In addition, the Group applies forward-looking macroeconomic information that is supportable and reasonable and appropriately exercises judgement. At least once a year the Group also considers whether to adjust forward-looking information and the weighting of the probability of each scenario used in determining the expected credit losses. Most of the information used by the Group is announced by the Bank of Thailand or other government agencies and adjusted to reflect the Group's internal perspective. The Group calculates expected credit losses based on three probability-weighted scenarios, which are a base scenario, best-case scenario and worst-case scenario. For the base scenario, the Group applies an unbiased market perspective that incorporates forecasts of macroeconomic factors.

For factoring, floor-plan loan and other receivables, the Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix of ageing that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

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.

4.17 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17.1 The Group as a lessee

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, the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

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

	<u>Number of years</u>
Land	3 - 4
Building	1 - 7
Equipment	4

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

Lease liabilities

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

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Accounting policies adopted before 1 January 2020

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

4.17.2 The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.18 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.

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.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Estimating the incremental borrowing rate - The Group as a lessee

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 (IBR) to discount lease liabilities. The IBR 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.

Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses

Judgement is used in estimating the allowance for expected credit losses of debtors who are having problems making principal and/or interest payments, with management taking into consideration analysis of debtor status performed on an individual and a group basis, the probability of default, estimated losses arising from the default, historical collection experience, collateral value, statistical data and economic factors. These are used in determining assumptions and forward-looking scenarios, as well as probability weighted outcomes. In addition, the management sets aside an additional allowance for expected credit losses to account for the uncertainties around future events that have not yet been reflected in the model (Management overlay), based on the assessment and judgement of the management.

Impairment of non-financial assets

In the assessment of non-financial assets impairment, the management is required to exercise judgment in assessment of 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.

Land, building and equipment/Depreciation

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's building and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review land, building and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred tax assets

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

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 judgment, 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 disclosure of fair value hierarchy.

5. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash on hand	112,108.50	289,280.25	110,168.50	287,301.00
Current accounts	48,302,483.28	38,742,588.83	48,272,483.28	38,713,327.33
Savings deposit	6,686,674.00	15,456,624.11	2,908,443.65	11,716,437.65
Total	55,101,265.78	54,488,493.19	51,291,095.43	50,717,065.98

6. HIRE PURCHASE RECEIVABLES

6.1 As at December 31, 2021 and 2020, the balances of hire purchase receivables classified by contractual due date are as follows.

(Unit : Baht)				
Consolidated and Separate financial statements				
	Due within 1 year		Due over 1 year	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Hire purchase receivables	2,109,474,450.39	2,485,618,997.73	3,201,234,218.27	4,271,320,170.42
<u>Less</u> Unrealized interest				
income	(404,961,750.93)	(514,464,560.64)	(383,085,828.09)	(555,981,680.04)
Net	1,704,512,699.46	1,971,154,437.09	2,818,148,390.18	3,715,338,490.38
<u>Less</u> Allowance for				
expected credit losses	(58,526,117.78)	(93,271,106.59)	(160,351,535.64)	(277,578,633.23)
Hire purchase receivables –				
Net	1,645,986,581.68	1,877,883,330.50	2,657,796,854.54	3,437,759,857.15

6.2 As at December 31, 2021 and 2020, the balances of hire purchase receivables and allowance for expected credit losses by a general approach classified by the stage of credit risk are as follows.

(Unit : Baht)

	Consolidated and Separate financial statements			
	December 31, 2021		December 31, 2020	
	Balance of receivables		Balance of receivables	
	net of unearned interest income	Allowance for expected credit losses	net of unearned interest income	Allowance for expected credit losses
Receivables with no significant increase in credit risk	3,848,243,387.52	72,328,518.34	4,588,522,802.54	98,097,721.33
Receivables with a significant increase in credit risk	408,692,932.41	49,150,008.57	625,670,701.97	90,369,613.81
Receivables that are credit-impaired	265,724,769.71	97,399,126.51	472,299,422.96	182,382,404.68
Total	4,522,661,089.64	218,877,653.42	5,686,492,927.47	370,849,739.82

As at December 31, 2021, parts of hire purchase receivables (before less by unrealized interest) amount of Baht 4,248,105,088.87 were used as collateral against loans from a bank as stated in note 19 and note 22. (As at December 31, 2020, parts of hire purchase receivables amount of Baht 5,657,098,213.80 were used as collateral against bank overdrafts and long-term loans from a bank).

6. HIRE PURCHASE RECEIVABLES (CONT'D)

6.3 Allowance for expected credit loss

Allowance for expected credit loss for the year ended December 31, 2021 is as follows:

(Unit : Baht)

	Consolidated and Separate financial statements			
	Allowance for expected credit loss			Total
	Performing	Under-Performing	Non-Performing	
	(Stage 1)	(Stage 2)	(Stage 3)	
Balance as at January 1, 2021	98,097,721.33	90,369,613.81	182,382,404.68	370,849,739.82
Changes in staging	33,870,315.57	(27,930,348.87)	(5,939,966.70)	0.00
Changes in risk parameters	(71,317,361.22)	3,529,042.40	29,536,540.25	(38,251,778.57)
New financial assets originated or purchased	25,052,131.29	4,584,654.01	1,306,030.89	30,942,816.19
Financial assets derecognized	(11,248,577.08)	(6,737,820.08)	(10,504,174.98)	(28,490,572.14)
Written off	(2,125,711.55)	(14,665,132.70)	(99,381,707.63)	(116,172,551.88)
Balance as at December 31, 2021	72,328,518.34	49,150,008.57	97,399,126.51	218,877,653.42

6. HIRE PURCHASE RECEIVABLES (CONT'D)

Allowance for expected credit loss for the year ended December 31, 2020 is as follows:

(Unit : Baht)

	Consolidated and Separate financial statements				
	Allowance for expected credit loss			Allowance for doubtful	Total
	Performing	Under-Performing (Stage	Non-Performing (Stage	accounts	
	(Stage 1)	2)	3)		
Balance as at December 31, 2019	0.00	0.00	0.00	77,140,930.79	77,140,930.79
Impact of adoption of TFRS 9	113,627,576.10	95,521,733.62	113,199,832.28	(77,140,930.79)	245,208,211.21
Balance as at January 1, 2020	113,627,576.10	95,521,733.62	113,199,832.28	0.00	322,349,142.00
Changes in staging	14,452,535.07	(33,403,159.03)	18,950,623.96	0.00	0.00
Changes in risk parameters	(43,588,033.98)	42,790,959.45	121,282,830.31	0.00	120,485,755.78
New financial assets originated or purchased	26,939,320.74	13,263,822.95	14,157,358.91	0.00	54,360,502.60
Financial assets derecognized	(8,791,026.28)	(6,143,809.77)	(19,169,887.97)	0.00	(34,104,724.02)
Written off	(4,542,650.32)	(21,659,933.41)	(66,038,352.81)	0.00	(92,240,936.54)
Balance as at December 31, 2020	98,097,721.33	90,369,613.81	182,382,404.68	0.00	370,849,739.82

7. TROUBLED DEBT RESTRUCTURING/DEBTS UNDER THE MEASURES TO ASSIST DEBTORS

As at December 31, 2021 and 2020, the balances of hire purchase receivables of the Group for which troubled debt restructuring agreements have been made and which are debts under the measures to assist debtors were as follows.

	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Total number of agreements		
at end of year	22,771	26,752
Troubled debt restructuring		
Number of agreements	29	67
Balance (Million Baht)	21.34	34.01
Debts under the measures to assist debtors		
Debts granted a moratorium		
Number of agreements	73	124
Balance (Million Baht)	15.60	82.33
Pre-emptive debt restructuring		
Number of agreements	295	191
Balance (Million Baht)	136.68	91.81

8. OTHER CURRENT RECEIVABLES

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Accrued value added tax	4,148,531.90	6,215,345.76	4,148,531.90	6,215,345.76
Accrued insurance premium				
discount income	4,006,967.12	2,586,694.42	1,838,917.69	2,128,287.45
Loans receivable to employee	2,107,076.93	1,242,002.00	1,994,576.93	1,242,002.00
Others	8,646,387.96	10,907,423.36	8,210,812.57	10,853,815.52
Total	18,908,963.91	20,951,465.54	16,192,839.09	20,439,450.73
<u>Less</u> Allowance for expected				
credit losses	(719,949.04)	(1,221,117.06)	(719,949.04)	(1,221,117.06)
Other current receivables - net	18,189,014.87	19,730,348.48	15,472,890.05	19,218,333.67

9. LOANS FOR JOINT VENTURE

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Short – term loans	225,500,000.00	221,500,000.00
Long – term loans	0.00	30,000,000.00
Total	225,500,000.00	251,500,000.00

As at December 31, 2021 and 2020, loans to ECL ASSET Co., Ltd (joint venture) to engage in business of providing credit, mortgage, sales with right of redemption of assets in the form of real estate by issued promissory note 3 months and interest at 6.25% per annum

10. PROPERTIES FORECLOSED

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Properties foreclosed	64,113,818.57	117,273,335.96
<u>Less</u> Provision for impairment - properties foreclosed	(26,718,602.57)	(49,308,468.29)
Properties foreclosed - net	37,395,216.00	67,964,867.67

11. OTHER NON-CURRENT FINANCIAL ASSET

No.	Company's name	Type of business	Paid-up share capital		Percentage of investment		Consolidated		Separate financial statements at cost method	
			(Thousand Baht)		(%)		(Baht)		(Baht)	
			December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
1	Premium Services (Thailand) Co., Ltd. (Formerly named Eastern Premium Services Co., Ltd.)	Motor vehicles maintenance body repairing and printing	32,912.00	32,912.00	15.00	15.00	3,882,622.23 (3,882,622.23)	3,882,622.23 (1,859,781.78)	7,461,300.00 (7,461,300.00)	7,461,300.00 (5,438,459.55)
	Less Loss on measurement of investments									
	Other non-current financial asset-net						0.00	2,022,840.45	0.00	2,022,840.45

11.1 On October 16, 2019, Premium Services (Thailand) Co., Ltd. increase its share capital from issued and paid - up shares amount of 224,400 shares, amount of Baht 12,342,000 that Eastern Commercial Leasing Public Company Limited agreed to invest in that increase share capital.

11.2 On July 31, 2019, the Company has disposed investments in Premium Service (Thailand) Company Limited For 147,900 shares, as a result, it incurred the decrease in shareholding proportion from 54.55% to 15% of the paid-up share capital. After the decrease of shareholding proportion that the Company has no significant influence over such company, the Company therefore reclassified investments accounts form investments in joint venture to Other non-current financial asset.

11.3 On November 16, 2016, the Company entered into joint venture agreement with Premium Service (Thailand) Company Limited in order to engage in business of motor vehicles maintenance, which held at 51% and on September 6, 2018, the increase its capital from the percentage of shareholding from 51% to 54.55%. Under the joint venture agreement, the Company agreed with another party to determine that both party commonly power to control such company.

12. INVESTMENT IN SUBSIDIARIES

No.	Company's name	Type of business	Paid-up share capital		Percentage of investment		Separate financial statements (Baht)	
			(Thousand Baht)		(%)		cost method	
			December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
1	Mighty Broker Co., Ltd.	Insurance broker	5,000.00	5,000.00	100.00	100.00	5,000,000.00	5,000,000.00
Total							5,000,000.00	5,000,000.00

12.1 Mighty Broker Co., Ltd. was registered as a company limited on November 20, 2019, share capital from registered shares amount of 50,000 shares of Baht 100 each , share capital from issued and paid - up shares in fully amount.

13. INVESTMENT IN JOINT VENTURE

Investment in joint venture - under equity method											
No.	Company's name	Type of business	Relationship	Paid-up share capital		Percentage of investment		Consolidated		Separate financial statements	
				(Thousand Baht)		(%)		(Baht)		at cost method	
				December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
1	ECL Asset Co., Ltd.	providing credit, mortgage, sales with right of redemption of assets in the form of real estate	Joint venture	60,000.00	60,000.00	60.00	60.00	70,008,174.02	63,435,389.35	36,000,000.00	36,000,000.00
Total								70,008,174.02	63,435,389.35	36,000,000.00	36,000,000.00

13. INVESTMENT IN JOINT VENTURE (CONT'D)

13.1. On May 23, 2019, ECL Asset Co., Ltd. has increased its share capital that Eastern Commercial Leasing Public Company Limited and Global Best Real Estate Loan Co., Ltd. agreed to invest in that increase share capital at the existing investment proportion.

13.2. ECL Asset Co., Ltd., is a joint venture by Eastern Commercial Leasing Public Company Limited (ECL) and Global Best Real Estate Loan Co., Ltd. Has jointly agreed for investment in order to engage in mortgaging credit, sale with right of redemption, asset as properties businesses on March 23, 2018 at the ratio of 60:40 which has representative from the joint companied to be director of such joint venture. The company and the joint venture have authorized to monitor stated company concurrently.

As at December 31, 2021, the Company recorded investment in joint venture at cost in separate financial statements and recognized share of profit in joint venture 1 companies for the year ended December 31, 2021, amount of Baht 6.57 million.

14. OTHER NON-CURRENT RECEIVABLES

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Receivables under lawsuit	57,104,006.95	87,604,537.18
<u>Less</u> Allowance for expected credit losses	(54,957,838.35)	(84,239,947.37)
Net	2,146,168.60	3,364,589.81
Receivables under debt compromise agreement	2,382,620.84	4,288,136.36
<u>Less</u> Allowance for expected credit losses	(2,382,620.84)	(4,288,136.36)
Net	0.00	0.00
Receivables - net	2,146,168.60	3,364,589.81
Others	303,180.00	333,280.60
<u>Less</u> Allowance for expected credit losses	(296,329.00)	(296,329.00)
Total	2,153,019.60	3,401,541.41

14. OTHER NON-CURRENT RECEIVABLES (CONT'D)

Receivables under lawsuit and allowance for expected credit losses.

		(Unit : Baht)	
		Consolidated and	
		Separate financial statements	
Number of receivable			
December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Receivable after unrealized			
interest income	72	118	
Receivable for provide			
Allowance for expected credit losses		57,104,006.95	87,604,537.18
%		96% - 100%	96% - 100%
Allowance for expected credit losses		(54,957,838.35)	(84,239,947.37)

Overdue receivable under debt compromise agreement and allowance for expected credit losses as at December 31, 2021.

		(Unit : Baht)			
		Consolidated and Separate financial statements			
	Number of receivable	Receivables less by interest	Receivables for provide allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for expected credit losses
Undue 3 installments	1	617,665.57	617,665.57	100%	617,665.57
Overdue 4 – 11 installments	4	522,021.19	522,021.19	100%	522,021.19
Overdue 12 installments onwards	5	1,242,934.08	1,242,934.08	100%	1,242,934.08
Total	10	2,382,620.84	2,382,620.84		2,382,620.84

14. OTHER NON-CURRENT RECEIVABLES (CONT'D)

Overdue receivable under debt compromise agreement and allowance for doubtful accounts as at December 31, 2020.

					(Unit : Baht)
Consolidated and Separate financial statements					
	Number of	Receivables less by	Receivables for provide	% of allowance for	Allowance for
	receivable	unrealized interest	allowance for doubtful	doubtful accounts	doubtful accounts
			accounts		
Undue 3 installments	5	1,099,168.02	1,099,168.02	100%	1,099,168.02
Overdue 4 – 11 installments	4	630,330.07	630,330.07	100%	630,330.07
Overdue 12 installments					
onwards	6	2,558,638.27	2,558,638.27	100%	2,558,638.27
Total	15	4,288,136.36	4,288,136.36		4,288,136.36

15. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

Consolidated financial statements

	December 31, 2021								
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	Total
Cost									
As at December 31, 2020	7,324,162.50	8,977,783.71	2,130,792.03	13,011,651.92	16,821,162.76	13,889,549.66	34,764,507.34	0.00	96,919,609.92
Acquisition	0.00	0.00	142,500.00	314,775.42	1,059,748.35	169,251.72	2,962,248.00	34,950.00	4,683,473.49
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	714,942.31	0.00	714,942.31
Written off	0.00	0.00	0.00	0.00	(207,789.73)	(174,663.76)	(621,859.98)	0.00	(1,004,313.47)
As at December 31, 2021	7,324,162.50	8,977,783.71	2,273,292.03	13,326,427.34	17,673,121.38	13,884,137.62	37,819,837.67	34,950.00	101,313,712.25
Accumulated depreciation									
As at December 31, 2020	0.00	8,291,394.66	431,999.89	8,643,394.50	13,794,924.62	9,495,466.91	13,573,284.86	0.00	54,230,465.44
Depreciation	0.00	344,321.74	110,482.67	3,006,676.62	1,787,243.50	1,773,608.45	4,676,078.17	0.00	11,698,411.15
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Written off	0.00	0.00	0.00	0.00	(162,591.76)	(173,216.96)	(100,124.22)	0.00	(435,932.94)
As at December 31, 2021	0.00	8,635,716.40	542,482.56	11,650,071.12	15,419,576.36	11,095,858.40	18,149,238.81	0.00	65,492,943.65
Net book value									
As at December 31, 2020	7,324,162.50	686,389.05	1,698,792.14	4,368,257.42	3,026,238.14	4,394,082.75	21,191,222.48	0.00	42,689,144.48
As at December 31, 2021	7,324,162.50	342,067.31	1,730,809.47	1,676,356.22	2,253,545.02	2,788,279.22	19,670,598.86	34,950.00	35,820,768.60

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(Unit : Baht)

	Separate financial statements							
	December 31, 2021							
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Total
Cost								
As at December 31, 2020	7,324,162.50	8,977,783.71	2,130,792.03	12,877,401.92	16,821,162.76	13,889,549.66	34,764,507.34	96,785,359.92
Acquistion	0.00	0.00	142,500.00	29,385.51	1,059,748.35	155,786.72	1,569,685.00	2,957,105.58
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	714,942.31	714,942.31
Written off	0.00	0.00	0.00	0.00	(207,789.73)	(174,663.76)	(621,859.98)	(1,004,313.47)
As at December 31, 2021	7,324,162.50	8,977,783.71	2,273,292.03	12,906,787.43	17,673,121.38	13,870,672.62	36,427,274.67	99,453,094.34
Accumulated depreciation								
As at December 31, 2020	0.00	8,291,394.66	431,999.89	8,636,490.92	13,794,924.62	9,495,466.91	13,573,284.86	54,223,561.86
Depreciation	0.00	344,321.74	110,482.67	2,910,137.73	1,787,243.50	1,771,380.28	4,617,548.24	11,541,114.16
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Written off	0.00	0.00	0.00	0.00	(162,591.76)	(173,216.96)	(100,124.22)	(435,932.94)
As at December 31, 2021	0.00	8,635,716.40	542,482.56	11,546,628.65	15,419,576.36	11,093,630.23	18,090,708.88	65,328,743.08
Net book value								
As at December 31, 2020	7,324,162.50	686,389.05	1,698,792.14	4,240,911.00	3,026,238.14	4,394,082.75	21,191,222.48	42,561,798.06
As at December 31, 2021	7,324,162.50	342,067.31	1,730,809.47	1,360,158.78	2,253,545.02	2,777,042.39	18,336,565.79	34,124,351.26

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(Unit : Baht)

	Consolidated financial statements							
	December 31, 2020							
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction
Cost								
As at December 31, 2019	7,324,162.50	8,977,783.71	2,130,792.03	13,328,061.96	16,385,717.79	14,041,589.87	38,847,242.89	0.00
Acquisition	0.00	0.00	0.00	511,586.62	849,647.99	157,970.00	1,995,879.05	364,411.96
Transfer in (out)	0.00	0.00	0.00	364,411.96	0.00	0.00	0.00	(364,411.96)
Written off	0.00	0.00	0.00	(1,192,408.62)	(414,203.02)	(310,010.21)	(6,078,614.60)	0.00
As at December 31, 2020	7,324,162.50	8,977,783.71	2,130,792.03	13,011,651.92	16,821,162.76	13,889,549.66	34,764,507.34	0.00
Accumulated depreciation								
As at December 31, 2019	0.00	7,841,555.55	325,244.79	6,095,616.42	11,567,565.74	7,772,966.33	13,088,997.42	0.00
Depreciation	0.00	449,839.11	106,755.10	3,597,633.69	2,579,858.51	1,967,708.69	4,620,390.17	0.00
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Written off	0.00	0.00	0.00	(1,049,855.61)	(352,499.63)	(245,208.11)	(4,136,102.73)	0.00
As at December 31, 2020	0.00	8,291,394.66	431,999.89	8,643,394.50	13,794,924.62	9,495,466.91	13,573,284.86	0.00
Net book value								
As at December 31, 2019	7,324,162.50	1,136,228.16	1,805,547.24	7,232,445.54	4,818,152.05	6,268,623.54	25,758,245.47	0.00
As at December 31, 2020	7,324,162.50	686,389.05	1,698,792.14	4,368,257.42	3,026,238.14	4,394,082.75	21,191,222.48	0.00

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	(Unit : Baht)								
	Separate financial statements								
	December 31, 2020								
	Land	Building	Building improvement	Temporary building	Office equipment	Office furniture	Vehicles	Assets under construction	Total
Cost									
As at December 31, 2019	7,324,162.50	8,977,783.71	2,130,792.03	13,328,061.96	16,385,717.79	14,041,589.87	38,847,242.89	0.00	101,035,350.75
Acquistion	0.00	0.00	0.00	377,336.62	849,647.99	157,970.00	1,995,879.05	364,411.96	3,745,245.62
Transfer in (out)	0.00	0.00	0.00	364,411.96	0.00	0.00	0.00	(364,411.96)	0.00
Written off	0.00	0.00	0.00	(1,192,408.62)	(414,203.02)	(310,010.21)	(6,078,614.60)	0.00	(7,995,236.45)
As at December 31, 2020	7,324,162.50	8,977,783.71	2,130,792.03	12,877,401.92	16,821,162.76	13,889,549.66	34,764,507.34	0.00	96,785,359.92
Accumulated depreciation									
As at December 31, 2019	0.00	7,841,555.55	325,244.79	6,095,616.42	11,567,565.74	7,772,966.33	13,088,997.42	0.00	46,691,946.25
Depreciation	0.00	449,839.11	106,755.10	3,590,730.11	2,579,858.51	1,967,708.69	4,620,390.17	0.00	13,315,281.69
Transfer in (out)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Written off	0.00	0.00	0.00	(1,049,855.61)	(352,499.63)	(245,208.11)	(4,136,102.73)	0.00	(5,783,666.08)
As at December 31, 2020	0.00	8,291,394.66	431,999.89	8,636,490.92	13,794,924.62	9,495,466.91	13,573,284.86	0.00	54,223,561.86
Net book value									
As at December 31, 2019	7,324,162.50	1,136,228.16	1,805,547.24	7,232,445.54	4,818,152.05	6,268,623.54	25,758,245.47	0.00	54,343,404.50
As at December 31, 2020	7,324,162.50	686,389.05	1,698,792.14	4,240,911.00	3,026,238.14	4,394,082.75	21,191,222.48	0.00	42,561,798.06

15. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation(consolidated) for the year ended December 31, 2021 and 2020, amounted to Baht 11,698,411.15 and Baht 13,322,185.27 respectively.

Depreciation(separate) for the year ended December 31, 2021 and 2020, amounted to Baht 11,541,114.16 and Baht 13,322,185.27 respectively.

As at December 31, 2021, has fixed assets at cost of Baht 18,441,116.67 and net book value of Baht 2,046.00 which were fully depreciated but are still being (as at December 31, 2020, cost of Baht 12,651,852.51 and net book value of Baht 1,298.00).

Land and construction were mortgaged as guarantee for bank overdrafts and long-term loans from a bank as mentioned in notes 19 and 22.

16. RIGHT-OF-USE ASSETS

	(Unit : Baht)			
	Consolidated and Separate financial statements			
	December 31, 2021			
	Land	Building	Equipment	Total
Cost				
As at December 31, 2020	4,230,315.85	29,741,119.69	2,517,107.10	36,488,542.64
increase	1,836,153.05	3,418,006.76	3,001,495.79	8,255,655.60
write off	0.00	0.00	0.00	0.00
As at December 31, 2021	6,066,468.90	33,159,126.45	5,518,602.89	44,744,198.24
Accumulated depreciation				
As at December 31, 2020	1,237,374.77	6,696,196.61	826,243.23	8,759,814.61
Depreciation	1,234,000.69	6,877,092.46	777,130.51	8,888,223.66
write off	0.00	0.00	0.00	0.00
As at December 31, 2021	2,471,375.46	13,573,289.07	1,603,373.74	17,648,038.27
Net book value				
As at December 31, 2020	2,992,941.08	23,044,923.08	1,690,863.87	27,728,728.03
As at December 31, 2021	3,595,093.44	19,585,837.38	3,915,229.15	27,096,159.97
Write off depreciation for the year				
As at December 31, 2021	1,234,000.69	6,877,092.46	777,130.51	8,888,223.66

16. RIGHT-OF-USE ASSETS (CONT'D)

(Unit : Baht)

	Consolidated and Separate financial statements			
	December 31, 2020			
	Land	Building	Equipment	Total
Cost				
As at December 31, 2019	0.00	0.00	0.00	0.00
Adjustments due to the initial adoption of TFRS16	4,230,315.85	32,877,157.80	2,517,107.10	39,624,580.75
write off	0.00	(3,136,038.11)	0.00	(3,136,038.11)
As at December 31, 2020	4,230,315.85	29,741,119.69	2,517,107.10	36,488,542.64
Accumulated depreciation				
As at December 31, 2019	0.00	0.00	0.00	0.00
Depreciation	1,237,374.77	7,230,946.73	826,243.23	9,294,564.73
write off	0.00	(534,750.12)	0.00	(534,750.12)
As at December 31, 2020	1,237,374.77	6,696,196.61	826,243.23	8,759,814.61
Net book value				
As at December 31, 2020	2,992,941.08	23,044,923.08	1,690,863.87	27,728,728.03
Write off depreciation for the year				
As at December 31, 2020	1,237,374.77	7,230,946.73	826,243.23	9,294,564.73
Decrease of rental/cancelled branch	(48,193.41)	(40,234.35)	(31,153.43)	(119,581.19)
Depreciation after decrease of rental/ cancelled branch	1,189,181.36	7,190,712.38	795,089.80	9,174,983.54

17. INTANGIBLE ASSETS

	(Unit : Baht)		
	Consolidated financial statements		
	December 31, 2021		
	Computer software	Computer software under installation	Total
Cost			
As at December 31, 2020	1,585,550.00	5,100,000.00	6,685,550.00
Acquisition	66,410.00	0.00	66,410.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2021	1,651,960.00	5,100,000.00	6,751,960.00
Accumulated amortization			
As at December 31, 2020	756,925.41	0.00	756,925.41
Amortization for the year	128,959.78	0.00	128,959.78
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2021	885,885.19	0.00	885,885.19
Allowance for impairment			
As at December 31, 2020	0.00	0.00	0.00
Increase	0.00	5,100,000.00	5,100,000.00
As at December 31, 2021	0.00	5,100,000.00	5,100,000.00
Net book value			
As at December 31, 2020	828,624.59	5,100,000.00	5,928,624.59
As at December 31, 2021	766,074.81	0.00	766,074.81
Amortization for the year			
As at December 31, 2021	128,959.78	0.00	128,959.78

17. INTANGIBLE ASSETS (CONT'D)

	(Unit : Baht)		
	Separate financial statements		
	December 31, 2021		
	Computer software	Computer software	
		under installation	Total
Cost			
As at December 31, 2020	1,505,680.00	5,100,000.00	6,605,680.00
Acquisition	9,260.00	0.00	9,260.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2021	1,514,940.00	5,100,000.00	6,614,940.00
Accumulated amortization			
As at December 31, 2020	753,348.00	0.00	753,348.00
Amortization for the year	116,004.15	0.00	116,004.15
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2021	869,352.15	0.00	869,352.15
Allowance for impairment			
As at December 31, 2020	0.00	0.00	0.00
Increase	0.00	5,100,000.00	5,100,000.00
As at December 31, 2021	0.00	5,100,000.00	5,100,000.00
Net book value			
As at December 31, 2020	752,332.00	5,100,000.00	5,852,332.00
As at December 31, 2021	645,587.85	0.00	645,587.85
Amortization for the year			
As at December 31, 2021	116,004.15	0.00	116,004.15

17. INTANGIBLE ASSETS (CONT'D)

	(Unit : Baht)		
	Consolidated financial statements		
	December 31, 2020		
	Computer software	Computer software	
		under installation	Total
Cost			
As at December 31, 2019	1,505,680.00	5,100,000.00	6,605,680.00
Acquisition	79,870.00	0.00	79,870.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2020	1,585,550.00	5,100,000.00	6,685,550.00
Accumulated amortization			
As at December 31, 2019	639,533.76	0.00	639,533.76
Amortization for the year	117,391.65	0.00	117,391.65
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2020	756,925.41	0.00	756,925.41
Net book value			
As at December 31, 2019	866,146.24	5,100,000.00	5,966,146.24
As at December 31, 2020	828,624.59	5,100,000.00	5,928,624.59
Amortization for the year			
As at December 31, 2020	117,391.65	0.00	117,391.65
As at December 31, 2019	109,056.70	0.00	109,056.70

17. INTANGIBLE ASSETS (CONT'D)

	(Unit : Baht)		
	Separate financial statements		
	December 31, 2020		
	Computer software	Computer software	
		under installation	Total
Cost			
As at December 31, 2019	1,505,680.00	5,100,000.00	6,605,680.00
Acquisition	0.00	0.00	0.00
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2020	1,505,680.00	5,100,000.00	6,605,680.00
Accumulated amortization			
As at December 31, 2019	639,533.76	0.00	639,533.76
Amortization for the year	113,814.24	0.00	113,814.24
Transfer in (out)	0.00	0.00	0.00
Disposal or write off	0.00	0.00	0.00
As at December 31, 2020	753,348.00	0.00	753,348.00
Net book value			
As at December 31, 2019	866,146.24	5,100,000.00	5,966,146.24
As at December 31, 2020	752,332.00	5,100,000.00	5,852,332.00
Amortization for the year			
As at December 31, 2020	113,814.24	0.00	113,814.24
As at December 31, 2019	109,056.70	0.00	109,056.70

18. PLEDGED DEPOSIT AT FINANCIAL INSTITUTION

As at December 31, 2021, the Group's has fixed deposit in the accompanying consolidated and separate financial statements amount of Million Baht 1.53 and Million Baht 0.08 respectively, is used as guarantee to the Office of Insurance Commission and guarantee against borrowings from bank and electricity usage, the brokerage guarantee with an insurer, guarantee the service rendering of a bank and also use as guarantee with the post office as mentioned in note 35 (as at December 31, 2020, the Group's has fixed deposit in the accompanying consolidated and separate financial statements amount of Million Baht 1.08 and Million Baht 0.08 respectively).

19. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTION

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Bank overdrafts	0.00	260,469.94
Short-term loans - promissory notes	340,000,000.00	320,000,000.00
Total	340,000,000.00	320,260,469.94

19.1 As at December 31, 2021, and 2020, the Company has overdrafts line with 5 banks totaling Baht 100 million mortgaging land with its construction in note 15.

19.2 As at December 31, 2021, and 2020, has loans from 4 banks by issuing promissory notes due on term of payment for credit line total amount of Baht 560 million as detailed below:

19.2.1 Loans from the 1st bank for credit line amount of Baht 200 million.

19.2.2 Loans from the 2nd Foreign bank for credit line amount of Baht 300 million, the interest is charged at the rate of 1.70% per annum. These loans are guaranteed by related parties in foreign countries.

19.2.3 Loans from the 3rd bank for credit line amount of Baht 40 million were withdrawn and the remaining debt obligation amount of Baht 20 million at the interest is charged at the rate of 2.70% per annum. These loans are guaranteed by transferring the right on part of hire purchase receivable in note 6.

19.2.4 Loans from the 4th bank for credit line amount of Baht 20 million were withdrawn and the remaining debt obligation amount of Baht 20 million at the interest is charged at the rate of 2.00% per annum. These loans has no collateral.

20. TRADE AND OTHER CURRENT PAYABLES

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Accrued interest expenses	927,305.11	1,631,017.68	927,305.11	1,631,017.68
Advance receipt	18,722,892.11	16,196,162.84	18,495,416.96	15,464,146.84
Revenue Department payable	12,493,253.97	17,111,241.60	12,493,253.97	17,111,168.38
Accrued expenses	3,147,633.63	4,565,327.27	2,796,736.33	4,411,301.91
Others	5,227,981.20	4,297,487.59	5,062,661.09	4,290,415.83
Total	40,519,066.02	43,801,236.98	39,775,373.46	42,908,050.64

21. TRANSACTION WITH RELATED PERSONS AND PARTIES

Parts of assets, liabilities, revenues and expenses arose from the transactions with related Parts of assets, liabilities, revenues and expenses arose from the transactions with related

Relationship of the Group and related persons is summarized as follows:

<u>Related person name</u>	<u>Relationship</u>	<u>Particulars and pricing policy</u>
Mr. Preecha Veeraphong	Major shareholder and president	Loans is repayable on maturity, interest is prepaid at the rate of 3.00 per annum
Mr. Prapakorn Veeraphong	Major shareholder and managing director	At the lease liabilities as agreed, averaged by the independent appraiser
Premium Financial Services Co., Ltd. (Japaneses)	Shareholder at 25.40% shareholding	Remuneration under joint-business agreement and consultant contract at the agreed price. Borrowing guarantee fee at the rate of 1.20 per annum.

21. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

<u>Related person name</u>	<u>Relationship</u>	<u>Particulars and pricing policy</u>
ECL Asset Co., Ltd.	Associate	Loans are charged the interest at the rate of cost plus margin less than 1.75% Rental income at the agreed price.
NNC One Co., Ltd.	Has shareholder and common directors with ECL Asset Co., Ltd. (joint venture)	Sale land to ECL Asset Co., Ltd. (joint venture) in the price of Baht 35 million which is lower than the appraisal value of the independent appraiser (appraisal value amount of Baht 85.20 million)
Mighty Broker Co., Ltd.	Subsidiaries	Rental income at the agreed price. Commission income at the agreed price.

21.1 In the second quarter of 2018, ECL Asset Co., Ltd. (joint venture) has acquired land from NNC One Co., Ltd. In the price of Baht 35 million which is lower than the appraisal value of the independent appraiser (appraisal value amount of Baht 85.20 million) and ECL Asset Co., Ltd. (joint venture) has provided loans by entering into hire purchase agreement for selling such plot of land to an individual in the price of Baht 50 million” The interest is payable on monthly basis at the rate 15% per annum and the principal is repayable when the maturity of two years. Such loans were repaid by the joint venture to the leader by cash amount of Baht 15 million, such land was repurchased by the remaining amount of Baht 35 million from NNC One Co., Ltd. For which such individual has made the sale with right of redemption. During the year 2020, Hire purchase receivables as the situation is due for payment that the buyer has not repayment to the company that entered into the land sale agreement as the situation with a company, due in June 2021. After the company can not afford to do the payment on due date, the group has decided to cancel the land sale agreement and still being in the process to look for a new buyer.

21. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

21.2 Loans for joint venture

(Unit : Baht)				
Consolidated and Separate financial statements				
	Balance			Balance
	December 31, 2020	Increase	Decrease	December 31, 2021
ECL Asset Co., Ltd.				
- Short-term loans	221,500,000.00	971,000,000.00	967,000,000.00	225,500,000.00
- Long-term loans	30,000,000.00	0.00	30,000,000.00	0.00
Total	251,500,000.00			225,500,000.00

21.3 Short-term loans from related person

(Unit : Baht)				
Consolidated and Separate financial statements				
	Balance			Balance
	December 31, 2020	Increase	Decrease	December 31, 2021
Mr. Preecha Veeraphong	185,000,000.00	405,000,000.00	(400,000,000.00)	190,000,000.00
Less Prepaid interest expenses	(1,226,776.76)	(6,097,902.30)	5,908,215.44	(1,416,463.62)
Total	183,773,223.24			188,583,536.38

As at December 31, 2021, loans from 1 related person by issuing bills of exchange matured in January to June 2022 at the interest rate of 3.00 per annum.

21. TRANSACTION WITH RELATED PERSONS AND PARTIES (CONT'D)

21.4 Other receivables

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Premium Financial Services Co., Ltd.		
Borrowing guarantee fee	1,345,083.02	1,348,442.03
Mighty Broker Co., Ltd.		
Accrued commission income	1,523,146.58	281,216.52

21.5 Lease liabilities

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
Hitec Land Chonburi (2002) Co., Ltd.	2,084,443.05	3,236,458.75
Mr. Prapakorn Veeraphong	1,706,947.32	1,657,431.48

21.6 Revenues and expenses are as follows:

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	December 31, 2021	December 31, 2020
ECL Asset Co., Ltd.		
Rental income	480,000.00	480,000.00
Premium Financial Services Co., Ltd.		
Remuneration under joint business agreement	0.00	2,400,000.00
Consulting services	0.00	400,000.00
Borrowing guarantee fee	3,603,359.02	3,630,930.55
Mighty Broker Co., Ltd.		
Rental income	360,000.00	60,000.00
commission income	11,266,139.61	501,829.20

22. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Loans from 7 banks consist of:

As at December 31, 2021					
(Unit : Million Baht)			(Unit : Baht)		
	Credit amount	Credit remaining	Interest rate	December 31, 2021	December 31, 2020
1st bank	500	259.17	3.75% ถึง 4.90%, MLR-1.75%	240,826,500.00	314,410,500.00
2nd bank	3,540	0.00	Fixed Rate (IRS)(3.70 ถึง 4.58%)	961,719,000.00	1,452,116,000.00
3rd bank	200	0.00	MLR – 2.00%	61,100,000.00	127,772,000.00
4th bank	2,300	287.95	MLR – (1.325% ถึง 2.625%)	743,131,000.00	960,264,000.00
5th bank	150	0.00	BBL’s MLR – 1.70%	0.00	30,208,332.95
6th bank	1,000	100.00	MLR – 1.50%	234,010,666.51	459,066,666.55
7th bank	250	0.00	2.00%	124,900,000.00	250,000,000.00
Total	7,940	647.12		2,365,687,166.51	3,593,837,499.50
<u>Less</u> Deferred loans issuing costs				(3,207,600.85)	(5,309,186.83)
Net				2,362,479,565.66	3,588,528,312.67
<u>Less</u> Current portion of long-term debts				(1,399,448,890.68)	(1,777,658,645.18)
Long-term loans from financial institutions				963,030,674.98	1,810,869,667.49

The loans agreement have various limitation that must comply with the maintain of financial ratio etc.

Moments in long-term loan for the year ended December 31, 2021, are as follows:

	(Unit : Baht)
Consolidated and Separate financial statements	
Balance as at December 31, 2020	3,593,837,499.50
Additional proceeds during the year	580,000,000.00
Repayment during the year	(1,808,150,332.99)
Balance as at December 31, 2021	2,365,687,166.51

22. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS (CONT'D)

- 22.1 The first bank, loans from bank amount of Baht 500 million which were withdrawn. Where the repayment is made that the credit line can be reutilized. (remaining is Baht 259.17 million) These loans are guaranteed by transferring the right on part of hire purchase receivable as stated in note 6.
- 22.2 The second bank, loans from bank amount of Baht 3,540 million which were gradually withdrawn of each not exceeds 75% of hire purchase receivable. The principal and interest are monthly repayable within 4 years from the loans withdrawal date in fully amount. Credit line total amount of Baht 3,540 million dividend into credit line amount of Baht 240 million and credit line amount of Baht 3,300 million from the loans withdrawal date in fully amount. The loans are guaranteed by transferring the right on payment of hire purchase receivable as stated and mortgaging land with its construction as stated in note 6 and 15.
- 22.3 The third bank, loans from bank amount of Baht 200 million which were withdrawn in fully amount, guaranteed by transferring the right on payment of same hire purchase receivable as stated in note 6.
- 22.4 The fourth bank, loans from bank amount of Baht 2,300 million which were gradually withdrawn of each not exceeds 75% of hire purchase receivable under hire purchase agreement. The principal and interest are monthly repayable within 4 years from the loans withdrawal date. Credit line total amount of Baht 2,300 million dividend into credit line amount of Baht 1,900 million (remaining is Baht 90.00 million) and credit line amount of Baht 400 million were already withdrawn, when the repayment is made that the withdrawal can be renewed (remaining is Baht 197.95 million) The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.
- 22.5 The fifth bank, loans from bank amount of Baht 150 million which were withdrawn in fully amount. which were gradually withdrawn of each not exceeds 80% of hire purchase receivable. The principal and interest are monthly repayable within 4 years from the loans withdrawal date. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.
- 22.6 The sixth bank, loans from bank amount of Baht 1,000 million dividend into credit line amount of Baht 500 million (remaining is Baht 100 million) and credit line amount of Baht 500 million from the loans withdrawal date in fully amount. which were gradually withdrawn of each not exceeds 75-80% of hire purchase receivable. The principal and interest are monthly repayable within 4 years. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.

22. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS (CONT'D)

22.7 The seventh bank, loans from bank amount of Baht 250 million which were withdrawn in fully amount.

The principal and interest are monthly repayable within 2 years from the loans withdrawal date with a grace period for the first 12 months. The loans are guaranteed by transferring the right on payment of some hire purchase receivable as stated in note 6.

23. LEASE LIABILITIES

	(Unit : Baht)	
	Consolidated financial statements	
	December 31, 2021	December 31, 2020
Lease liabilities	31,574,067.83	30,891,966.73
Less: Deferred interest expense	(2,477,270.10)	(2,512,566.49)
Total	29,096,797.73	28,379,400.24
Less Current portion of lease liabilities	(8,915,404.57)	(8,197,590.97)
Lease liabilities - net of current portion	20,181,393.16	20,181,809.27

	(Unit : Baht)	
	Separate financial statements	
	December 31, 2021	December 31, 2020
Lease liabilities	30,643,901.83	30,891,966.73
Less: Deferred interest expense	(2,411,670.48)	(2,512,566.49)
Total	28,232,231.35	28,379,400.24
Less Current portion of lease liabilities	(8,701,798.12)	(8,197,590.97)
Lease liabilities - net of current portion	19,530,433.23	20,181,809.27

The Group has entered into the land lease agreements, lease agreements to lease building and lease agreements to lease equipment for use in their operation. The terms of the agreements are generally between 1 to 6 years.

23. LEASE LIABILITIES (CONT'D)

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

(Unit : Baht)

Consolidated financial statements				
December 31, 2021				
	Less than			
	1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	10,022,515.52	21,551,552.31	0.00	31,574,067.83
Deferred interest expenses	(1,107,110.95)	(1,370,159.15)	0.00	(2,477,270.10)
Present value of future minimum lease payments	8,915,404.57	20,181,393.16	0.00	29,096,797.73

(Unit : Baht)

Separate financial statements				
December 31, 2021				
	Less than			
	1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	9,779,863.52	20,864,038.31	0.00	30,643,901.83
Deferred interest expenses	(1,078,065.40)	(1,333,605.08)	0.00	(2,411,670.48)
Present value of future minimum lease payments	8,701,798.12	19,530,433.23	0.00	28,232,231.35

(Unit : Baht)

Consolidated and Separate financial statements				
December 31, 2020				
	Less than			
	1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	9,317,707.02	21,574,259.71	0.00	30,891,966.73
Deferred interest expenses	(1,120,116.05)	(1,392,450.44)	0.00	(2,512,566.49)
Present value of future minimum lease payments	8,197,590.97	20,181,809.27	0.00	28,379,400.24

23. LEASE LIABILITIES (CONT'D)

The following are the amounts relating to lease contracts recognised in the income statements for the year ended 31 December 2021:

	(Unit : Baht)	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expenses of right-of-use assets	8,943,475.99	8,888,223.66
Interest expenses on lease liabilities	1,452,300.40	1,446,292.02
Expense relating to short-term leases	0.00	0.00
Expenses relating to leases of low-value assets	448,734.74	448,734.74

Others

The Group had total cash outflows for leases of consolidated and separate financial statements for the year ended December 31, 2021 of Baht 9.82 million and Baht 9.78 million respectively.

24. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

The changes in present value of employee benefit obligations for the year ended December 31, 2021 and 2020, as follows:

	(Unit : Baht)	
	Consolidated financial statements	
	December 31, 2021	December 31, 2020
Non-current provisions for employee benefit as at January 1	31,126,259.71	30,371,754.00
Recognition in profit or loss :		
Current cost of service and interest	2,986,475.16	2,843,985.52
Employee compensation - Retirement	0.00	(568,606.70)
Employee compensation - Layoff	0.00	(1,520,873.14)
Recognition in other comprehensive income :		
Actuarial loss for the years	792,071.00	0.00
Non-current provisions for employee benefit as at December 31	34,904,805.87	31,126,259.71

	(Unit : Baht)	
	Separate financial statements	
	December 31, 2021	December 31, 2020
Non-current provisions for employee benefit as at January 1	31,126,259.71	30,371,754.00
Recognition in profit or loss :		
Current cost of service and interest	2,893,832.29	2,843,985.52
Employee compensation - Retirement	0.00	(568,606.70)
Employee compensation - Layoff	0.00	(1,520,873.14)
Recognition in other comprehensive income :		
Actuarial loss for the year	792,071.00	0.00
Non-current provisions for employee benefit as at December 31	34,812,163.00	31,126,259.71

24. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT (CONT'D)

Long-term employee benefit expense for the year ended December 31, 2021 and 2020 presented in statement of comprehensive income.

Actuarial assumptions to use for calculation:

	<u>2021</u>	<u>2020</u>
	Percentage	Percentage
Discount rate	1.15	1.65
Salary increase rate	5.00	5.00
Mortality rate	Thailand TMO2017 tables	Thailand TMO2017 tables

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2021, are summarized below:

	(Unit : Baht)	
	Increase	Decrease
Discount rate (changed at 0.5%)	(1,469,685.77)	1,568,196.47
Salary increase rate (changed at 0.5%)	1,605,461.29	(1,515,210.43)
Turnover rate (changed at 10%)	(936,134.36)	1,039,410.34

25. SHARE CAPITAL

Reconciliation of issued and paid-up share capital

	Registered ordinary shares		Issued and paid-up ordinary shares		
	Number of	Amount	Number of	Paid-up	Premium on
	share		share	share capital	share capital
	(Share)	(Baht)	(Share)	(Baht)	(Baht)
As at January 1, 2021	1,663,285,866	1,663,285,866.00	1,108,857,244	1,108,857,244.00	279,957,364.10
Share capital decreased	554,426,864	554,426,864.00	-	-	-
Increase from exercised					
of warrants	-	-	1,758	1,758.00	1,494.30
As at December 31, 2021	1,108,859,002	1,108,859,002.00	1,108,859,002	1,108,859,002.00	279,958,858.40

25.1 During the period 1, 2021, the Group paid-up the capital from warrant exercise to purchase shares which resulted in share capital increase (ECL-W3) by 1,758 shares amounting to Baht 3,252.30 (share capital of Baht 1,758 and share premium of Baht 1,494.30). The exercise of warrants was expired on 5 February 2021.

25.2 On April 28, 2021, At the Ordinary General Meeting of the shareholders for the year 2021, the resolution to decrease its share capital from registered shares amount of Baht 1,663,285,866.00 to new registered shares amount of Baht 1,108,859,002.00 by cutting unissued 554,426,864 shares of Baht 1 each. The Company has registered such decreased share capital with the Ministry of Commerce on May 18, 2021.

26. LEGAL RESERVE

According to the Public Company Limited Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of annual net profit after deduction with deficit brought forwards (if any) until the reserve reach an amount of 10% of the authorized share capital. Such legal real reserve is not available for dividend distribution.

27. DIVIDEND

The Annual General Meeting on April 28, 2021, approved to pay dividend from retained earnings to the shareholders at rate of Baht 0.10 per share totally amount of Baht 110.84 million. The dividend payment is made on May 14, 2021.

28. PROVIDENT FUND

The Company and employees have jointed to be member of provident fund in accordance with the Provident Fund Act B.E. 2530. Under the fund regulation, the employees have to contribute to the fund at the rate of 3% - 15% of their salaries and the Company's contribution at the rate of 3% - 10%. The benefits will be paid to the members upon the condition of length of work on their retirement, death or resignation from the members.

For the year ended December 31, 2021 and 2020, the Company paid the contribution to the fund of Baht 5,573,041.55 and Baht 5,786,975.00 respectively.

29. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

29.1 Directors' remuneration

Directors' remuneration is contributed to directors of the Company under Section 90 of the Public Company Act excluding salaries and related fringe benefit paid to directors.

29.2 Management benefit expenses

Management benefit expenses focuses expenses relating to salaries, remunerations and other benefits to the directors and management, in accordance with the definitions of the Office of the Securities and Exchange

Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels.

30. FINANCIAL INSTRUMENTS

30.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, hire purchase receivables, Loans and sale with right of redemption agreement receivables, loans, Pledged deposit at financial institution, Bank overdrafts and short-term loans from financial institutions, Trade and other current payables, Short-term loans from related persons, Long-term loans from financial institutions and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group has the risk with hire purchase receivables, cash and cash equivalents and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

30. FINANCIAL INSTRUMENTS (CONT'D)

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation of expected credit losses are considered the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has a policy to write-off its receivables when a demand for payment has been properly made and clearly evidenced, and yet the debts remain unsettled.

Maximum exposure to credit risk

The maximum exposure is shown gross of financial instruments before taking into account collateral arrangements and any actions taken to improve. For financial assets that recognises in statement of financial position, the maximum exposure is shown gross, before taking into allowance for expected credit losses.

As at 31 December 2021 and 2020, the exposure to credit risk are as follow:

(Unit: Baht)

	Consolidated financial statements	
	2021	2020
Cash and cash equivalents	55,101,265.78	54,488,493.19
Pledged deposit at financial institution	1,534,942.75	1,082,948.99
Hire purchase receivables	4,303,783,436.22	5,315,643,187.65
Total exposure to credit risk	4,360,419,644.75	5,371,214,629.83

(Unit: Baht)

	Separate financial statements	
	2021	2020
Cash and cash equivalents	51,291,095.43	50,717,065.98
Pledged deposit at financial institution	76,000.00	76,000.00
Hire purchase receivables	4,303,783,436.22	5,315,643,187.65
Total exposure to credit risk	4,355,150,531.65	5,366,436,253.63

30. FINANCIAL INSTRUMENTS (CONT'D)**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 Group. The Group has adopted policies to mitigate this risk by analyst from customer information and monitoring status of customer.

Collateral and any operations to increase creditability

The Group has held collateral and any operations to increase creditability of exposure to credit risk.

The details of the collateral held by the Group for each type of financial assets are as follows:

(Unit: Baht)

	Consolidated and Separate financial statements	
	Exposure to risk with collateral	
	31 December 2021	Type of collateral
Hire purchase receivables	4,303,783,436.22	Car- Motorcycle -truck

Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the financial position of the Group. As the Group has no foreign currency assets and liabilities and no investments in securities, market risk therefore consists of only interest rate risk. The Group manages the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, in order to generate a suitable yield while maintaining risk at acceptable levels.

Interest rate risk

The Group enters into a variety of derivatives to manage its risk exposure, including Bank deposit, Hire purchase receivables, loans, Bank overdrafts and loans.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

30. FINANCIAL INSTRUMENTS (CONT'D)

(Unit: Million baht)

	Consolidated financial statements					
	31 December 2021					
	Fixed interest rate					
	Within	Over	Over	Floating	Non-interest	
	1 year	1-5 years	5 year	interest rate	bearing	Total
Financial assets						
Cash and cash equivalents	-	-	-	6.69	48.41	55.10
Hire purchase receivables	1,645.98	2,657.80	-	-	-	4,303.78
Short-term loans for joint venture	225.50	-	-	-	-	225.50
Other non-current financial asset	-	-	-	-	0.00	0.00
Pledged deposit at financial institution	1.46	0.07	-	-	-	1.53
	1,872.94	2,657.87	-	6.69	48.41	4,585.91
Financial liabilities						
Bank overdrafts and short-term loans						
from financial institutions	340.00	-	-	-	-	340.00
Trade and other current payables	-	-	-	-	40.52	40.52
Short-term loans from related persons	188.58	-	-	-	-	188.58
Long-term loans	643.86	557.84	-	1,160.78	-	2,362.48
lease liabilities	8.91	20.18	-	-	-	29.09
	1,181.35	578.02	-	1,160.78	40.52	2,960.67

30. FINANCIAL INSTRUMENTS (CONT'D)

(Unit: Million baht)

	Separate financial statements					
	31 December 2021					
	Fixed interest rate			Floating interest rate	Non-interest bearing	Total
	Within 1 year	Over 1-5 years	Over 5 year			
Financial assets						
Cash and cash equivalents	-	-	-	2.91	48.38	51.29
Hire purchase receivables	1,645.98	2,657.80	-	-	-	4,303.78
Short-term loans for joint venture	225.50	-	-	-	-	225.50
Other non-current financial asset	-	-	-	-	0.00	0.00
Pledged deposit at financial institution	-	0.07	-	-	-	0.07
	<u>1,871.48</u>	<u>2,657.87</u>	<u>-</u>	<u>2.91</u>	<u>48.38</u>	<u>4,580.64</u>
Financial liabilities						
Bank overdrafts and short-term loans						
from financial institutions	340.00	-	-	-	-	340.00
Trade and other current payables	-	-	-	-	39.78	39.78
Short-term loans from related persons	188.58	-	-	-	-	188.58
Long-term loans	643.86	557.84	-	1,160.78	-	2,362.48
lease liabilities	8.70	19.53	-	-	-	28.23
	<u>1,181.14</u>	<u>577.37</u>	<u>-</u>	<u>1,160.78</u>	<u>39.78</u>	<u>2,959.07</u>

30. FINANCIAL INSTRUMENTS (CONT'D)

(Unit: Million baht)

	Consolidated financial statements					
	31 December 2020					
	Fixed interest rate					
	Within	Over	Over	Floating	Non-interest	
	1 year	1-5 years	5 year	interest rate	bearing	Total
Financial assets						
Cash and cash equivalents	-	-	-	15.46	39.03	54.59
Hire purchase receivables	1,877.88	3,437.76	-	-	-	5,315.64
Short-term loans for joint venture	221.50	-	-	-	-	221.50
Long-term loans for joint venture	30.00	-	-	-	-	30.00
Other non-current financial asset	-	-	-	-	2.02	2.02
Pledged deposit at financial institution	1.02	0.06	-	-	-	1.08
	2,130.40	3,437.82	-	15.46	41.05	5,624.83
Financial liabilities						
Bank overdrafts and short-term loans						
from financial institutions	320.26	-	-	-	-	320.26
Trade and other current payables	-	-	-	-	43.80	43.80
Short-term loans from related persons	183.77	-	-	-	-	183.77
Long-term loans	1,001.56	1,013.29	-	1,573.68	-	3,588.53
lease liabilities	8.20	20.18	-	-	-	28.38
	1,513.79	1,033.47	-	1,573.68	43.80	4,164.74

30. FINANCIAL INSTRUMENTS (CONT'D)

(Unit: Million baht)

	Separate financial statements						
	31 December 2020						
	Fixed interest rate						
	Within	Over	Over	Floating	Non-interest		
	1 year	1-5 years	5 year	interest rate	bearing		Total
Financial assets							
Cash and cash equivalents	-	-	-	11.72	39.00		50.72
Hire purchase receivables	1,877.88	3,437.76	-	-	-		5,315.64
Short-term loans for joint venture	221.50	-	-	-	-		221.50
Long-term loans for joint venture	30.00	-	-	-	-		30.00
Other non-current financial asset	-	-	-	-	2.02		2.02
Pledged deposit at financial institution	0.01	0.06	-	-	-		0.07
	2,129.39	3,437.82	-	11.72	41.02		5,619.95
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	320.00	-	-	0.26	-		320.26
Trade and other current payables	-	-	-	-	42.91		42.91
Short-term loans from related persons	183.77	-	-	-	-		183.77
Long-term loans	1,001.56	1,013.29	-	1,573.68	-		3,588.53
lease liabilities	8.20	20.18	-	-	-		28.38
	1,513.53	1,033.47	-	1,573.94	42.91		4,163.85

Analysis of effect to changes in interest rates

Analysis of effect to changes in interest rates shows the potential change in interest rates on the statement of comprehensive income and the equity of the Group by setting constant to other variables. However, financial assets and financial liabilities at the end of reporting period of the Group have constant interest rates. Effect to changes in interest rates does not have any significant impact on the financial statements.

30. FINANCIAL INSTRUMENTS (CONT'D)**Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the management of sufficient cash and cash equivalent, to reduce the effect of fluctuation of cash flows. The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2021 based on contractual undiscounted cash flows:

(Unit: Million baht)

Consolidated financial statements					
31 December 2021					
	At call	Within 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	300.00	40.00	-	-	340.00
Trade and other current payables	-	40.52	-	-	40.52
Short-term loans from related persons	-	188.58	-	-	188.58
Long-term loans	-	1,399.45	963.03	-	2,362.48
lease liabilities	-	8.91	20.18	-	29.09
Total	300.00	1,677.46	983.21	-	2,960.67

(Unit: Million baht)

Separate financial statements					
31 December 2021					
	At call	Within 1 year	1 – 5 years	Over 5 years	Total
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	300.00	40.00	-	-	340.00
Trade and other current payables	-	39.78	-	-	39.78
Short-term loans from related persons	-	188.58	-	-	188.58
Long-term loans	-	1,399.45	963.03	-	2,362.48
lease liabilities	-	8.70	19.53	-	28.23
Total	300.00	1,676.51	982.56	-	2,959.07

30. FINANCIAL INSTRUMENTS (CONT'D)**Fair values financial instruments**

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows.

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, Short-term loans, Bank overdrafts and short-term loans, the carrying amounts in the statement of financial position approximate their fair value.
- b) For fixed rate hire purchase and fixed rate debentures and long-term loans, 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 long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.

As at 31 December 2021, the Group had the assets and liabilities that were measured and disclosed at fair value using different levels of inputs as follows:

(Unit: Million baht)

Consolidated financial statements					
31 December 2021					
Fair values					
	Book value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	55.10	55.10	-	-	55.10
Hire purchase receivables	4,303.78	-	-	4,451.93	4,451.93
Short-term loans for joint venture	225.50	-	225.50	-	225.50
Other non-current financial asset	0.00	-	-	-	0.00
Pledged deposit at financial institution	1.53	1.53	-	-	1.53
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	340.00	340.00	-	-	340.00
Trade and other current payables	40.52	40.52	-	-	40.52
Short-term loans from related persons	188.58	-	170.26	-	170.26
Long-term loans	2,362.48	-	2,368.47	-	2,368.47
Lease liabilities	29.09	-	-	29.09	29.09

30. FINANCIAL INSTRUMENTS (CONT'D)

(Unit: Million baht)

	Separate financial statements				
	31 December 2021				
	Fair values				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	51.29	51.29	-	-	51.29
Hire purchase receivables	4,303.78	-	-	4,451.93	4,451.93
Short-term loans for joint venture	225.50	-	225.50	-	225.50
Other non-current financial asset	0.00	-	-	-	0.00
Pledged deposit at financial institution	0.07	0.07	-	-	0.07
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	340.00	340.00	-	-	340.00
Trade and other current payables	39.78	39.78	-	-	39.78
Short-term loans from related persons	188.58	-	170.26	-	170.26
Long-term loans	2,362.48	-	2,368.47	-	2,368.47
Lease liabilities	28.23	-	-	28.23	28.23

The Group's management is currently assessing the fair value of the hire purchase receivables, believing that the fair value is close to the carrying value presented in the statement of financial position.

31. FINANCIAL INFORMATION BY SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company's operation involve virtually a single credit providing business in the form of hire purchasing to ordinary person and juristic person and operated in one geographical segment in domestic, hence, all of revenues, gain and assets presented in the financial statements are related to the said business and geographical segment.

32. EXPENSES ANALYZED BY NATURE

The significant expenses analyzed by nature are as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Employees benefit expenses	112,244,211.40	123,355,736.06	109,875,803.07	123,116,142.95
Directors' remuneration	5,632,000.00	6,592,000.00	5,632,000.00	6,592,000.00
Management benefit expenses	32,542,870.00	33,819,730.00	32,542,870.00	33,819,730.00
Depreciation	20,715,594.59	22,614,560.46	20,545,341.97	22,604,079.47
Amortized commission expenses	44,979,735.19	67,192,303.32	44,979,735.19	67,192,303.32
Loss on impairment of other long-term investments	2,022,840.45	671,452.27	2,022,840.45	671,452.27
Reversal of expected credit loss (loss)	(22,580,655.63)	158,919,354.48	(22,580,655.63)	158,919,354.48

33. INCOME TAX

33.1. Income tax expenses for the year ended December 30, 2021 and 2020, can be summarized as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Current tax:				
Income tax for the year	18,745,280.31	25,502,493.75	17,829,418.92	25,500,909.73
Deferred tax:				
Deferred tax on temporary differences and reserved temporary differences	31,146,136.28	(10,482,940.39)	31,146,136.28	(10,484,524.40)
Income tax expenses presented in statement of comprehensive income	49,891,416.59	15,019,553.36	48,975,555.20	15,016,385.33
Income tax realized in other comprehensive income Deferred tax recognized to actuarial loss	158,414.20	0.00	158,414.20	0.00

33. INCOME TAX (CONT'D)

33.2 Reconciliation amount between income tax expenses and multiplication of accounting profits and tax rates used for the year ended December 31, 2021 and 2020, can be presented as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Accounting profit before income tax	243,904,813.04	76,698,901.82	232,774,393.73	66,321,757.13
Income tax rates	20%	20%	20%	20%
Accounting profit before income tax multiply by tax rates	48,780,962.61	15,339,780.36	46,554,878.75	13,264,351.43
Taxable effect for:				
Prohibited taxable items	(30,035,682.30)	10,162,713.39	(28,725,459.83)	12,236,558.30
Temporary differences from effect of deferred income tax	31,146,136.28	(10,482,940.39)	31,146,136.28	(10,484,524.40)
Income tax expenses presented in statement of income	49,891,416.59	15,019,553.36	48,975,555.20	15,016,385.33
Effective income tax rate (%)	20.46%	19.58%	21.04%	22.64%

33. INCOME TAX (CONT'D)

33.3 Deferred tax assets and liabilities components as at December 31, 2021 and 2020, consist of the following transaction.

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Deferred tax assets				
Allowance for expected credit losses - hire purchase receivable	43,775,530.68	74,169,947.96	43,775,530.68	74,169,947.96
Allowance for expected credit losses - Receivables under lawsuit	10,301,609.27	16,150,031.08	10,301,609.27	16,150,031.08
Allowance for expected credit losses - debt compromise receivables	476,524.17	857,627.27	476,524.17	857,627.27
Allowance for expected credit losses - other receivables	71,430.79	87,665.80	71,430.79	87,665.80
Allowance for expected credit losses - Receivables under lawsuit – car loan	689,958.40	697,958.40	689,958.40	697,958.40
Provision for impairment of assets – foreclosed	4,776,120.51	9,331,693.66	4,776,120.51	9,331,693.66
Non-current provisions for employee benefit	6,962,432.60	6,225,251.94	6,962,432.60	6,225,251.94
Provision for impairment of investment	776,524.45	371,956.36	1,492,260.00	1,087,691.91
Reserve for allowance for doubtful accounts –	131,824.82	215,823.41	131,824.82	215,823.41
Accrued value added tax				
Lease	429,645.06	250,906.48	429,645.06	250,906.48
Provision for impairment of intangible assets	1,020,000.00	0.00	1,020,000.00	0.00
Total	69,411,600.75	108,358,862.36	70,127,336.30	109,074,597.91
Deferred tax liabilities				
The difference of the realized accounting and tax revenues	779,401.91	3,856,980.41	779,401.91	3,856,980.41
Deferred commission	9,769,282.19	14,651,243.22	9,769,282.19	14,651,243.22
Total	10,548,684.10	18,508,223.63	10,548,684.10	18,508,223.63
Net	58,862,916.65	89,850,638.73	59,578,652.20	90,566,374.28

34. EARNINGS PER SHARE

Basic earnings per share is determined by dividing the net profit (loss) for the year attributable to the shareholders (excluding other comprehensive income) by the weighted average number of common shares issued and paid-up during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to shareholders (excluding other comprehensive income) by sum of the weighted average number of ordinary shares issue during the year which is increased shares by the weighted average number of additional ordinary shares that would result from the conversation of all dilutive potential ordinary shares to ordinary shares at the beginning of the year or at the potential ordinary shares issuance date.

Basic earnings per share for the year ended December 31, 2021 and 2020, can be presented as follows:

	(Unit : Baht)					
	Consolidated financial statements					
	For the year ended					
	December 31, 2021			December 31, 2020		
	Profit (Loss)	Number	Earnings	Profit (Loss)	Number	Earnings
		of share	per share		of share	per share
Basis earnings per share	194,013,396.45	1,108,858,867	0.1750	61,679,348.46	1,108,857,244	0.0556

(Unit : Baht)						
Separate financial statements						
For the year ended						
December 31, 2021			December 31, 2020			
Profit (Loss)	Number	Earnings	Profit (Loss)	Number	Earnings	
	of share	per share		of share	per share	
Basis earnings per share	183,798,838.53	1,108,858,867	0.1658	51,305,371.80	1,108,857,244	0.0463

35. COMMITMENT AND CONTINGENT LIABILITIES

- 35.1 As at December 31, 2021, contingent liabilities from bank's issuance of letter of guarantee for electricity usage amount of Baht 76,000.00 (as at December 31, 2020, of Baht 76,000.00).
- 35.2 As at December 31, 2021, contingent liabilities from Office of Insurance Commission amount of Million Baht 1.00 (as at December 31, 2020, of Million Baht 1.00).
- 35.3 As at December 31, 2021, there is contingent liability arise from a brokerage guarantee with an insurer in the amount of Baht 0.20 million.
- 35.4 As at December 31, 2021, there is contingent liability arise from guarantee the service rendering of a bank in the amount of Baht 0.25 million.
- 35.5 As at December 31, 2021, liable on payment under rental agreement within 1 year in amount of Baht 0.35 million and over 1 year in amount of Baht 0.27 million.

36. SIGNIFICANT CONTRACT

Co-business investment contract

- 36.1 The Company and Premium Financial Services Co., Ltd. ("PFS") are investors entered into contract for co-business investment for the period of 2 years and renewed for the next 1 year each with the objective to develop the business of the Company by taking Know-How of PFS and appointed the representative of PFS to be director and employee for rendered the services for the Company. The remuneration is determined in the amount of Baht 600,000.00 per month (exclude tax/this amount is included salaries and other expenses of which the Company has paid to the representative of PFS from get into employee position of the Company). The termination of a contract is on April 26, 2020 without renewal.
- 36.2 As at June 8, 2018, Warranty business consultant contract for the period of 1 year and renewed for the next 1 year in the next times. The remuneration is determined in the amount of Baht 100,000.00 per month. The termination of a contract is on May 31, 2020 without renewal.

37. CAPITAL MANAGEMENT

The objective of financial management is to preserve the ability to continue its operation as a going concern and capital structure to be properly appropriated.

As at December 31, 2021, the Company has debt to equity ratio as summarized below:

	Consolidated financial statements	Separate financial statements
Debt to equity ratio	1.65	1.68

38. EVENTS AFTER REPORTING PERIOD

According to the Board of Director meeting of the Company No. 1/2022 held on February 24, 2022, the meeting passed a resolution to request the approval from the General Shareholder Meeting to pay dividend to the shareholders at rate of Baht 0.08 per share for 1,108,859,002 shares, totally amount of Baht 88.71 million. The dividend is scheduled to pay on May 13, 2022.

39. RECLASSIFICATION

The financial statements for the year ended December 31, 2020, have been reclassified for comparison purpose to conform to the financial statements for the year ended December 31, 2021, as follows:

(Unit : Baht)

	Consolidated		
	December 31, 2020 Before reclassify	Reclassify	December 31, 2020 After reclassify
STATEMENTS OF COMPREHENSIVE INCOME FOR YEAR			
Expenses			
Selling expense	0.00	5,137,996.53	5,137,996.53
Administrative expenses	449,217,264.08	(5,137,996.53)	444,079,267.55

39. RECLASSIFICATION (CONT'D)

(Unit : Baht)

	Separate financial statements		
	December 31, 2020		December 31, 2020
	Before reclassify	Reclassify	After reclassify
STATEMENTS OF COMPREHENSIVE INCOME FOR YEAR			
Expenses			
Selling expense	0.00	5,120,113.77	5,120,113.77
Administrative expenses	448,598,094.46	(5,120,113.77)	443,477,980.69

40. APPROVAL OF INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements were approved and authorized for issue by the Company's Board of directors on February 24, 2022.

Certification of the Accuracy of Information

The company has reviewed information as presented in this One Report with due care. The company certified that the information presented is true, complete without misrepresentation, not misguided, or lacking of information which should have been presented in all material respect. Furthermore, the company certified the followings:

1. The financial statements and financial information summarized in the One Report has been presented accurately, and complete in all material respect relevant to the financial position, the results of operations, and cash flow of the company and its subsidiaries.

2. The company has arranged for a good system of information disclosure to ensure that material information disclosure both of the company and its subsidiaries have been disclosed accurately, and complete including control to ensure compliance with such a system.

3. The company has arranged for a good system of internal control, and monitoring for compliance with such a system. And the company has reported internal control assessment information as at 31 December 2021 to the external auditor, and the Audit Committee of the company covering deficiency and material changes of the system of internal control including impropriety which may affect preparation of company and subsidiaries' financial reports.

In this regard, as evidence of the same set of the true and correct copies certified by the company, the company has assigned Mrs. Duangrat Jaengmongkol to affix her signature to all pages of this set of documents. Document lacking her signature shall be considered not to be company's information certified aforementioned.

Authorized Directors

Name	Position	Signature
1. Mr. Danucha Veerapong	Chairperson of the Executive Committee	Mr. Danucha Veerapong
2. Mr. Prapakonr Veerapong	Vice Chairperson of the Executive Committee	Mr. Prapakonr Veerapong

Assignee

Name	Position	Signature
Mrs. Duangrat Jaengmongkol	Executive Committee Member	Mrs. Duangrat Jaengmongkol

Certification of the Accuracy of Information

“We have reviewed information as presented in this One Report with due care as company directors. We have no reasonable doubt that the information presented is inaccurate, incomplete, misrepresented, misguided, or lacked material information which should have been presented.

In this regard, as evidence that this set of documents is the same set of documents which have been reviewed by us, we have assigned Mrs. Duangrat Jaengmongkok to affix her signature to all pages of this set of documents. Document (s) without her signature shall be considered not to be the information document (s) which has been certified by us aforementioned.”

Directors		
Name	Position	Signature
1. Mr. Precha Veerapong	Chairperson of the Board	Mr. Precha Veerapong
2. Mr. Masayuki Nozawa	Director	Mr. Masayuki Nozawa
3. Mr. Wichai Maitong	Director	Mr. Wichai Maitong
4. Mrs. Prapasri Permsab	Director and Chairperson of the Audit Committee	Mrs. Prapasri Permsab
5. Mr. Thailuck Leetavorn	Director and Member of the Audit Committee	Mr. Thailuck Leetavorn
6. Mr. Sorapas Sutreankul	Director and Member of the Audit Committee	Mr. Sorapas Sutreankul

Assignee		
Name	Position	Signature
Mrs. Duangrat Jaengmongkol	Director, and Member of the Executive Committee	Mrs. Duangrat Jaengmongkol

Attachment 1

1. Details related to Directors, Management, individuals with controlling interests in the Company, and Company Secretary

1.1 Information regarding Directors, Management, individuals with controlling interests, and Company Secretary

1. Mr. Preecha Veerapong

Position Title	Chairperson of the Board, and Authorized Director
Age	89 Years old
Date of Appointment	15 September 2003
No. of years as director	18 Years 3 Months
Proportion of Shares Held	5.55%
Spouse holding	2.29 %
Family relationship between directors and management	father to Mr. Danucha Veerapong father to Mr. Prapakorn Veerapong relative of Mrs. Duangrat Jaengmongkol
Professional Training	- The Thai Institute of Directors Association (IOD) program: The Director Accreditation Program (DAP) class 8/2547
Work Experiences	
1993 – 2002	Advisor, Bank of Asia PLC
1992 – 2002	Chairman of the Board, BOA Leasing Co., Ltd
1983 – 1992	Assistant Managing Director, Bank of Asia PLC
Position held in Other Listed Entities	– None
Position held in Non-Listed Entities	
1987 – Present	Director, Prapakorn Business Co., Ltd.
1979 – Present	Director, Eastern Estate Co., Ltd.
1971 – Present	Chairman of the Board, Thai Preeda Industry Co., Ltd.

2. Mr. Danucha Veerapong

Position Title	Chairman of the Executive Committee, Chief Executive Officer, and Authorized Director
Age	52 Years old
Date of Appointment	11 November 2003
No. of years in position	18 Years 2 Months
Proportion of Shares Held	3.61%
Family relationship between directors and management	son to Mr. Preecha Veerapong elder brother to Mr. Prapakorn Veerapong

	and relative of Mrs. Duangrat Jaengmongkol
Educational Background:	- Master of Business Administration, Major in Marketing, University of Hartford, Connecticut, U.S.A., - Bachelor of Business Administration, Major in Economic/Finance, Bentley College, Massachusetts, U.S.A.,
Professional Training	- The Thai Institute of Directors Association (IOD) program: The Director Accreditation Program (DAP)
Work Experiences	
2007 – 2019	Director, Cool Solution Co., Ltd.
2002 – 2003	Director of Sales and Services, the Bank of Asia PLC
Position held in Other Listed Entities – None	
Position held in Non-Listed Entities	
2018 – Present	Chairman of the Board, ECL Asset Co., Ltd.
2017 – Present	Chairman of the Audit Committee, Siam Syndicate Technology Co., Ltd
2016 – Present	Independent Director, Siam Syndicate Technology Co., Ltd
2002 – Present	Director, Hi-Tech Land (2002) Co., Ltd.

3. Mr. Prapakorn Veerapong

Position Title	Vice Chairman of the Executive Committee, Managing Director and Authorized Director
Age	51 Years old
Date of Appointment	15 September 2003
No. of years in position	18 Years 3 Months
Proportion of Shares Held	4.00 %
Spouse holding	0.25 %
Family relationship between directors and management	son to Mr. Preecha Veerapong younger brother to Mr. Danucha Veerapong and relative of Mrs. Duangrat Jaengmongkol
Educational Background	- Master of Business Administration, Major in International Trade, Boston University - Bachelor of Business Administration, Major in Finance, University of Hartford, Connecticut, U.S.A.
Professional Training	- The Thai Institute of Directors Association (IOD) program: The Director Accreditation Program (DAP)
Work Experiences	
1994 – 1995	Business Development Officer, Pathra Leasing Co., Ltd.

Position held in Other Listed Entities – None

Position held in Non-Listed Entities

2019 – Present	Director, Mighty Broker Co., Ltd.
2003 – Present	Director, Thai Preda Industry Co., Ltd.
2003 – Present	Director, Eastern Estate Co., Ltd.
2003 – Present	Director, Prapakorn Business Co., Ltd.
2003 – Present	Director, Prasartporn Junior Co., Ltd.
2002 – Present	Director, Hi-Tech Land (2002) Co., Ltd.
1997 – Present	Chairman of the Board, Thai Preeda Trading Co., Ltd.

4. Mrs. Duangrat Jaengmongkol

Position Title	Authorized Director, Member of the Executive Committee, Member of the Nomination and Remuneration Committee, and Company Secretary
Age	74 Years old
Date of Appointment	15 September 2003
No. of years in position	18 Years 3 Months
Proportion of Shares Held	None
Spouse holding	0.27 %
Family relationship between directors and management	Relative to Mr. Preecha Veerapong Relative to Mr. Danucha Veerapong And Relative to Mr. Prapakorn Veerapong
Educational Background	- Bachelor of Accountancy, Thammasart University - Bachelor of Law, Thammasart University - Mini Master of Management, National Institute of Development and Administration (NIDA)
Professional Training	- The Thai Institute of Directors Association (IOD) program: The Director Accreditation Program (DAP) (8/2004) The Director Certification Program (DCP) (91/2007) Company Secretary Program (CSP) (28/2008) The Effective Minute taking (EMT) (12/2008) The Board Nomination & Compensation Program (BNCP) (7/2019)
Work Experiences	
1984-2003	Managing Director, Eastern Commercial Leasing Company Limited (prior to the listed in The Stock Exchange of Thailand)
Position held in Other Listed Entities – None	

Position held in Non-Listed Entities

2019 – Present Director, Mighty Broker Co., Ltd.

5. Mr. Masayuki Nozawa

Position Title Member of the Executive Committee, and Deputy Managing Director

Age 57 Years old

Date of Appointment 15 May 2020

No. of years in position 1 Years 7 Months

Proportion of Shares Held 0.05%

Family relationship between directors and management - None

Educational Background - Bachelor of Law, University of Kokukakuin, Japan

Professional Training - The Thai Institute of Directors Association (IOD) program:
The Director Certification Program (DCP) class 153/2011

Work Experience

2018 – present Deputy Managing Director, Eastern Commercial Leasing PLC

2016 – 2018 Director and senior executive, Acom Co., Ltd.

2009 – 2016 Director and executive, Acom Co., Ltd.

2006 - 2016 Managing Director, marketing planning, investor relation, customer service, Acom Co., Ltd.

2006 Assistant Manager, International Business, Acom Co., Ltd.

1996 – 2006 Managing Director, ISI Corporation Ltd.

1993 – 1996 Marketing Manager ISI Corporation Ltd.

1990 – 1993 Supervisor, credit card business planning, A-Plus Co., Ltd.

1986 – 1990 Employee, A-Plus Co., Ltd. Shisuoka Branch

Position held in Other Listed Entities - None -

Position held in Non-Listed Entities

2019 – Present Director, Premium Asset Management (Thailand) Co., Ltd

2019 – Present Director, Premium Service (Thailand) Co., Ltd.

6. Mr. Sorapas Suttienkul

Position Title Director, Member of the Audit Committee, and Chairperson of the
Nomination and Remuneration Committee

Age 52 Years old

Date of Appointment 26 February 2015

No. of years in position 6 Years, 10 Months

Proportion of Shares Held None

Family relationship between directors and management - None

Educational Background	- Master of Business Administration, University of Hartford, Connecticut, U.S.A. - Bachelor of Political Science, Chulalongkorn University - Certification – Financial Management, Faculty of Economics, Chulalongkorn University
Professional Training	- The Thai Institute of Directors Association (IOD) program: - The Director Certification Program (DCP) (184/2014) - The Advance Audit Committee Program (AACP) (29/2018) - The Board Nomination & Compensation Program (BNCP) (7/2019) - The Thai Listed Companies Association program: - The Executive Development Program (EDP) (6/2010) - The Thai institutional investors, Thai Investor Association program: - TIIP course, Class 9 - Institute of Business and Industrial Development (IBID), Business and Industrial Development, and Investment Executive course, Class 5
Work Experiences	
2018 – 2020	Executive Director, Media Addict Co.,Ltd.
2016 - 2018	Vice Chairman, Executive Committee, Doikham Food Products Co., Ltd.
2016 - 2017	Director, Nomination and Remuneration Committee, Doikham Food Products Co., Ltd
2013 - 2017	Section Chief, Special Representative, Crown Property Bureau
2012 - 2017	Advisor Director, Phyathai Palace Conservation Foundation under the Royal Patronage of Her Royal Highness Princess Benjaratana Rajasuda
2013 - 2016	Company Secretary, Doikham Food Products Co., Ltd.
2008 – 2017	Eminent Director, The King Rama II Foundation under Royal patronage
Position held in Other Listed Entities	None
Position held in Non-Listed Entities	
2019 –Present	Chairman of Executive Director, Game Crafts Co.,Ltd.
2018 – Present	Advisor, Doikham Food Products Co., Ltd.
2018 - Present	Executive Director, Krungsiam Beverage Co.,Ltd.
2012 – Present	Director, Singhathep Development Co.,Ltd.

7. Mrs. Prapasri Permsup

Position Title	Director, Chairperson of the Audit Committee, Member of the Nomination and Remuneration Committee
Age	72 Years old
Date of Appointment	23 April 2018

No. of years in position	3 Year 8 Months
Proportion of Shares Held	None
Family relationship between directors and management – None	
Educational Background	- Master of Business Administration (Public Accounting), St. John's University, New York, USA - Bachelor of Accountancy (Honored), Chulalongkorn University
Professional Training	- The Thai Institute of Directors Association (IOD) program: - The Director Certification Program (DCP) (258/2018) - The Advance Audit Committee Program (AACP) (29/2018) - The Board Nomination & Compensation Program (BNCP) (6/2019) - Certificate, Advance Finance, Thammasart University - Certificate, Executive Development for The Experienced Manager University of Pennsylvania - Certificate, Siam Cement Management Development Programs University of Pennsylvania - Certificate, Personnel Management and Labor Relation, Faculty of Economics, Chulalongkorn University - Certificate, Marketing Management, Thailand Management Association - Certificate, Internal Auditor, Association of Internal Auditors
Work Experiences	
2017 – 2021	Audit and Assessment Director, Ministry of Public Health
2007 – 2015	Director of Audit Office, Red Cross Society Thailand
1980 – 2007	Assistant Director, Audit Department, Siam Cement PLC, Deputy Managing Director, Cement Thai Accounting, Director of Accounting and Finance, Siam Cement Group
1977 – 1979	Assistant Comptroller, ITT (Thailand) Co., Ltd.
1973 – 1976	Senior Auditor, Coopers & Lybrand
Position held in Other Listed Entities	None
Position held in Non-Listed Entities	
2020 – Present	Director, Christian Foundation for the Blind in Thailand Under the Royal Patronage of H.M. the King

8. Mr. Thailuck Leetavorn

Position Title	Director and Audit Committee Member
Age	73 Years old
Date of Appointment	15 August 2017

No. of years in position	4 Years 4 Months
Proportion of Shares Held	None
Family relationship between directors and management - None	
Educational Background	- Master of Art in Economics, Sul Ross State University, Texas, USA. - Bachelor of Accountancy, Faculty of Commerce and Accountancy (Statistics), Chulalongkorn University
Professional Training	- The Thai Institute of Directors Association (IOD) program: - The Director Accreditation Program (DAP) (37/2005) - The Director Certification Program (DCP) (64/2005) - The Advance Audit Committee Program (AACP) (29/2018) - The Thai Listed Companies Association program: - The Executive Development Program (EDP) (#1) - CMA (#4), Capital Market Academy
Work Experiences	
2013 – 2016	Independent Director and Audit Committee Member, Porn Prom Metal PCL
2012 – 2013	Independent Director, Porn Prom Metal PCL
2006 – 2009	Director, Chief Executive Officer, Unimit Engineering PCL
1993 - 2005	Chairman of the Board, Unimit Engineering Co., Ltd.
Position held in Other Listed Entities	
2012 – Present	Independent Director and Chairman of the Audit Committee, Porn Prom Metal PCL
2009 – Present	Director, Unimit Engineering PCL
Position held in Non-Listed Entities - None	

9. Mr. Wichai Maithong

Position Title	Director and Independent Director
Age	61 Years old
Date of Appointment	23 April 2018
No. of years in position	3 Year 8 Months
Proportion of Shares Held	None
Family relationship between directors and management - None	
Educational Background	- Master of Business Administration (MBA), Dhurakij Pundit University - Bachelor of Business Administration (BA), Ramkhamhaeng University
Professional Training	- The Thai Institute of Directors Association (IOD) program: - The Director Certification Program (DCP) (258/2018) - The Advance Audit Committee Program (AACP) (30/2018)

Executive Development Program (EDP) (12/2013)

Work Experiences

2012 - 2019	Director, and Advisor, Risk Management and Internal Control Group of the Association of Listed Companies
2016 – 2017	Manager, Sustainable Development, Thai Oil PLC
2008 – 2016	Manager, Organizational Risk Management, Thai Oil PLC
1993 - 2008	Administrative Manager, Thai Lube Base PLC
1986 – 1993	Purchasing official, Petroleum Authority of Thailand

Position held in Other Listed Entities

2018 - Present	Independent Director, Chairman of the Risk Management and Member of the Audit Committee, Prosper Engineering PCL
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Position held in Non-Listed Entities

2018 - Present	Advisor to the Risk Management Committee, Doikham Food Products Co., Ltd.
2017 - Present	Director, Prism Consulting Co., Ltd.

10. Mrs. Walaiporn Panyatanya

Position Title	Member of the Executive Committee, Deputy Managing Director
Age	67 Years old
Date of Appointment	3 May 2016
Proportion of Shares Held	None
Family relationship between directors and management -	None
Educational Background	- Master of Business Administration, Thammasat University - Bachelor of Commerce and Accountancy, Chulalongkorn University

Work Experiences

2016 – Present	Deputy Managing Director – Credit Department, Eastern Commercial Leasing PLC
2011 – 2014	Assistant Credit Section, Land and House Bank PLC
2007 – 2010	Managing Director, UOB Leasing (UOB Bank Group affiliate)
2003 – 2007	Senior Director, UOB Bank PLC

Position held in Other Listed Entities - None

Position held in Non-Listed Entities

2018 – Present	Director, ECL Asset Co., Ltd.
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11. Mrs. Charatsang Yuampai

Position Title	Member of the Executive Committee, Deputy Managing Director and Chief Financial Officer (CFO)
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Age 50 Years old

Date of Appointment 1 June 2016

Proportion of Shares Held None

Family relationship between directors and management - None

Educational Background - Bachelor of Business Administration, Major in Finance and Banking,
Ramkamhaeng University

Professional Training Accounting for the Executive
CDP 6111-06-058-046-02 total 7 hours
of the NYC Management Co., Ltd.

Work Experiences

2016 – Present Deputy Managing Director – Accounting and Finance Dep., Eastern
Commercial Leasing PLC

2014 – 2016 Director of Accounting and Finance, Eastern Commercial Leasing PLC

2012 – 2014 Assistant Managing Director – Finance and Accounting,
Eastern Commercial Leasing PLC

2006 – 2012 Assistant Managing Director – Risk Analysis,
Eastern Commercial Leasing PLC

2003 – 2006 Business Development Manager, Eastern Commercial Leasing PLC

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

12. Mr. Tiratee Patiparnwoham

Position Title: Member of the Executive Committee, Deputy Managing Director

Age 36 Years old

Date of Appointment 1 November 2016

Proportion of Shares Held None

Family relationship between directors and management – None

Educational Background - Bachelor of Law, Ramkamhaeng University

Work Experiences

2020 – Present Deputy Managing Director – Marketing Dep., ECL

2016 – 2020 Director of Marketing 2, ECL

2015 – 2016 Marketing Manager, ECL

2015 – 2016 Marketing Section Chief, ECL

2010 – 2015 Marketing staff, ECL

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

13. Miss Kanchana Soponpongpiat

Position Title: Member of the Executive Committee, Director of Accounting and Finance

Age 58 Years old

Date of Appointment 1 November 2016

Proportion of Shares Held None

Family relationship between directors and management - None

Educational Background - Bachelor of Accountancy, Ramkamhaeng University

Work Experiences

2016 – Present Director of Accounting and Finance

2016 Assistant Director of Accounting and Finance

2015 – 2016 Assistant Company Secretary

2003 – 2014 Accounting Manager, Eastern Commercial Leasing PLC

1996 – 2002 Assistant Finance Manager, SMT Leasing Co., Ltd.

1990 - 1995 Assistant Controller, Eastern Commercial Leasing Co., Ltd.

Position held in Other Listed Entities - None

14. Mr. Sukkasem Titasaro

Position Title: Member of the Executive Committee, Director of Collection

Age 62 Years old

Date of Appointment 1 June 2017

Proportion of Shares Held None

Family relationship between directors and management - None

Educational Background - Bachelor of Law, Thammasat University
- Bachelor of Education, Chulalongkorn University

Work Experiences

2017 – Present Director of Collection

2013 - 2016 Assistant Director of Collection, KTB leasing Co., Ltd.

2005 – 2013 Life insurance Manager, AIA Co., Ltd.

1998 – 2005 Assistant Director of Medical Management, Allianz Co.,Ltd.

1994 - 1998 Collection Manager, Krungthai Thanakit Co.,Ltd.

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

15. Mr. Mano Boonyasrisawasdi

Position Title: Member of Executive Committee/ Director of Insurance (appointed per ExCom 1/2561)

Age 44 Years old

Date of Appointment 17 January 2018

Proportion of Shares Held None

Family relationship between directors and management – None

Educational Background - Bachelor degree, Faculty of Business Administration, University of Thai Chamber of Commerce

Work Experiences

2019 – Present Director of Insurance, ECL

2018 – 2019 Director of Organizational Development, ECL

2017 - 2018 Secretary to the Managing Director, ECL

2008 – 2010 Assistant Managing Director, Inter Spirits (LAOS) Co., Ltd.

2008 – 2010 Managing Director, 99 APlus Group

2001 – 2007 Assistant Managing Director, United Products Co.,Ltd.

2000 – 2007 Sale Manager, SPM Food and Beverage Co., Ltd.

Position held in Other Listed Entities - None

Position held in Non-Listed Entities

2019 – Present Director, Mighty Broker Co., Ltd.

16. Mr. Teera Chunhacha

Position Title: Member of Executive Committee/ Marketing Director – 3 (Eastern)
(appointed per ExCom 2/2561)

Age 41 Years old

Date of Appointment 1 February 2018

Proportion of Shares Held None

Family relationship between directors and management – None

Educational Background - Bachelor degree, Faculty of Business Administration, Ramkhamhaeng University

Work Experiences

2018 – Present Marketing Director – 3 (Eastern), ECL

2015 - 2018 Marketing Manager, ECL

2005 - 2015 Section Chief, Marketing, ECL

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

2019 – Present Director, Mighty Broker Co., Ltd.

17. Mr. Toonpitak Vongsan

Position Title: Marketing Director (Bangkok)

Age 48 Years old

Date of Appointment 1 October 2020

Proportion of Shares Held None

Family relationship between directors and management – None

Educational Background - Bachelor degree, Faculty of Public Administration,
Kamphaengphet Rajabhat University

Work Experiences

2020 – Present Marketing Director (Bangkok), ECL

2011 - 2020 Marketing Manager, ECL

2007 - 2010 Section Chief, Marketing, ECL

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

18. Miss Yuvadee Thongthai

Position Title: Credit Director 2

Age 40 Years old

Date of Appointment 1 September 2018

Proportion of Shares Held None

Family relationship between directors and management – None

Educational Background - Master's degree, MBA in Finance and Banking, Ramkhamhaeng University

- Bachelor's degree, Faculty of Finance and Banking Ramkhamhaeng University

Work Experiences

2018 – Present Director of Credit, ECL

2012 - 2017 Manager of Credit, ECL

2003 – 2012 Credit Analysis Officer, ECL

Position held in Other Listed Entities - None

Position held in Non-Listed Entities – None

19. Miss Sunee Kultrawuth

Position Title: Credit Director 1

Age 61 Years old

Date of Appointment 1 October 2018

Proportion of Shares Held None

Attachment 2

2. Information on directors, management position held in related entities of the company

Directors and Management	Eastern Commercial Leasing PLC	Thai Preda Industry Co., Ltd.	Eastern Estate Co., Ltd.	Prapakorn Business Co., Ltd.	Prasartporn Junior Co., Ltd	Thai Preda Trading Co., Ltd.	Hitechland Chonburi 2002 Co., Ltd.	ECL Asset Co., Ltd.	Mighty Broker Co., Ltd.
1. Mr. Preecha Veerapong	X, /	X	/	/	/		/		
2. Mr. Danucha Veerapong	/, ///						/	X	
3. Mr. Prapakorn Veerapong	/, ///	/	/	/	/	X	/		X
4. Mrs. Duangrat Jaengmongkol	/, ///, //X								/
5. Mr. Masayuki Nozawa	/, ///								
6. Mr. Sorapas Suttienkul	/, //, /X								
7. Mrs. Prapasri Permsub	/, XX, //X								
8. Mr. Thailuck Leetavorn	/, //								
9. Mr. Wichai Maithong	/								
10. Mrs. Walaiporn Panyatanya	///							/	

Note: X Chairperson / Director XX Audit Committee Chairperson // Audit Committee Member /// Management

/X Nomination and Remuneration Chairperson //X Nomination and Remuneration Committee

2. Information on directors, management position held in related entities of the company

Directors and Management	Eastern Commercial Leasing PLC	Thai Preda Industry Co., Ltd.	Eastern Estate Co., Ltd.	Prapakorn Business Co., Ltd.	Prasartporn Junior Co., Ltd	Thai Preda Trading Co., Ltd.	Hitechland Chonburi 2002 Co., Ltd.	ECL Asset Co., Ltd.	Mighty Broker Co., Ltd.
11. Mrs. Charatsang Yuampai	///								
12. Miss Kanchana Sophonpongpiat	///								
13. Mr. Sukkasem Titasaro	///								
14. Mr. Tiratee Patiparnvoharn	///								
15. Mr. Mano Boonyasrisawat	///								/
16. Mr. Teera Chunchacha	///								/
17 Mr. Toonpitak Wongsan	///								
18.. Miss Yuwadee Thongthai	///								
19. Miss Sunee Kultrawut	///							/	

Note: X Chairman / Director XX Audit Committee Chairman // Audit Committee Member /// Management

/X Nomination and Remuneration Chairman //X Nomination and Remuneration Committee

Attachment 3

3. Details on Head of Internal Audit and Head of Operational Oversight /Compliance

1. Where internal audit function is under outsourcing arrangement

Name of Audit Firm: Improvis Co., Ltd.
 Address: 88/199 Mue Ban Dusit Grand Park, Soi 12
 Liab Klong Song Road, Bang Chan Sub-District,
 Sam Wah District, Bangkok
 Telephone: 0-2548-0153, 081-301-6799
 Facimile
 E-mail: Chalat.Improvis@gmail.com

2. Individual assigned by Improvis Co., Lt. to perform the duty of head of internal audit

Name: Mr. Chalat Lokittajariya

Position title in Improvis Co., Ltd.: Director

Educational background

- Master of Applied Management – Management Technology, National Institute of Development Administration, with honor
- Bachelor of Commerce and Accountancy, Major in Statistics
Chulalongkorn University

Professional certification

- Certified in Risk and Information Systems Control (CRISC):
ISACA Certificate number 1002894
- Certified in IRCA: ISMS (ISO 27001: 2013 Lead Auditor) and Certificate number
ENR -00311677

Certificate

- BOT Compliance Officer – Association of Thai Commercial Banks

Work experiences

- Year 2014 – present: Improvis Co., Ltd.
- Year 2012 – 2014: Thanaban Co., Ltd.
- Year 2005 – 2012: Thai Retail Credit Bank PLC
- Year 2003 – 2005: Thanachart PLC
- Year 1996 – 2003: SCB Asset Management Co., Ltd.
- Year 1993 – 1996: Laemthong Bank PLC (UOB PLC presently)
- Year 1985 – 1993 SCB PLC

3. Duties and responsibilities of the head of internal audit

To perform compliance audit on various departments' operations within the Company to be in accordance with rules, relevant regulations, compile, analyze information, and to provide advisory to various departments on such matters related to rules, regulations, and announcements, contact and coordinate with company secretary, secretary of the Audit Committee, and sub-committee on operational oversight by:

- 3.1 Prepare annual audit plan to be presented to the Audit Committee
- 3.2 Perform audit activities for various departments per established audit plan regarding compliance with established procedures
- 3.3 Review operations of various departments, assess internal control, and risk management including provide process improvement/modification recommendation appropriately, and efficiently
- 3.4 Provide advisory regarding authority, and company's rules, regulation to various departments, and company's various sub-committees.
- 3.5 Contact, coordinate with company secretary for interview appointment with various departments, and submit reports to the Audit Committee

4. Individual assigned by the Company to be Head of Operational Oversight/ Compliance

The Company has formed a sub-committee of Compliance comprising the working committee (details per item 7.3 sub-committee information, caption the 9 sub-committees, item 6 subcommittee for operational oversight). The Company consequently assigns the Chairperson of the sub-committee for operational oversight (Compliance) as representative of the function and coordination with personnel assigned by Improvis Co., Ltd. who shall perform the duties of head of internal audit function with below details:

Head of Compliance

Name: Mr. Sukasem Titasaro

Positions in ECL: Member of the Executive Committee, Director of Collection
Department, Chairperson of the Sub-Committee of Compliance

Educational Background:

- Bachelor of Law, Thammasat University
- Bachelor of Education, Chulalongkorn University

Certificate:

2018	Safety officer at the executive level program training, Safety and Health At Work Promotion Association (Thailand) under patronage
2020	Training regarding the prevention and suppression of money laundering, and financial support for terrorism act for entrepreneurs or car hire purchase and leasing businesses, Thai Hire Purchase Association

Work Experiences

2017 – Present	Director of Collection
2013 - 2016	Assistant Director of Collection, KTB leasing Co., Ltd.
2005 – 2013	Life insurance Manager, AIA Co., Ltd.
1998 – 2005	Assistant Director of Medical Management, Allianz Co, Ltd.
1994 - 1998	Collection Manager, Krungthai Thanakit Co., Ltd.

5. Duties and responsibilities of Head of Compliance

5.1 Study, compile laws, and various rules and regulations relevant to the company's business engagement as promulgated by authority and/or company's regulatory authorities, to be constantly up to date for example laws and/or regulations issued by the National Credit Bureau, Anti-Money Laundering Office, the Revenue Department, the Transport Department, Office of the Consumer Protection Board, debt collection act, and accounting act for example.

5.2 Prepare manual, rules and regulations of each section of the company to correspond to and compliance with laws and regulations

5.3 Enquire, compile information regarding problem relating to company's operations from various relevant operating units from individuals inside and outside of the company, for the purpose of improvement development, corrective action on interrupting work process, to achieve success and beneficial to the company, with the policy to enable the company to operate efficiently and in compliance with the laws.

5.4 Support education, knowledge and understanding of operational compliance at all levels namely the Board and executive, head and employees at all levels.

5.5 Arrange for responsibility and task assignment to entity's personnel throughout and complete for the tasked individuals to self-supervised and perform in accordance with manual, rules and regulations

5.6 Distribute written operating manual, with acknowledgement of receipt and strict compliance.

5.7 Perform the duties of audit, follow-up on progress, and assessment regarding supervisory efficiency in operational processes, and recurring error, discrepancy, and data loss.

5.8 Assess, analyze, and decide in intervention, suspension of activities, risk activities as necessary by reporting to the executive committee for further consideration

5.9 Consider employee training for relevant courses to be provided by external entity appropriately and timely.

5.10 Report progress of sub-committee on operational oversight and / or approval request from the executive committee

5.11 Provide advisory regarding existing rules or laws to be beneficial to the investment planning, new line of business expansion, and increasing new products for example.

Attachment 4

4. Assets Utilized in Business Engagement

4.1 Accounts Receivable

Assets utilized in business engagement of the company was hire purchase receivables which was the company's core business. As at 31 December 2021 hire purchase receivables net off unearned interest income (prior to doubtful debt provisioning) amounted to Baht 4,522.66 million with detailed hire purchase receivables as at end of years 2019, 2020, and 2021 as follows:

	2021		2020		2019	
	Baht Million	Percents	Baht Million	Percents	Baht Million	Percents
HP Receivables						
- Passenger vehicles	1,869.15	41.33	2,547.40	44.80	3,128.06	44.83
- Motorcycles	1,746.34	38.61	2,028.57	35.67	2,589.36	37.11
- Pickup trucks	636.62	14.08	742.97	13.07	851.21	12.20
- Van and others **	270.55	5.98	364.56	6.46	409.29	5.86
รวม	4,522.66	100	5,686.50	100	6,977.92	100.00
Credit Installments						
- 12 months	2.18	0.05	2.80	0.05	3.71	0.05
- 18 months	0	0	0	0	0	0
- 24 months	40.92	0.90	46.46	0.82	81	1.16
- 30 months	0	0	0	0	0	0
- 33 months	0	0	0	0	0	0
- 36 months	210.66	4.66	244.09	4.29	347.75	4.98
- 37 months	0.05	0.001	0.31	0.01	0.26	0.00
- 43 months	0	0	0	0	0.61	0.01
- 48 months	1,243.62	27.50	1,580.43	27.79	2,053.01	29.42
- 49 months	0.34	0.01	0.86	0.02	1.35	0.02
- 51 months	0.00	0.00	0.001	0.01	0.05	0.00
- 60 months	2,286.89	50.57	2,770.33	48.72	3,150.21	45.15
- 61 months	1.48	0.03	0.44	0.01	0.56	0.01
- 72 months	736.14	16.28	1,040.35	18.30	1,338.89	19.19
- 73 months	0.07	0.002	0.10	0.01	0.13	0.00
- 96 months	0	0	0	0	0	0.01
-120 months	0.31	0.01	0.33	0.01	0.39	0.01
Total	4,522.66	100.00	5,686.50	100.00	6,977.92	100.00

Remarks: Part of the receivables were pledged against borrowings from financial institutions for value outstanding amounting to Baht 4,248.11 million as at 31 December 2021.

Income Recognition Policy

The company recognizes income from hire purchase contract written from 1 January 2008 on an effective yield basis according to terms of each hire purchase contract. The company shall cease accruing income upon repayment overdue exceeding 4 installments. Other income is recognized on an accrual basis.

Since the year 2020, the group recognizes interest income from hire purchase agreement on an accrual basis throughout the term of the contract, using the effective rate method, with the calculation based on the gross book value of the receivables.

Doubtful Debt Provisioning Policy

During the year 2019, the company provided for doubtful debt at the rate increasing in accordance with the receivable overdue period within the remaining terms of the hire purchase contract. Receivables for sales with right of redemption, and receivables under litigation net off unearned interest income, and collateral value (if any). The latter collateral is valued at approximately 30-80% of the remaining balance outstanding considering in comparison probability of receivable repayment, and proceed from sales of collateral. Furthermore, the company shall consider ability to repay on an individual receivable basis for overdue exceeding 6 installments, receivables under litigation, and receivable for sale with right of redemption with overdue exceeding 1 installment, and receivables under compromised agreement with overdue exceeding 12 installments.

Basis for doubtful debt provisioning for receivables under hire purchase contract, sales with right of redemption receivable, and receivables under litigation at each period as follows:

	Percent
Deducted by	Unearned interest income and value of collateral
	Current receivables upto 1 installment overdue
	1
	Receivables overdue 2 – 3 installments
	2
	Receivables overdue 4 – 6 installments
	20
	Receivables overdue 7 – 12 installments
	50 - 100
	Receivables overdue exceeding 12 installments
	100

Such policy aforementioned for receivables overdue exceeding 3 installments differs from accounting practice regarding doubtful debt provisioning for consumer finance business required by the Securities, and Securities Exchange Commission who jointly established with the Federation of Accounting Profession, doubtful debt provisioning for full amount without deduction of collateral value. The company's provisioning guideline has been based on compilation of statistical actual bad debt occurred over the past 5 years in which the company experienced actual bad debt write-off for hire purchase receivables, sales with right of redemption receivables, and receivables under litigation on average 70-100% of doubtful debts with provisioning per company's accounting policy.

As for receivables under compromised agreement net off unearned interest income without deduction of collateral value, the rate of provisioning has been 100% as collateral has already been foreclosed for receivables under compromised agreement. Collection statistics over the past 5 years indicates actual loss for the company annually accounting for approximately 70-100% of receivables provided for under this policy.

During the year 2020, and 2021 the company has adjusted computation of doubtful debt provisioning to be consistent with the Thai Financial Reporting Standard, TFRS9, and renamed the procedure “expected credit loss” with below proceedings:

The company recognized expected credit loss for hire purchase receivables, and in accordance with general procedure for receivables on loan contract, and sales with right of redemption. The Group considers credit risk changed for receivables in 3 phases:

- Step 1, Receivables without material increase in credit risk (Performing) , the Group recognizes expected credit loss equal to the expected credit loss amount over the next 12 months.
- Step 2, Receivables with material increae in credit risk (Under-performing) , the Group recognizes expected credit loss equal to the expected credit loss amount for the expected life of the receivables
- Step 3, Receivables with impairment in credit (Non-performing), the Group recognizes expected credit loss equal to the expected credit loss amount for the expected life of the receivables, and including receivables with credit impairment as a result of the occurrent of an event or multiple events which affect estimated future cash flow with evidence of credit impairment including overdue payment more than 90 days or indicatioin that debtor is in material financial difficulty, default in contract, legal status, or foreclosure status prior to overdue exceeding 90 days

The company utilizes individual receivable statistics including consideration of loss experiences over the past 5 years, and adjustment with current information observation, and information adjustment consideration for expected future economic environment, and weighted by probability for the variety of scenarios, in computation of the expected credit loss at least annually. The company utilizes most information announced by the Bank of Thailand or public sector authority adjusted by management’s internal view.

Write-off Policy

The company has write-off policy in accordance with basis established by the Revenue Department as per Ministerial Announcement 374, considering receivables with long overdue period which has not been found and concurrently under litigation classified as follows;

- Debt of individual debtor with amount not to exceed Baht 200,000, the company may consider not to proceed with legal action.
- Debt of individual debtor with amount Baht 200,000 – Baht 2,000,000, and legal action has been filed with the court of justice.
- Debt of individual debtor with amount exceeding Baht 2,000,000, with judgement issued by the court of justice.

4.2 Assets (repossessed vehicles) Pending Disposal

Repossessed Vehicles in Comparison with Total Receivables Exhibit

Year	Units of Vehicles Repossessed	Asset Value * (Baht million)	Total Receivables (# of contracts/ vehicles)	Percents
2021	1,459	361.47	22,771	6.57
2020	1,756	428.94	26,664	6.59
2019	1,097	296.82	28,617	3.83
2018	424	112.35	22,870	1.85
2017	227	73.22	14,502	1.57

Remarks: - * Asset value = A/R balance – Unearned interest + Repossession Costs

Detailed Repossessed Assets and Disposal Exhibit

	Year 2019			
	Assets Repossessed and disposed of (No of Vehcles)	Value of Assets (Baht million)	Value of Assets Disposed of (Baht million)	Profit (Loss) from Asset Disposal (Baht million)
- Passenger Vehicle	444	161.46	104.71	(56.75)
- Pickup Truck				
- Motorcycles	637	126.96	78.47	(48.49)
- Van and Others	16	8.40	4.30	(4.10)
Total	1,097	296.82	187.48	(109.34)

Remarks: - * Asset Value = A/R Balance – Unearned Interest + Delay Penalty + Cost of Reposseion

	Year 2020			
	Assets Repossessed and disposed of (No of Vehcles)	Value of Assets (Baht million)	Value of Assets Disposed of (Baht million)	Profit (Loss) from Asset Disposal (Baht million)
- Passenger Vehicle	742	250.30	141	(109.30)
- Pickup Truck				
- Motorcycles	992	168.16	99.98	(68.18)
- Van and Others	22	10.48	4.53	(5.95)
Total	1,756	428.94	245.51	(183.43)

Remarks: - * Asset Value = A/R Balance – Unearned Interest + Delay Penalty + Cost of Reposseion

	Year 2021			
	Assets Reposessed and disposed of (No of Vehcles)	Value of Assets (Baht million)	Value of Assets Disposed of (Baht million)	Profit (Loss) from Asset Disposal (Baht million)
- Passenger Vehicle	710	226.60	125.20	(101.40)
- Pickup Truck				
- Motorcycles	758	116.75	71.79	(44.96)
- Van and Others	27	18.12	6.64	(11.47)
Total	1,495	361.47	203.63	(157.84)

Remarks: - * Asset Value = A/R Balance – Unearned Interest + Delay Penalty + Cost of Reposeion

4.3 Land, Building, and Equipment

Company's assets of land, building, and equipment as at 31 December 2021 consisting of:

Transactions	Ownership Type	Net Book Value (Baht)
1. Land where HO is located, at Soi Rama IX Hospital, Title Deed # 824, land area 55.80 square wah*	Owner	7,324,162.50
2. HO Building at 976/1 Soi Rama IX Hospital, Rimklong Sansaeb Road, Bangkapi Sub-district, Huay Kwang District, Bangkok with an area of 960 square meters *	Owner	2,072,876.78
3. Furniture and Fixture	Owner	2,777,042.39
4. Office Equipment	Owner	2,253,545.02
5. Vehicles	Owner	18,336,565.79
6. Leased Building (Branch)	Lessee	1,360,158.78
	Total	34,124,351.26

Remarks - * Land and building under registered mortgage as security against overdraft, and long-term loan from a commercial bank

- Authority valuation as at 31 December 2021 Baht 9,660,360

Furthermore, the company has entered into the asset lease agreement as follows:

(1) Land lease utilized as parking space for reposessed vehicles with total area of 130 square wah, located at Soi Ramkamhaeng 21, Ramkamhaeng Road, Bangkok, with contract details below:

Agreement date : 27 August 2020

Contract party : Mr. Prapakorn Veerapong (lessor)

: Eastern Commercial Leasing PLC (Lessee)

Relationship between parties : Mr. Prapakorn Veerapong, the Lessor as an individual, and at the same time Mr. Prapakorn Veerapong, the MD, and authorized director who may sign binding Eastern Commercial Leasing PLC, as the Lessee

Contract terms : 2 Years from 1 September 2020 to 31 August 2022

Rental rate : Total rental Baht 1,164,126.24, payable at a monthly rate of Baht 48,505.26

(2) Building space lease within floor 1, used as Choburi Branch Office, located at 728/10 Sukhumvit Road, Bangprasoi Sub-district, Muang District, Choburi Province, with an area of 244.05 square meters with contract details below:

Agreement date : 20 May 2021

Contract parties : Hi-Tech Land Choburi (2002) Co., Ltd. (Lessor)
: Eastern Commercial Leasing PLC (Lessee)

Relationship between parties : Mr. Precha Veerapong, Mr. Prapakorn Veerapong, and Mr. Danucha Veerapong held jointly 37 % and are authorized signers binding the Lessor, and Mr. Precha Veerapong, Mr. Prapakorn Veerapong, and Mr. Danucha Veerapong jointly held 16.56 equity and are authorized signers of the Lessee

Contract terms : 1 Year from 1 June 2021 to 31 May 2022

Rental rate : Monthly rental Baht 42,318.95 from June to August 2021; monthly rental Baht 47,021.05 from September 2021 to May 2022

(3) A 3-floor commercial building lease, and used as Chantaburi Branch office, located at 307 Tachalab Road, Talad Sub-district, Muang District, Chantaburi Province, with contract details below:

Agreement date : 31 August 2020

Contract parties : Miss Pornpan Suksampan (Lessor)
: Eastern Commercial Leasing PLC (Lessee)

Relationship between parties : Contract party is not a related entity

Contract terms : 2 Years from 1 October 2020 to 30 September 2022

Rental rate : Monthly rental of Baht 19,000 commencing on 5th of each month

(4) Commercial building lease to be used as additional office, located at 976/2 Soi Rama IX Hospital, Rimklongsamsen Road, Bangkapi Sub-district, Huay Kwang District, Bangkok, title deed 825, a land area of 54.8 square wah, an 8-floor building with contract details below:

Agreement date : 20 January 2021

Contract parties : Mr. Rachaen Kritsaram (Lessor)
: Eastern Commercial Leasing PLC (Lessee)

Relationship between parties : Contract party is not a related entity

Contract terms : 3 Years from 20 January 2021 to 19 January 2024

Rental rate : Monthly rental Baht 55,000 payable on 25th of each

month commencing on 25 January 2021

- (5) Equipment and asset lease for business engagement within Building 976/2 Soi Rama IX Hospital, Rimklongsamsen Road, Bangkapi Sub-district, Huaykwang District, Bangkok, with contract details below:

Agreement date : 20 January 2021

Contract parties : Miss Orawan Kaewjinda (Lessor)
: Eastern Commercial Leasing PLC (Lessee)

Relationship between parties : Contract party is not a related entity

Contract terms : 3 Years from 20 January 2021 to 19 January 2024

Rental rate : Monthly rental of Baht 75,000, payable withn 25th of
each month, commencing on 25 January 2021

- (6) Parking space lease within building parking, located at 976/2, underground parking area behind building, 976/2 Soi Rama IX Hospital, Rimklongsamsen Road, Bangkapi Sub-district, Huaykwang District, Bangkok, a common area on title deed 802, with parking right assigned by project owner for two vehicle parking with land area of approximately 36 square meters with below contract details:

Agreement date : 20 January 2021

Contract parties : Miss Tanita Kritsaralam (Lessor)
: Eastern Commercial Leasing PLC (Lessee)

Relationship between parties : Contract party is not a related entity

Contract terms : 3 Year from 20 January 2021 to 19 January 2024

Rental rate : Monthly rental Baht 20,000, payable on 25th of each
month commencing from 25 January 2021

- (7) Building lease of a 3-floor commercial building, for the Kanchanapisek branch office, located at 624/4 Kanchanapisek Road, Bangpai Sub-district, Bangkake District, Bangkok, with contract details below:

Agreement date : 10 October 2019

Contract parties : Miss Napapat Suknantasak (Lessor)
: Eastern Commercial Leasing PLC (Lessee)

Relationship between parties : Contract party is not a related entity

Contract terms : 3 Years from 10 October 2019 to 10 October 2022

Rental rate : Monthly rental Baht 43,200, payable 1st of each month
commencing in the month of October 2019

- (8) Land and building lease to be utilized as Pataya branch office, a commercial building located at 131/36 Mue 9, Nongprer Sub-district, and Banglamung District, Choburi Province, with contract details below:

Contract date : 28 October 2020

Contract parties : Mr. Kanok Suksawang (Lessor)
: Eastern Commercial Leasing PLC (Lessee)

Relationship between parties : Contract party is not a related entity.
 Contract terms : 3 years from 1 November 2020 to 31 October 2023
 Rental rate : Year 1, monthly rental Baht 26,300
 Year 2, and Year 3, monthly rental Baht 28,300
 Payable on 5th of each month commencing on
 5th November 2020

(9) Land lease for vehicle repair, located at 32/14 Mue 1 Kanchanapisek Road, Bamgramard Sub-district, Talingchan District, Bangkok 10170: Land space width 9 meters * length 14 meters, divided into lots T16, T17, and T18 with contract details below:

Agreement date : 1 May 2021
 Contract parties : Mr. Tanakom Huntrakul (lessor)
 : Eastern Commercial Leasing PLC (lessee)
 Relationship between parties : contract party is not a related entity
 Contract terms : 2 years from 1 May 2021 – 30 April 2023
 Rental rate : T16: Baht 16,000 per month
 : T17: Baht 16,000 per month
 : T18: Baht 16,000 per month
 : Total rental 48,000 per month with discount of 5%
 Net rental rate Baht 45,600 per month for 2 years

(10) Space lease for AIA branch office, located at floor 12A, room 12A05 Ratchadapisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok, an area of 399.72 square meters with contract details below:

Agreement date : 1 May 2019
 Contract parties : AIA PLC (Lessor)
 : Eastern Commercial Leasing PLC (Lessee)
 Relationship between parties : contract party is not a related entity
 Contract terms : 3 years from 1 May 2019 – 30 April 2022
 Rental rate : Monthly rental of Baht 339,762 payable on the 1st of
 the month commencing from 1 May 2019

(11) Space lease for warehouse building, 1st floor for business engagement, located at 38/3 Soi Navasri 5, Ramkamhaeng 21, Plabpla Sub-district, Wangtonglang District, Bangkok, with floor space of 233 square meters with contract details below:

Agreement date : 26 February 2021
 Contract parties : Mr. Prapakorn Veerapong (Lessor)
 : Eastern Commercial Leasing PLC (Lessee)
 Relationship between parties

	: Mr. Prapakorn Veerapong, the Lessor as an individual and at the same time Mr. Prapakorn Veerapong is the MD and authorized director who may sign binding the company, Eastern Commercial Leasing PLC as Lessee
Contract terms	: 1 Year from 1 March 2021 to 28 February 2022
Rental rate	: Baht 52,631.58 per month payable on 5 th of each month Commencing on 5 March 2021

(12) Space lease on 3rd floor of the building for business engagement, located at 728/10 Sukhumvit Road, Bangprasoi Sub-district, Muang District, Cholburi Province, with an area of 311.75 square meters, and contract details below:

Agreement date	: 28 February 2020
Contract parties	: HiTech Land Cholburi (2002) Co., Ltd. (Lessor) : Eastern Commercial Leasing PLC (Lessee)
Relationship between parties	: Mr. Precha Veerapong, Mr. Prapakorn Veerapong, and Mr. Danucha Veerapong jointly held 37% equity, and are jointly authorized directors of the Lessor; Mr. Prcha Veerapong, Mr. Prapakorn Veerapong, and Mr. Danucha Veerapong held in aggregate 16.56% and jointly authorized directors of the Lessee who may sign binding the company
Contract terms	: 3 Year from 1 March 2020 – 28 February 2023
Rental rate	: Year 1 Baht 47,021.05 per month Year 2 Baht 49,372.10 per month Year 3 Baht 51,840.70 per month

Attachment 5

5. Entity Governance Policy and Business Ethics

Eastern Commercial Leasing PLC recognizes the importance of good corporate governance which means entity structure arrangement, internal entity administration, and good control, creating an efficient operational system for the company, engaging in business with moral value, transparent and verifiable with emphasis on good value add, and fairness to shareholders considering all relevant stakeholders, responsible for society and the environment which are fundamental to a sustainable growth.

To enable the entity achieves a system of good corporate governance, adherence to relevant regulation and the good governance principle of the Securities Exchange of Thailand, and the Securities, and Securities Exchange Commission, The Board of Directors authorizes the preparation of the “Manual for Corporate Governance Policy and Business Ethics” consisting of vision, commitment, and various policies relevant to corporate governance, to communicate and advise to directors, management and employees for acknowledgement, understanding, and recognition of the importance of standard individual conduct in accordance with duties and responsibilities that employees at all level have been assigned with integrity, moral value, and ethics including respect for rules and regulation of the company.

Manual for Corporate Governance and Business Ethics is to be enforced for directors, management, and employees with the word ‘employee’ means permanent, temporary, and special hiring contract employees.

Stakeholders, whom directors, management, and employees are held responsible for, consist of the company, shareholders, employees, customers, trade partners, trade competitors, trade creditors, financial institution creditors, regulatory authorities, the society, community, and the environment.

Corporate Governance Policy and Business Ethics may be referred to at the link <https://www.ecl.co.th/files/ir/1645082097.pdf>

Attachment 6

Audit Committee Report

To the Shareholders of Eastern Commercial Leasing PLC

The Audit Committee of Eastern Commercial Leasing PLC (ECL) consists of 3 independent directors with qualification per standard requirement, with experiences in accounting and finance, statistical economics, and administration namely:

- | | |
|---------------------------|---|
| 1. Mrs. Prapasri Permsub, | the Chairperson of the Audit Committee, |
| 2. Mr. Thailuck Leetavorn | a committee member |
| 3. Mr. Sorapat Suttienkul | a committee member |

The Audit Committee performed its duties independently as assigned by the Board of Directors as indicated in the Audit Committee Charter recognizing the importance for establishing a systematic work structure and processes. The Committee therefore reviews to ensure adherence to good governance principle, having an adequate risk management system, and an efficient and effective system of internal control and internal audit. During the year 2021, there were 4 Audit Committee meetings held, and once in 2022 up to the report date totaling 5 meetings, and also once without management participation with the essence of the meeting summarized below:

1. Review company financial reports to ensure accuracy and adequate

Review interim and fiscal annual financial statements for the year 2021 jointly with the auditor and management of the company by enquiries, listening to explanation, as well as providing advices and/or opinion in various issues related to financial report of the company prior to submission to the Board of Directors for disclosure approval consideration to the Securities Exchange of Thailand, and the Securities Exchange Commission (SEC).

Opinion: The Audit Committee was of the opinion that the financial reports for fiscal year 2021 were true and fair in all material respects in accordance with Generally Accepted Accounting Principles.

2. Review system of internal control and internal audit to ensure an appropriate system including review the independence of internal audit firm, and appointment of the internal auditor

Provide approval for the audit plan, consider audit results and follow-up with management for process improvement action regarding its operations in accordance with issues found by internal auditor.

Provide conclusive opinion on system of internal control of the company for the year 2021 in accordance with the adequacy of system of internal control assessment form provided by the Securities and Exchange Commission in conjunction with the self-assessment process results as performed by the Audit Committee and the Board of Directors in accordance with the good governance principle.

Consider selection of the outsourcing internal audit firm for the year 2022 including the assessment of results of internal audit activities performed by internal auditor during the year 2021.

Opinion: The Audit Committee was of the opinion that system of internal control and internal audit of the company has been sufficient and appropriate considering the company's business engagement, and audit results have been consistent with external auditor's opinion. The Company has engaged in improvement actions as per mutual consent regularly.

As for the approval consideration for internal auditor for the year 2022, the Audit Committee has appointed Mr. Chalot Lokitjariya of the firm - Improvis Co., Ltd. as internal auditor for the year 2022, with audit fee of Baht 500,000, the same as last year. The internal audit firm and the auditor have been independent in its operation and results have been satisfactory during the year 2021.

3. Review to ensure the company has been in compliance with the law related to securities and securities exchange of Thailand, the law related to the company' business including rules, regulations, announcement /order issued by authorities under those laws.

Review performance and supervision of the operations of the company correctly in compliance with system and work rules established including the business engagement of the affiliated entities.

Acknowledge report regarding compliance with the law related to securities and securities exchange, relevant business law, and follow-up on development of such matters

Acknowledge from auditor that no issues or observation needed to be reported to the Audit Committee in accordance with Article 89/25 of the Securities and Securities Exchange Act.

Opinion: The Audit Committee has been of the opinion that the Company has monitored law compliance as appropriate, and acknowledged law compliance report on a quarterly basis. For the year 2021, the Company has prepared and implemented policy and manual regarding personal information protection act consistent with the authority's Personal Data Protection Act BE 2562, to be effective from 1 JUNE 2022 which is a relevant law for the Company's business engagement. The company also undertakes review, improvement, and implementation of the operational manual regarding policy and procedure on prevention and suppression of money laundering, fight against financial support for terrorism and proliferation of weapon of mass destruction, know your client procedure (KYC), verification of customer identification through customer due diligence (CDD) for the year 2021 in compliance with new acts coming into force.

4. Review company' s system of risk management

Review the efficiency and appropriateness of the risk management process as arising from internal and external factors including risk management policies, planning, and risk management guideline affecting company's operations

Review policies and implementation regarding legal risks relevant to operations of the Company.

Review policy and implementation regarding prevention of risk of corruption in which the company was certified as a member of the 'Private Sector Collective Action Coalition against Corruption (CAC)' on 16 October 2015. The Company has received membership extension certification on 18 October 2019 for a 3-year period from the date of certification.

Opinion: The Audit Committee was of the opinion that the company has arranged for the system of risk management comprising strategy risks, operational risks, financial risks, compliance risks, corruption risks, and implementation of measures to close or mitigate risks regularly both short and long terms corresponding with the risk management policies and having managed risks at the acceptable level including reviewing risks in line with current situation regularly. Concerning the Personal Data Protection Act effective from 1 June 2021, the Company is required to prepare additional risk assessment on personal information protection risk which may arise to ensure adequate and efficient system of control including policy and regulations of the Company. Furthermore, the Audit Committee shall monitor and ensure that the company complies with the requirement as a member of the CAC.

5. Consider selection, propose for appointment, and approval of audit fees for the company's external auditor

Considered selection and proposed to the Board for appointment consideration, and approval request at the Annual General Shareholders' Meeting for the year 2021 - Miss Somjintana Polhiranyarat, CPA# 5599 and/or Mr. Viroj Sajathamnukul, CPA Registration # 5128, and/or Mr. Jumpot Prairatanakorn, Registration # 7645, and/or Mr. Nopaluek Pitsanuvong, CPA# 7764 all from DIA International Audit Co., Ltd. as the Company's external auditor for the year 2022, for the 6th consecutive year with recommended audit fees for the year 2022 amounting to Baht 1,855,000 an increase of Baht 75,000 over prior year.

Opinion: The Audit Committee was of the opinion that the proposed audit firm has performed satisfactorily applying auditing standards in accordance with Generally Accepted Auditing Standards, has performed with professionalism to the utmost capabilities, and being independent in its audit works. It is therefore appropriate to submit to the Board of Directors for appointment consideration to be further submitted to the shareholders' meeting.

6. Review related party transactions or transactions which may have conflicting interests to ensure compliance with law related to securities and securities exchange and law related to business the company is engaged in including rules / regulation / announcement / order issued by authorities of those laws.

Review related party transactions and requirement basis established for future related party transactions that they comply with transactions in the normal course of business. Review compliance with practice guidance established by the Board of Directors as pertinent to basis and procedures for reporting vested interests of directors and executives of the company in accordance with announcement by the SEC for listed entities to perform.

Opinion: The Audit Committee was of the opinion that the company has performed in compliance with requirement and relevant laws with proper, complete and sufficient information disclosure.

7. Others

Follow-up on progress in adhering to resolution passed by the Audit Committee

Self-assessment performed by the Audit Committee for the year 2021 to be submitted to the Board of Directors

Reviewed information disclosure to the Securities Exchange of Thailand and the Securities Exchange Commission in the Annual Report 2021 or One Report.

Reported summary performance of the Audit Committee for the year 2021 to the Board of Directors quarterly.

In summary, during the year 2021, the Audit Committee has performed its duties and responsibilities as indicated in the Audit Committee Charter applying its knowledges and competence, with due care and prudence, adequate independence including expressing constructive opinion and advice for the benefits of all stakeholders equally. The Audit Committee was of the opinion that the financial report and information of the company has been accurate and reliable in accordance with generally accepted accounting principles, with good governance practice system, adequate system of internal control for the company's businesses, and system of risk management to manage risk at the level acceptable, adequate disclosure of related party transactions or transactions which may have conflicting interest practices, including compliance completely with law, rules, and regulation relevant to the company's businesses corresponding with good governance principle, complete, sufficient, transparent, and reliable.



Mrs. Prapasri Permsub

The Chairperson of the Audit Committee



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