

A background image showing four hands of different skin tones stacked in a circle, symbolizing unity and teamwork. The hands are wearing white and grey business sleeves.

**WE ARE
ONE**

**ANNUAL
REPORT
2021**

**MICRO LEASING
PUBLIC COMPANY
LIMITED**



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Vision Mission Core Value



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VISION

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

MISSION

To our Customers and Business Partners: Ensure excellent services. Maintain strong relationship and satisfy the needs of our customers and business partners.

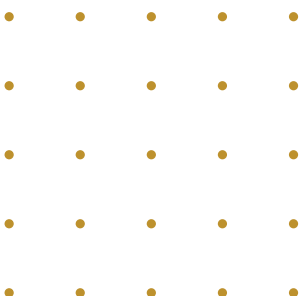
To our Employees: Quality and professional workplace. Openness and honesty. Fair share of benefits to all our employees.

To our Shareholders: Sustainable growth with good corporate governance and transparency to maximize shareholders' value.

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

CORE VALUE

Morality
Candidness
Industriousness
Robustness
Objectivity



Financial Highlight



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Financial Highlight

	Consolidated Financial Statements	Separate Financial Statements		
	2021	2019	2020	2021
Statements of comprehensive income Million Baht				
Interest income from hire purchase	503.9	282.2	355.6	503.9
Fee and service income	119.9	40.6	77.9	119.9
Other income	8.6	6.1	11.0	8.6
Total revenues	632.4	328.9	444.5	632.4
Selling and administrative expenses	186.2	129.4	152.7	186.0
Expected credit loss	112.0	-	26.8	112.0
Bad debts and doubtful accounts and Loss on confiscation assets	-	28.3	-	-
Gain on disposals of assets foreclosed Loss in impairment and Gain /losses from assets foreclosed	43.6	(6.6)	40.9	43.6
Total expenses	341.8	151.1	220.4	341.6
Profit from operating activities	290.6	177.8	224.1	290.8
Profit for the year	187.4	110.8	135.1	187.6
Statement of financial position (Million Baht)				
Total assets	4,034.5	2,118.3	2,755.1	4,034.6
Total liabilities	2,076.1	1,038.6	932.1	2,076.0
Total shareholders' equity	1,958.4	1,079.7	1,823.0	1,958.6
Ratio				
Interest rate received (%)	15.90	15.95	15.53	15.90
Interest rate paid (%)	4.59	5.16	5.29	4.59
Interest Rate Spread (%)	11.31	10.79	10.24	11.31
Net Interest Margin (%)	13.91	13.75	13.44	13.91
Net Profit Margin (%)	29.63	33.55	30.39	29.66
Return on equity (%)	9.92	10.82	9.31	9.92
Return on assets (%)	5.53	6.06	5.54	5.53
Debt to equity ratio (Time)	1.06	0.96	0.51	1.06



Message from the Chairman of the Board of Directors

In year 2021, the prolong impacts from the situation of COVID-19 pandemic which affected the Company's business operation has closely monitored and plan constantly as per the global and domestic economic situation and mitigate the damages, The Company has planned in addition to work from home measures. However, the Company also initiated the Business Continuity Plan (BCP) and Coronavirus Disease 2019 (COVID-19) situation Center to communicate and monitor the spreading situation of COVID-19 toward employees for their information in Health care matters. Besides, we attentively monitor the At-risk employees from COVID-19 infection and support all employees by providing the COVID-19 insurance to them as well.

The Company still realizes the importance of conducting business with transparency, good governance and preparing for the development of the organization both in terms of business strategy, supervision including participation in community, social and environmental development and the continuous improvement of the service standards that are impressive and effective for better by the following:

1. Rated "98 points (4TIA)" based on quality of Annual General Meeting arrangement (AGM Checklist) by Thai Investors Association.
2. Rate "Very Good" based on Corporate Governance Report of Thai Listed Companies, by Thai Institute of Directors (IOD).

Finally, on behalf of the Board of Directors of Micro Leasing Public Company Limited, we would like to thank shareholders, customers, business partners, financial institutions, management team, staffs and stakeholders for the success of the Company. We hope that we will help to drive the company forward with stability and sustainability in the future.



(Assistant Professor Krit Umpote)
Chairman / Independent



Message from the Chairman of the Executive Committee

Due to the COVID-19 successive waves and tighter lockdowns, the 2021 Thailand economic outlook in overall contracted from the same period last year (Year on Year). Although government attempts on remedial measures and economic stimulus measures had been made, both domestic and foreign epidemic situation were still unpredictable. However, it is expected that eventually people and business will be able to adapt to such change and return to near-normalcy.

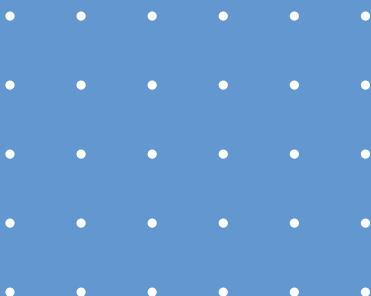
In this regard, “Micro Leasing Public Company Limited” focusing on providing loans for used trucks must adjust our business plan and marketing strategy to be in accordance with the current situation in order to achieve short-term and long-term goals with strict preventive measures. This means putting more effort into minimizing COVID-19 impact and supporting customers’ needs by issuing remedial measures.

In the past year, our company outperformed by opening 3 more branches comparing with the original plan. In consequence of new branch-opening, we will have a total of 19 branches as one of our vital channels covered to serve our customers and partners. Furthermore, we opened a subsidiary “Micro Insurance Broker Company Limited” providing Insurance and Life Insurance services for seamless customer experience.

Finally, on behalf of the Chairman of the Executive Committee, I would like to thank all Shareholders, Customers, Business Partners, Financial Institutions, Directors, Executives, and all Employees who have always trusted and supported Micro Leasing’s business. These core stakeholder’s strong contribution to their duties by adhering to Micro Leasing’s virtues of “Filial Piety, Honesty, Diligence, Patience and, Fair Benefit Sharing” are the key drivers to Micro Leasing’s sustainable growth and success.



(Mr. Wisarn Booranasuntikoon)
Chairman of Executive Committee
/ Managing Director





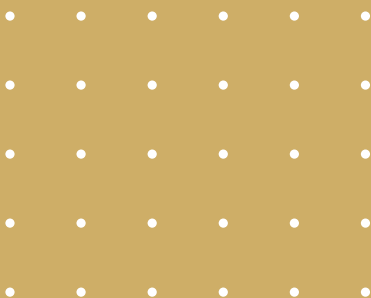
Message from the Founder

In 2021, the COVID-19 pandemic continued to affect our way of living and impact business operations. However, the success of our Company is derived from the visionary strategies of Management executives and all employees who play vital roles in their contribution and determination towards the performance of the Company, as well as being able to adapt to the prevalent demanding situation. Furthermore, the trust and supports from our shareholders, partners, clients, and stakeholders are remarked as essential elements towards the Company's future accomplishment. In the past year, Micro Leasing Public Company Limited has continued to strive to become the nation's leader in used truck finance business in accordance with the Company's vision. We possess extensive experience and expertise in our business, together with the company's management team and professional personnel, who understand used truck credit market and possess expertise in used truck valuation and appraisals. These are important factors that allow us to be competitive with other finance operators. We are fully committed to growing our business by our branch expansion plan to cover all regions of the country. With strength in our human resource development and information technology systems, we are committed to providing our services to customers with prudence and caution, to continue our sustainable growth into the future.

Finally, I would like to thank our shareholders, business partners, customers, financial institutions, relevant government agencies, private agencies, and all our stakeholders who have always supported our company. Also, thanks to the management team and all our employees who together have been very determined, focused and dedicated in their work, thus enabling our company to grow in a stable and sustainable manner.



(Mr. Thammasak Auchyawat)
Founder





1. Assistant Professor Krit Umpote

- Chairman
- Independent Director

2. Mr. Weidt Nuchjalearn

- Vice Chairman
- Independent Director
- Member of Audit Committee
- Chairman of the Risk Management Committee

3. Mr. Thammasak Auchyawat

- Director
- Member of Nomination and Remuneration Committee and Authorized Director

4. Mr. Chalong Luengprasit

- Independent Director
- Chairman of the Audit Committee and Chairman of the Nomination Committee
- Remuneration Committee

5. Dr. Pijak Chantaviroj

- Independent Director
- Member of Audit Committee
- Member of Nomination and Remuneration Committee

6. Mr. Kitsada Auchyawat

- Director
- Authorized Director

7. Mr. Keittipong Toemkunanon

- Director
- Authorized Director



8. Mr. Wisarn Booranasuntikoon

- Director
- Chairman of Executive Committee
- Member of Risk Management Committee
- Managing Director
- Authorized Director

9. Mr. Jedsada Auchyawat

- Director
- Executive Director
- Member of Risk Management Committee
- Deputy Managing Director of Credit Operations
- Authorized Director

10. Mr. Tanyakon Autchayawat

- Director
- Executive Director
- Member of Risk Management Committee
- Assistant Managing Director of Credit Operations
- Authorized Director

11. Mrs. Rotsanan Yingthaweesak

- Director
- Executive Vice President
- Senior Deputy Managing Director
- Authorized Director

12. Mr. Preeda Iramaneerat

- Executive Director
- Member of Risk Management Committee
- Deputy Managing Director of Resources and Investment

13. Mr. Kandanai Chonsuwat

- Executive Director
- Member of Risk Management Committee
- Deputy Managing Director of Accounting and Finance
- Company Secretary

14. Mr. Wisan Wethayanukool

- Executive Director
- Member of Risk Management Committee
- Chief Financial Officer

Micro Leasing Public Company Limited

Board Profile



ASSISTANT PROFESSOR KRIT UMPOTE

Chairman and Independent Director

Educational Qualifications:

- M.S.B.A Indiana University, USA
- Master of Public Administration (M.P.A.) GSPA NIDA
- Bachelor of Accounting Program, Thammasat University
- Bachelor of Commerce Program, Thammasat University

Training Course:

- 2000 - IOD Chartered Director
- 2010 - Advanced Audit Committee Program (AACP) Class 3/2010
- 2000 - Director Certification Program (DCP) Class 0/ 2000
- 1997 - Advanced Management Program, Harvard Business School, USA
- 1995 - Strategic Human Resource Management, Harvard Business School, USA

Experience Position in other listed Company:

- 2020 - Present
Chairman of the Board and Independent Director, Micro Leasing Public Company Limited
- 2015 - August 2021
Chairman of the Corporate Governance Committee / Member of Audit Committee / Independent Director, Thiensurat Public Company Limited
- 2000 - Present
Facilitator in Resident Thai Institute of Directors Association
- 2000 - April 2021
Chairman of the Audit Committee and Independent Director, TBSP Company Public Company Limited

Age: 81 years

Date of appointment director:
17 April 2020

Position in Non-Listed Company:
- None -

Shareholding proportion (30/12/2021):
- None -

Relationship with the Executive:
- None -



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MR. WEIDT NUCHJALEARN

Vice Chairman, Independent Director,
Member of Audit Committee
and Chairman of the Risk Management Committee

Educational Qualifications:

- Master of Commerce and Accounting, Thammasat University
- Bachelor of Science (Agricultural Economics), Kasetsart University

Training Course:

- 2017 - Security Management and Leadership for Executives Program (SML), Class 9/2017, National Defence College
- 2015 - Director Accreditation Program (DAP), Class SEC/2015
- 2014 - Top Executives Program, Class 18/2014, Capital Market Academy
- 2013 - The Role of the Chairman Program (RCP), Class 31/2013

- 2010 - Top Executive Program in Commerce and Trade (TEPCOT), Class 3/2010
- 2006 - Financial Executive Development Program, Class 14/2006, The Thai Institute of Bangkok and Finance Association (FINEX)
- Commercial Credit Skills Assessment, Faculty of Commerce and Accountancy, Chulalongkorn University

Experience Position in other listed Company:

- 2021 - Present
Director, Union Auction Public Company Limited
- 2020 - Present
Vice Chairman / Independent Director / Chairman of the Risk Management Committee and Member of Audit Committee, Micro Leasing Public Company Limited

Age: 68 years

Date of appointment director:
1 November 2020

Position in Non-Listed Company:
- None -

Shareholding proportion (30/12/2021):
- None -

Relationship with the Executive:
- None -



Micro Leasing Public Company Limited

- **2020 - Present**
Executive Director,
Union Auction Public
Company Limited
- **2018 - Present**
Chairman of the Audit
Committee / Chairman of the
Nomination Committee and
Independent Director,
WHA Utilities and Public
Company Limited
- **2017 - Present**
Chairman, Siamrajathanee
Public Company Limited
- **2017 - Present**
Chairman / Chairman of the
Audit Committee and
Independent Director,
Siam Technical Concrete
Public Company Limited
- **2017 - Present**
Consultant, Dhipaya Insurance
Public Company Limited
- **2014 - Present**
Chairman of the Audit
Committee, Thaifood Group
Public Company Limited

- **2018 - 2019**
Director, Srisawad Finance
Public Company Limited
- **2017 - 2019**
Director, Raimon Land Public
Company Limited
- **2015 - 2017**
Director, Dhipaya Insurance
Public Company Limited

Position in Non-Listed Company:

- **2020 - Present**
Expert, Financial Advisory
Center (TCG . F.A. Center)
- **2018 - Present**
Chairman, Hinsitsu (Thailand)
Company Limited
- **2017 - Present**
Chairman, Thaitechnoglass
Group Company Limited
- **2015 - Present**
Expert/Advisor, Small and
Medium Enterprise
Development Bank of
Thailand

- **2015 - 2019**
Director, Srisawad Power
Company Limited
- **2016 - 2018**
Director, Provincial
Waterworks Authority
- **2016 - 2018**
Expert, The Market for
Alternative Investment
- **2015 - 2018**
Director, Zoological Park
Organization of Thailand
- **2015 - 2018**
Director, Forest Industry
Organization
- **2015 - 2017**
Director, Right Liveihood
Foundation



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MR. WISARN BOORNASUNTIKOON

- Director / Chairman of Executive Committee
- Member of Risk Management Committee
- Managing Director and Authorized Director

Educational Qualifications:

- Master of Economics, National Institute of Development Administration
- Master of Business Administration (Financial Management), Chulalongkorn University
- Diploma of Public Administration (Organizational Management), GSPA NIDA
- Bachelor of Engineering (Civil Engineering), Chulalongkorn University
- Bachelor of Laws Bachelor's Degree (Graduate Program), Thammasat University
- Bachelor of Business Administration (General Administration), Ramkhamhaeng University

Training Course:

- 2021 - Director Certification Program (DCP) Class 303/2021
- 2021 - Risk Management Program for Corporate Leaders (RCL) Class 25/2021
- 2021 - Course Successful Formulation & Execution of Strategy (SFE) Class 37/2021
- 2021 - Director Refreshment Training Program

Experience Position in other listed Company:

- 2020 - Present
Director / Chairman of Executive Committee
- Member of Risk Management Committee
- Managing Director and Authorized Director, Micro Leasing Public Company Limited
- 2012 - 2013
Executive Vice President, CIMB Thai Bank Public Company Limited

Position in Non-Listed Company:

- 2019 - 2021
Advisor of Aseptic Pak (Thailand) Company Limited
- 2013 - 2019
Deputy Managing Director, Krungthai Leasing Company Limited
- 2005 - 2012
Managing Director, Center Auto Lease Company Limited (Companies in the financial business group CIMB Thai Bank Public Company Limited)

Age: 62 years

Date of appointment director:
24 December 2020

Shareholding proportion
(30/12/2021):
0.01 %

Relationship with the
Executive:
- None -



Micro Leasing Public Company Limited



MR. THAMMASAK AUCHYAWAT

Director / Member of Nomination and Remuneration Committee and Authorized Director

Educational Qualifications :

- Vocational Certificate (Voc. Cert.), Siam Technological College

Training Course:

- 2018
Director Certification Program (DCP), Class 254/2018
- 2018
Role of the Chairman Program (RCP), Class 42/2018
- Training Business Administration (Micro MBA), NIDA

Experience Position in other listed Company:

- 1994-Present
Director / Member of Nomination and Remuneration Committee and Authorized Director, Micro Leasing Public Company Limited

Position in Non-Listed Company:

- None -

Age: 67 years

Date of appointment director:
2 August 2019

Position in Non-Listed Company:
- None -

Shareholding proportion (30/12/2021):
23.35 %

Relationship with the Executive:
Father of
Mr. Tanyakon Autchayawat
Mr. Jedsada Auchyawat
Mr. Kitsada Auchyawat



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MR. CHALONG LUENGPRASIT

Independent Director / Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee

Educational Qualifications :

- Master of Accounting, Chulalongkorn University
- Bachelor of Accounting, Siam University

Training Course:

- 2019 - Director Certification Program (DCP), Class 269/2019
- 2009 - Director Accreditation Program (DAP), Class 78/2009

Experience Position in other listed Company:

- 2018 - Present : Independent Director / Chairman of Audit Committee and Chairman of Nomination and Remuneration, Micro Leasing Public Company Limited

Position in Non-Listed Company:

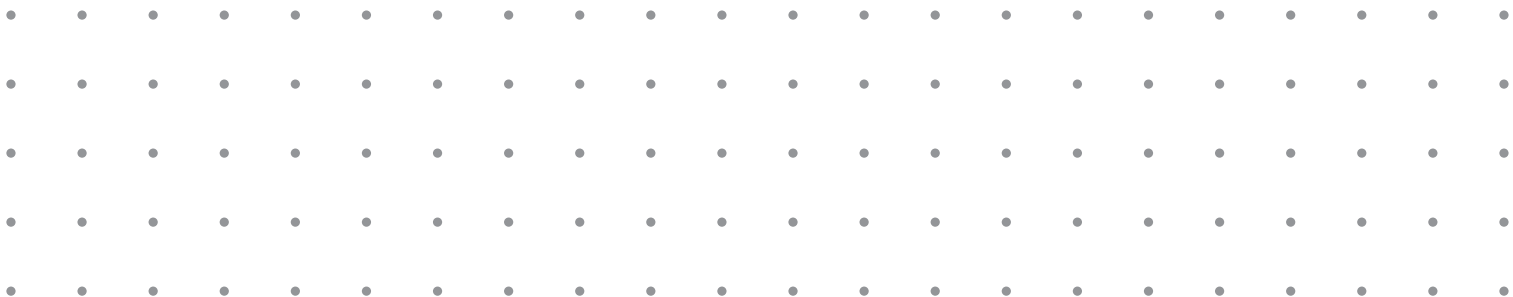
- 2013 - Present Managing Director, Baan Jarungklin Company Limited

Age: 58 years

Date of appointment director:
21 September 2018

Shareholding proportion
(30/12/2021):
0.01 %

Relationship with the Executive:
- None -



Micro Leasing Public Company Limited



DR. PIJAK CHANTAVIROJ

Independent Director / Member of Audit Committee and Member of Nomination and Remuneration Committee

Educational Qualifications:

- Doctor of Philosophy Administration, Rangsit University
- Master of Business Administration, Accounting, Siam University
- Bachelor of Accounting, Siam University

Training Course:

- 2019 - Director Certification Program (DCP), Class 270/2019
- 2009 - Director Accreditation Program (DAP), Class 78/2019

Experience Position in other listed Company:

- 2018 - Present
Independent Director / Member of Audit Committee and Member of Nomination and Remuneration Committee, Micro Leasing Public Company Limited

Position in Non-Listed Company:

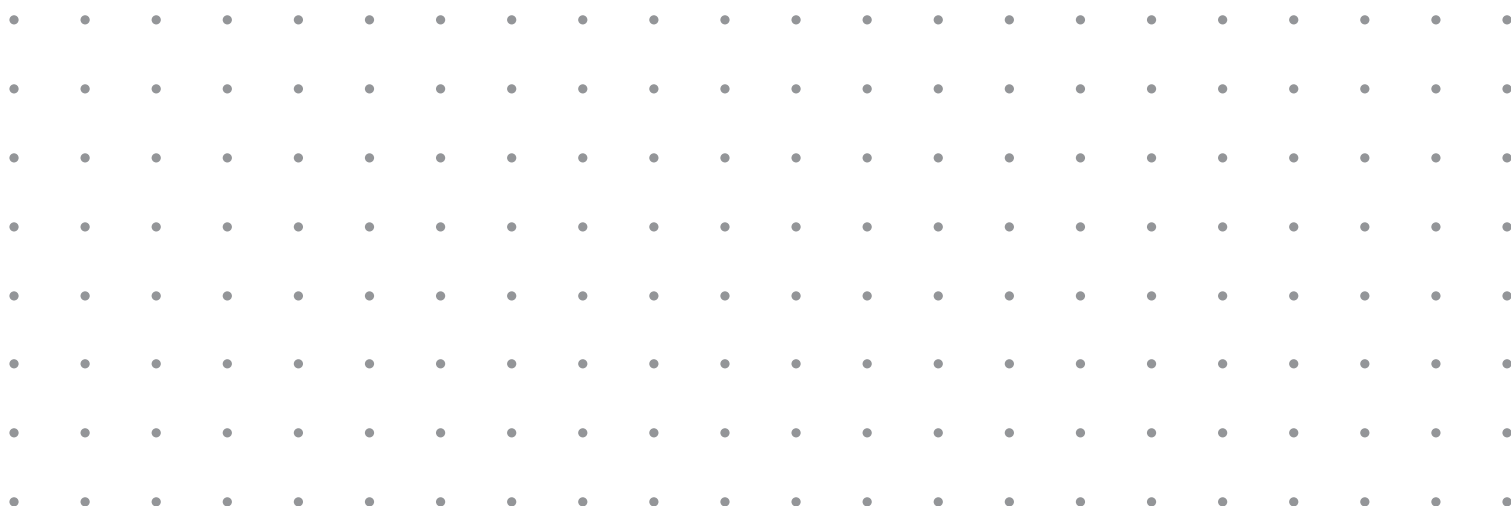
- 2011 - Present
Managing Director, K.P.J. Accounting Company Limited
- 1991 - Present
Lecturer, Department of Accounting Faculty of Business Administration Siam University

Age: 52 years

Date of appointment director:
21 September 2018

Shareholding proportion
(30/12/2021):
0.05 %

Relationship with the
Executive:
- None -



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MRS. ROTSANAN YINGTHAWEEESAK

Director / Executive Vice President / Senior Deputy Managing Director and Authorized Director

Educational Qualifications:

- Bachelor of Business Administration (Finance), Bangkok University

Training Course:

- 2018 - Director Certification Program (DCP), Class 262/2018

Experience Position in other listed Company:

- 2004 - Present Director / Executive Vice President / Senior Deputy Managing Director and Authorized Director, Micro Leasing Public Company Limited

Position in Non-Listed Company:

- None -

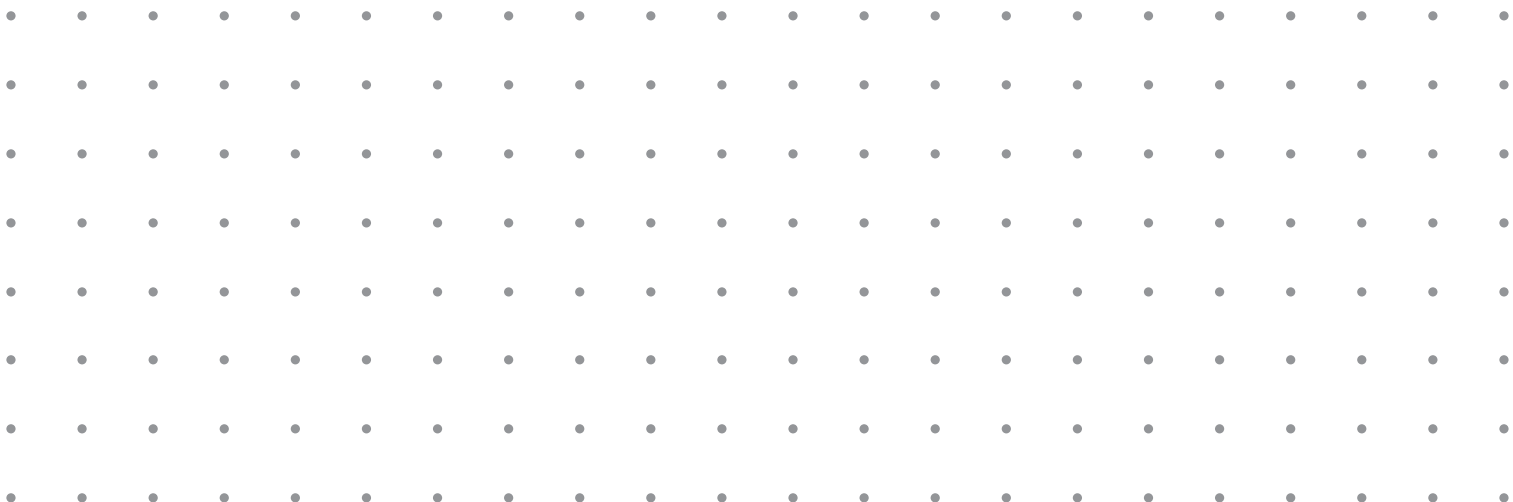
Age: 63 years

Date of appointment director:
21 September 2018

Position in Non-Listed Company:
- None -

Shareholding proportion (30/12/2021):
1.56 %

Relationship with the Executive:
Wife of
Mr. Thammasak Auchyawat



Micro Leasing Public Company Limited



MR. KEITTIPONG TOEMKUNANON

Director and Authorized Director

Educational Qualifications:

- Bachelor of Business Administration, Nakhon Pathom Rajabhat University

Training Course:

- 2018 - Director Certification Program (DCP), Class 259/2018
- 2018 - Director Accreditation Program (DAP), Class 144/2018

Experience Position in other listed Company:

- 2018 - Present
Director and Authorized Director, Micro Leasing Public Company Limited

Position in Non-Listed Company:

- 2004 - Present
Field Manager, L.C. Transport and Commerce Company Limited
- 1997 - Present
Founder, Bo Din Lapchawa Company Limited

Age: 44 years

Date of appointment director:
21 September 2018

Shareholding proportion
(30/12/2021):
3.21 %

Relationship with the
Executive:
- None -



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MR.TANYAKON AUTCHAYAWAT

Director / Executive Director / Member of Risk Management Committee / Assistant Managing Director of Credit Operations and Authorized Director

Educational Qualifications:

- Bachelor of Business Administration (Marketing), Siam University

Training Course:

- 2018 - Director Certification Program (DCP), Class 254/2018

Experience Position in other listed Company:

- 2000 - Present
Director / Executive Director / Member of Risk Management Committee / Assistant Managing Director of Credit Operations and Authorized Director, Micro Leasing Public Company Limited

Position in Non-Listed Company:

- None-

Age: 43 years

Date of appointment director:
21 September 2018

Position in Non-Listed Company:
- None -

Shareholding proportion (30/12/2021):
5.57 %

Relationship with the Executive:
Son of
Mr. Thammasak Auchyawat
He is the older brother of
Mr. Jedsada Auchyawat
He is the older brother of
Mr. Kitsada Auchyawat



Micro Leasing Public Company Limited



MR.JEDSADA AUCHYAWAT

Director / Executive Director / Member of Risk Management Committee / Deputy Managing Director of Credit Operations and Authorized Director

Educational Qualifications:

- Bachelor of Business Administration (Finance), Siam University

Training Course:

- 2018 - Director Certification Program (DCP), Class 259/2018
- 2018 - Director Accreditation Program (DAP), Class 144/2018

Experience Position in other listed Company:

- 2007 - Present
Director / Executive Director / Member of Risk Management Committee / Deputy Managing Director of Credit Operations and Authorized Director, Micro Leasing Public Company Limited

Age: 41 years

Date of appointment director:
21 September 2018

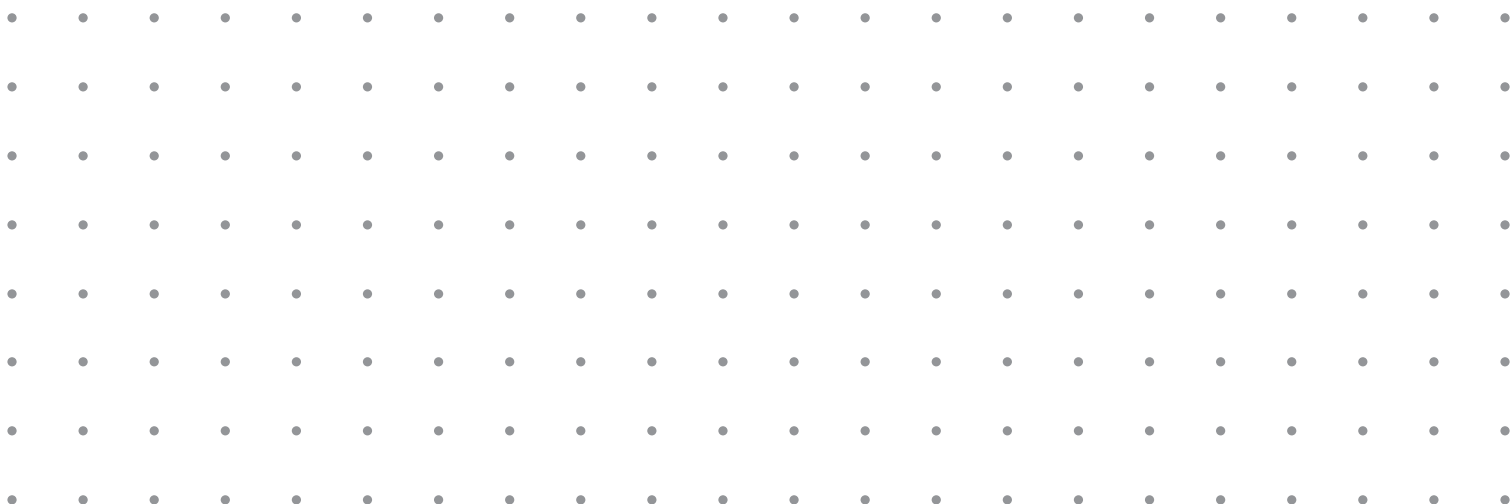
Shareholding proportion
(30/12/2021):
13.17 %

Relationship with the Executive:

Son of
Mr. Thammasak Auchyawat
He is the elder brother of
Mr. Tanyakon Autchayawat
He is the younger brother of
Mr. Kitsada Auchyawat

Position in Non-Listed Company:

- 2021 - Present
Director and Authorized Director, Micro Insure Broker Company Limited



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MR. KITSADA AUCHYAWAT

Director and Authorized Director

Educational Qualifications:

- Bachelor of Business Administration (General Management), Nakhon Pathom Rajabhat University

Training Course:

- 2018 - Director Certification Program (DCP), Class 262/2018
- 2018 - Director Accreditation Program (DAP), Class 144/2018

Experience Position in other listed Company:

- 2007 - Present
Director and Authorized Directors, Micro Leasing Public Company Limited

Position in Non-Listed Company:

- None -

Age: 36 years

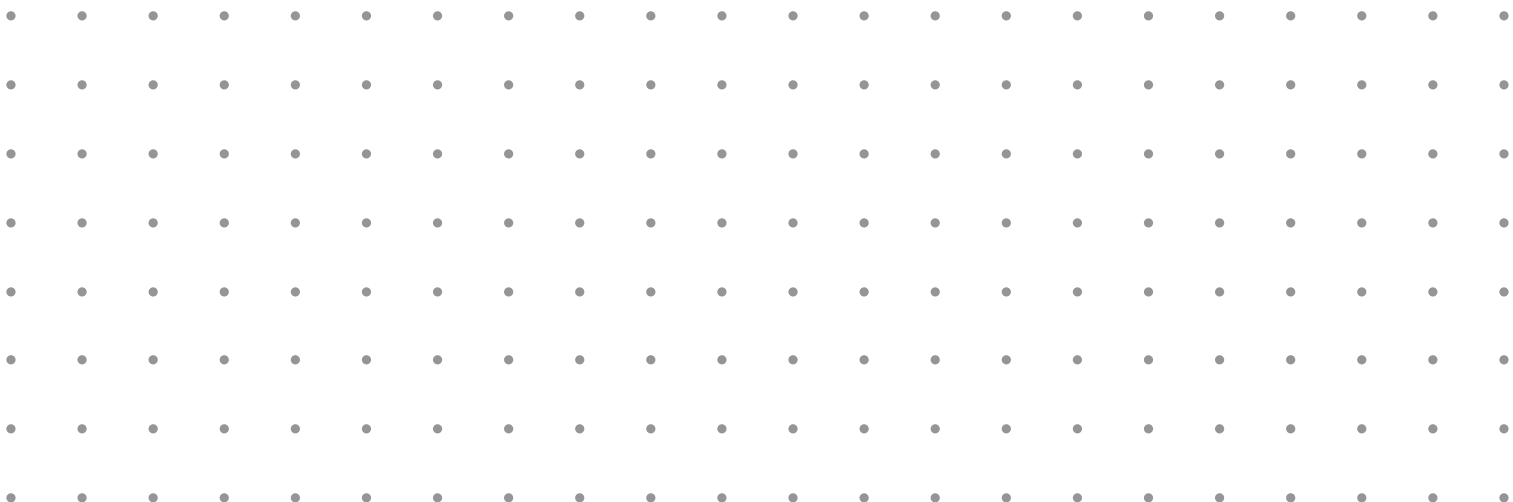
Date of appointment director:
2 August 2019

Position in Non-Listed Company:
- None -

Shareholding proportion (30/12/2021):
13.77 %

Relationship with the Executive:

Son of
Mr. Thammasak Auchyawat
He is the younger brother of
Mr. Tanyakon Autchayawat
He is the younger brother of
Mr. Jedsada Auchyawat



Micro Leasing Public Company Limited



MR. PREEDA IRAMANEERAT

Executive Director / Member of Risk Management Committee / Deputy Managing Director of Resources and Investment

Educational Qualifications:

- Bachelor of Engineering, Chulalongkorn University

Training Course:

- 2003 - Mini MBA Project, Kasetsart University
- 2019 - Director Certification Program (DCP), Class 270/2019

Experience Position in other listed Company:

- 2018 - Present
Executive Director / Member of Risk Management Committee / Deputy Managing Director of Resources and Investment, Micro Leasing Public Company Limited

Position in Non-Listed Company:

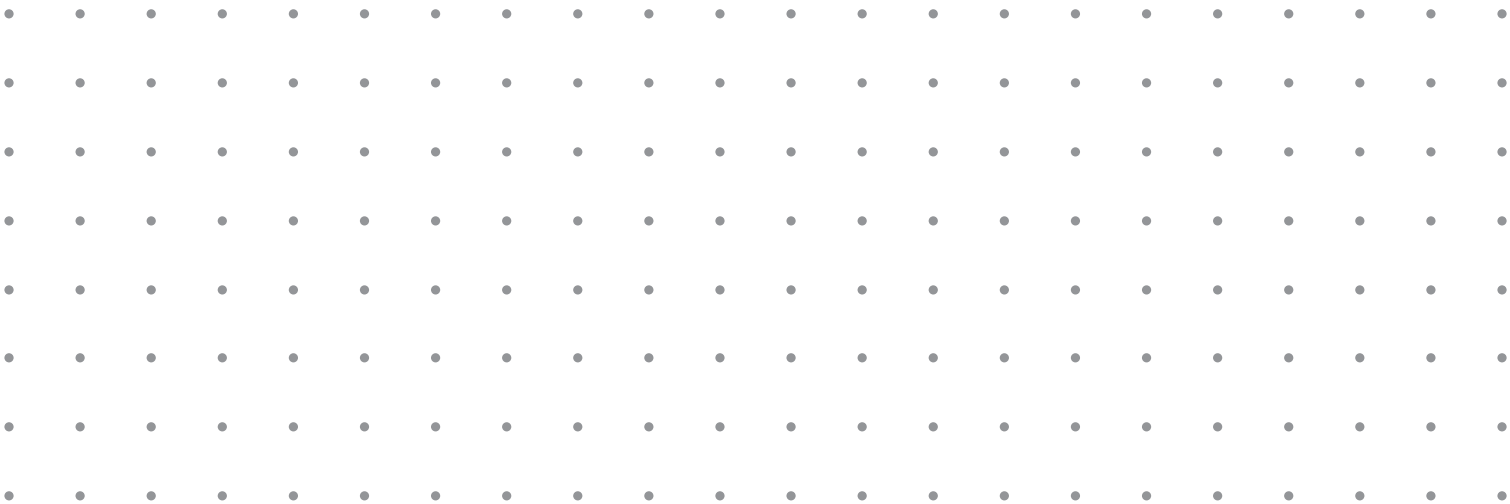
- 2021 - Present
Director and Authorized Director, Micro Insure Broker Company Limited
- 2015 - 2019
Technical Consultant, Duco Technology (Hong Kong) Company Limited

Age: 48 years

Date of appointment director:
1 November 2018

Shareholding proportion (30/12/2021):
0.18 %

Relationship with the Executive:
Son-in-Law of
Mrs. Rotsanan Yingthaweesak



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MR. KANDANAI CHONSUWAT

Executive Director / Member of Risk Management Committee / Deputy Managing Director of Accounting and Finance and Company Secretary

Educational Qualifications:

- Master of Business Administration, Silpakorn University
- Bachelor of Arts, Silpakorn University

Training Course:

- 2021 Company Secretary Program (CSP), Class 117/2021
- 2021 Anti-Corruption: The Practical Guide (ACPG), Class 56/2021
- 2020 Director Accreditation Program (DAP), Class 168/2020
- 2019 Chief Financial Officer Certification Program (CFO), Class 22/2019
- 2018 Orientation Course - CFO Focus on Financial Reporting, Class 5/2018

Experience Position in other listed Company:

- 2008 - Present Executive Director / Member of Risk Management Committee / Deputy Managing Director of Accounting and Finance and Company Secretary, Micro Leasing Public Company Limited

Position in Non-Listed Company:

- None -

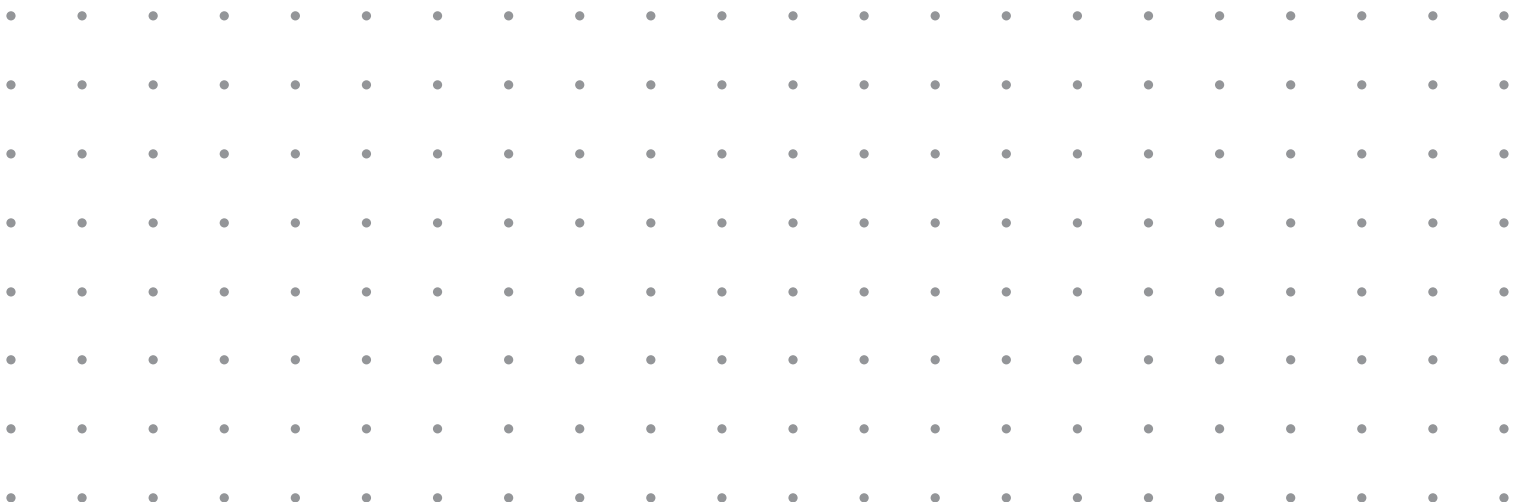
Age: 35 years

Date of appointment director:
21 September 2018

Position in Non-Listed Company:
- None -

Shareholding proportion (30/12/2021):
0.32 %

Relationship with the Executive:
Grandchildren of Mr. Thammasak Auchyawat



Micro Leasing Public Company Limited



MR. WISAN WETHAYANUKOOL

Executive Director / Member of Risk Management Committee and Chief Financial Officer

Educational Qualifications:

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Accounting, Udon Thani Rajabhat University

Training Course:

- 2020 Director Accreditation Program (DAP), Class 169/2020
- 2019 Company Secretary Program (CSP), Class 99/2019
- 2019 Chief Financial Officer Certification Program (CFO), Class 22/2019
- Orientation Program (CFO), Class 8

Experience Position in other listed Company:

- 2018 - Present Executive Director / Member of Risk Management Committee and Chief Financial Officer, Micro Leasing Public Company Limited

Position in Non-Listed Company:

- 2017 - 2018 Chief Financial Officer, My Simple Light Company Limited
- 2017 - 2017 Account Manager, VS Chem 1970 Company Limited
- 2015 - 2017 General Manager, Udon Friend Development Company Limited

Age: 37 years

Date of appointment director:
25 February 2021

Shareholding proportion
(30/12/2021):
0.04 %

Relationship with the Executive:
- None -



Internal Audit and Compliance



List of Profile Internal Audit and Head of Compliance

Internal Audit Supervisor	<ul style="list-style-type: none"> • Mr. Thanat Phonwatana • Age: 42 • Internal Audit Manager
Education	<ul style="list-style-type: none"> • Master of Business Administration (Finance and Banking) • Bachelor of Business Administration (Accounting)
Experience	<ul style="list-style-type: none"> • ADVANCE FINANCE PUBLIC COMPANY LIMITED. • CHAROEN AXSORN HOLDING GROUP CO., LTD. • PTG ENERGY PUBLIC COMPANY LIMITED. • T.C. UNION AGROTECH CO., LTD. • PRASIT PATANA PUBLIC COMPANY LIMITED. (PHYA THAI HOSPITAL) • O C C PUBLIC COMPANY LIMITED.
Qualifications	<ul style="list-style-type: none"> • Working Paper Advance • Audit Program Development • Fraud Audit • Leadership Skills for Auditor • Risk Management Control • COSO Based Approach • Control Self Assessment • Internal Audit Management • Review of the internal control system using the international framework • Continuous Auditing • Information System Auditing • IT Audit for Non IT Auditor • Analytical Thinking in the Internal Audit Process • Corporate Governance (CG) • Risk Management COSO ERM 2017 • Agile Internal Audit

Micro Leasing Public Company Limited

HEAD OF COMPLIANCE

Ms. Pimonyupa Suvarnajata has been assigned as Head of Compliance, Micro Leasing PLC. Her responsibility is Head of Human Resource Management Department and acting as Head of Risk Management & Compliance Department.

Education

- MA: Business Economics
Thammasat University
- BA: Economics
(English Program)
Thammasat University
- Financial Advisor License,
Association of Thai Securities
Companies
- Certificate of ASCO
Compliance Training Program,
Association of Thai Securities
Companies
- Certificate of Personal
Data Protection Law for
Practitioners,
Chulalongkorn University
- Certificate of Enterprise
Risk Management,
Chulalongkorn University
- Certificate of Company
Secretary Program,
Thai Institute of Directors
- Certificate of Corporate
Governance for Capital
Markets Intermediaries,
Thai Institute of Directors

Working Experiences

May 2021 - present

Head of Human Resource Management Department and acting as Head of Risk Management & Compliance Department, Micro Leasing PLC.

May 2019 – Apr 2021

First Vice President,
Finance Strategy Team
Finance Management Group,
Krung Thai Bank PLC

Jan 2018 – Apr 2019

First Vice President,
Strategy & Data Team
Global Transaction Banking
Group, Krung Thai Bank PLC

Apr 2016 – Dec 2017

Senior Vice President
& Head of Compliance
Compliance Department,
RHB Securities (Thailand) PCL

2010 – Mar 2016

Vice President, Investment
Banking Department
KTB Advisory Company Limited

2005 – 2009

Vice President & Manager,
Equity Investment Department
Krung Thai Bank PLC

1999 – 2004

Assistant Vice President,
Capital Markets Department
Krung Thai Bank PLC

1995 – 1998

Dealer, International Banking
Facility Department
Krung Thai Bank PLC

Responsibilities

Head of Compliance for Micro Leasing PLC has an important role for overseeing compliance within an organization, and ensuring compliance with laws, regulatory requirements, policies, and procedures together with compliance risk management. Head of Compliance is also responsible for establishing standards and implementing procedures to ensure that the compliance programs throughout the organization are effective and efficient in identifying, preventing, detecting, and correcting noncompliance with applicable laws and regulations. Head of Compliance has to provide regular reasonable assurance report to Risk Management Committee and the Board that there are effective and efficient methodology



Details of directors and executives in related companies

Name	Micro Leasing Public Company Limited
1. Asst.Prof. Krit Umpote	X, ID
2. Mr.Weidt Nuchjalearn	XS, ID, AC, RM
3. Mr. Thammasak Auchyawat	D, S, NR
4. Mr. Chalong Luengprasit	ID, AC, NR
5. Dr. Pijak Chantaviroj	ID, AC, NR
6. Mr. Wisarn Boornasuntikoon	D,S,RM,ED,MD
7. Mrs. Rotsanan Yingthaweesak	D, S, ED
8. Mr. Keittipong Toemkunanon	D, S
9. Mr. Tanyakon Autchayawat	D, S, RM, ED
10. Mr. Jedsada Auchyawat	D, S, RM, ED
11. Mr. Kitsada Auchyawat	D, S
12. Mr. Kandanai Chonsuwat	RM, ED
13. Mr. Preeda Iramaneerat	RM, ED
14. Mr. Wisan Wethayanukool	RM, ED

Note	X = Chairman	XS = Vice Chairman
	ID = Independent Director	D = Director
	S = Authorized Director	MD = Managing Director
	ED = Executive Director	AC = Audit Committee
	NR = Nomination and Remuneration Committee	RM = Risk Management Committee

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Corporate Group Structure and Business Operation



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BUSINESS OVERVIEW AND POLICY

Micro Leasing Public Company Limited ("Company") operates business in providing hire purchase loans for used trucks to individuals and corporations who want to purchase used trucks for commercial purpose, such as used 6-wheel trucks, 10-wheel trucks and trailers. Moreover, the Company provides loans for other large commercial vehicles, such as tractors and various special trucks to larger customer groups. The Company focuses on providing hire purchase loans for used trucks of which models and brands are well accepted in the trading market, such as ISUZU, HINO and FUSO, etc. The period of hire purchase agreement lasts 12 – 60 months. In addition, the Company provides other financial services or other forms of loans to meet customer's financial demand, such as liquidity enhancing loan which holds truck registration transfer book as collateral to add on the hire purchase loans and refinancing loans services for current customers who have good installment payment records and prefer further financial liquidity.

Company credit service overview

The Company also provides other services related to hire purchase business which is the Company's main business, such as insurance coordination services, credit limit protection insurance and car insurance and compulsory car insurance renewal service, etc.

The hire purchase loan for used trucks business is the Company's main business, accounted for 95% of total credit amount each year. The Company focuses on the low-end customer group who has limited access to financial resources of large financial institutions but wants to purchase used trucks to do business, such as hired goods transportation or goods transportation within business. As the hire purchase loan provider, the Company is



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

Providing hire purchase loan services, the Company receives the interest income and fees as the return on credit providing. The interest rate stated in the hire purchase agreement is the flat rate of 8-15% per year. The interest shall be calculated from the full amount of principle throughout the agreement period or equivalent to the effective interest rate or EIR of 15-25% per year. The current hire purchase loan portfolio of the Company (as of 31 December 2021) has the average EIR of 18% per year. The Company's hire purchase loans of used trucks mostly have the 4-5 year of agreement period and have credit amount of 70-85% of estimated prices of hire purchase trucks. The Company has the policy that controls the credit limit at the maximum of (including the insurance premiums and credit limit protection insurance) not higher than 90% of truck selling price or

Hire purchase loan
for used truck

Liquidity
enhancement loan

Refinancing loan

not higher than 120% of collateral appraisal price (whatever price is lower) (please see further information in section 2.2.2 Nature of Business Operation, 2.2.3 Process of collateral valuation and credit limit setting.) Thus, the purchase hirer must make the down payment for at least 10% of the truck selling price to the operators of used truck tents or the previous truck owners in order to take the cars for further usage.

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

Micro Leasing Public Company Limited

considered and approved on their history, qualification and creditability according to the Company's policy.

As of 31 December 2021, the Company had 229 professional staff, consisting of 108 persons at branches, 121 Persons head Office, 9 credit analysts and specialists in inspecting and assessing the condition of collateral trucks, 21 persons of debt collection, and 91 persons of other supporting functions, including Marketing and Information Technology , other department. The full team function was the key factor that enabled the Company to consider and approve credits within short

period and to provide services to meet customer satisfaction. At present, the Company's headquarter was located in Nakornpathom. Its 19 branches were located in the regions all over the country, i.e. Nakornpathom, Ratchburi, Suphanburi, Nakornratchasima, Chonburi, Khonkaen, Phitsanulok, Saraburi, Ubonratchathani, Nakornsawan, Suratthani, Samutprakan, Pathumthani, Phrae, Prachinburi, Udonthani, Chiangmai, Roi-Et. As of 31 December 2021, the Company had total of 6,080 receivable accounts and the outstanding hire purchase receivables number was 3,795.80 million Baht.

List of Company Branches as of December 31,2021

1. Headquarter/ Nakorn Pathom
2. Ratchburi branch
3. Kanchanaburi branch
4. Supanburi branch
5. Nakorn Ratchasima branch
6. Chonburi branch
7. Khon Kaen branch
8. Phitsanulok Branch
9. Saraburi Branch
10. Ubon Ratchathani Branch
11. Nakorn Sawan branch
12. Surat Thani branch
13. Samut Prakan branch
14. Pathum Thani branch
15. Phrae branch
16. Prachin Buri branch
17. Udon Thani branch
18. Chiang Mai branch
19. Roi Et branch



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History

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

Mr. Thammasak Auchyawat and family, the key men in the Company establishment, had knowledge and experience in car and truck spare part trading for over 20 years before entering the hire purchase loan business. Moreover, other shareholders also had knowledge and experience in cars, trucks, car spare parts and truck spare parts businesses and also were brand name car

dealers. Thus, the Company had the credible team of knowledgeable and specialized personnel to well ensure the hire purchase loan services.

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

The Company focused on hire purchase loans for used truck segment where there were few players and low competitive. Although the used truck hire purchase loan business had higher risk than new truck hire purchase loan and such risk got higher with the longer service period of collaterals, the Company ensured the appropriate risk compensation with the higher interest rate of hire purchase

loans. Most hire purchase trucks were used in the transportation service sector where the assets were used to generate incomes which continuously returned cash flow to pay for interests and principles of the Company.

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

Significant Changes and Development

1994 Micro Leasing Company Limited was established on 7 November 1994 by Auchyawat family and 30 other shareholders with the initial registered capital of 1 million Baht. The Company started with hire purchase business for used 6-wheel trucks and 10-wheel trucks as main products, servicing to customers in Nakorn Pathom and nearby provinces. The first headquarter was the 1 commercial building located on Songpol road, Muang district, Nakorn Pathom.

2000 The Company expanded its customer base to other provinces in the Central region with the new branches in Ratchaburi (2000), Kanchanaburi



Micro Leasing Public Company Limited

	(2002), and Supanburi (2008) respectively.		had the loan net of over 1,000 million Baht.		to customers and to reduce the risk of employee corruption.
2002	The 3-storey office building was established on the 1 rai land on Petchkasem road, Muang district, Nakorn Pathom as the Company's new headquarter.	2017	The credit service was expanded to the South region with the new branch in Surat Thani.		• Developing and improving the information technology system and increasing the number of employees to support business growth.
		2018	The capital was increased for 200 million Baht for business expansion by issuing 2,000,000 new ordinary shares at the par value of 100 Baht per share offered to existing shareholders according to the shareholding proportion. As a result, the Company had the increase in paid-up capital from 500 million Baht to 700 million Baht, consisting of 7,000,000 ordinary shares at the par value of 100 Baht per share.	2019	Transforming the status of the Company from company limited to public company limited and changing the name from Micro Leasing Company Limited to "Micro Leasing (Public) Company Limited" and changing the par value of share from 100 Baht/share to 1 Baht/share.
2009	The credit service was expanded to the North-Eastern region with the new branch in Nakorn Ratchasima.				
2014	The credit service was expanded to the Eastern region with the new branch in Chonburi.				
2015	The paid-up capital was increased to 500 million Baht by issuing and offering the new ordinary shares to existing shareholders according to the shareholding proportion. The increased paid-up capital was used in credit business expansion. The new branches were opened in various regions continuously to provide convenience to customers in many provinces. Four new branches were opened in Khon Kaen, Pitsanulok, Saraburi, and Ubonratchathani, as the contact point for customers in Central and North-Eastern regions.		Moreover, the Company had significant changes as follows:		Increasing the registered capital from 700 million Baht to 935 million Baht to support the issuance and offering of the new 235 million ordinary shares at the par value of 1 Baht/share for general public allocation.
			• Applying for the membership of National Credit Bureau or "NCB" to access to customer credit information for consideration on credit approval in order to minimize the number of customers who had high risks in paying back to the Company.		In addition, the Company had following significant changes:
			• Beginning to use Bill Payment system and Barcode scanning to receive installment payment, instead of cash, from customers at branches to provide convenience		• Being a member of Thai Hire-Purchase Association (THPA) to receive information and movement in the hire purchase industry to support the Company's business conduct.
2016	One new branch was opened in Nakorn Sawan to meet customer demand in increasing hire purchase. As of the end of 2016, the Company				• Adding the installment payment channel with Counter Service as an



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option for customer convenience.

- Developing the information technology system to enable customers to contact the Company via the Company's website where customers can find the preliminary important information of the loan application, such as fees and service charges in loan application, and other public relation information of the Company.

2020 In the process of system development to use Mobile Application for credit services to help employees in collecting data integrity and improving credit analysis accuracy, expected to be complete and effective by the first year of 2021 onward.

Micro Leasing (Public) Company Limited was registered in the Stock Exchange of Thailand on 1 October 2020 as the first day.

2021 • The company has expanded its services to 7 branches in various regions, namely Samutprakan, Pathumthani, Phrae, Prachinburi, Udonthani, Chiangmai and Roi-Et.

- In April, the Company was MICRO Company Rating BB+ "Stable".

- In April, the issuance and offering the debentures in the amount not exceeding 2,000 million baht.

- In May, Issuance the Name-Registered Non-Subordinated Unsecured and 2 years with debenture holders' representative divided into 500,000 units. Face value per Unit 1,000 Baht, total issue amount 500,000,000 Baht, rate 5.55%, pay interest every 3 months, name that "Debentures of Micro Leasing Public Company Limited No.1/2021 due B.E. 2023.

- In July, Rated "98 points (4TIA)" based on Quality of Annual General Meeting arrangement (AGM Checklist) by Thai Investors Association.

- In October, Issuance the Name-Registered Non-Subordinated Unsecured and 2 years with debenture holders' representative divided into 500,000 units. Face value per Unit 1,000 Baht, total issue amount 500,000,000 Baht, rate 5.25%, pay interest every 3 months and green shoe offer in the amount of not more than 350,000 units, total issue amount 350,000,000 Baht due B.E. 2023, name that "Debentures of

Micro Leasing Public Company Limited No.2/2021 due B.E. 2023. ("Debentures series.1")

- In October, Issuance the Name-Registered Non-Subordinated Unsecured and 3 years with debenture holders' representative divided into 500,000 units. Face value per Unit 1,000 Baht, total issue amount 500,000,000 Baht, rate 5.50%, pay interest every 3 months and green shoe offer in the amount of not more than 350,000 units, total issue amount 350,000,000 Baht due B.E. 2024, name that "Debentures of Micro Leasing Public Company Limited No.2/2021 due B.E. 2024. ("Debentures series.2")

- In October, has established a subsidiary under the company name

- "Micro Insure Broker Company"

- In November, Rate "Very Good" or 4 Star based on Corporate Governance

- Report of Thai Listed Companies by Thai Institute of Directors (IOD)



Micro Leasing Public Company Limited

Vision, Mission and Corporate Value

Vision

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

Mission

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

Corporate Value

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

Business Goal and Business Practices

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

As for the short term business plan in the next 3-5 years, the Company will maintain its focus on the hire purchase for used trucks services to support the demand of operators who want to buy used trucks for business operations. This segment is expected to continue growing and the market competitiveness is still low. Moreover, the used truck hire purchase business gives higher return on interest income and profit margin than new truck hire purchase and has lower risk than individual hire purchase. Normally, the Company can sell trucks at auction at the

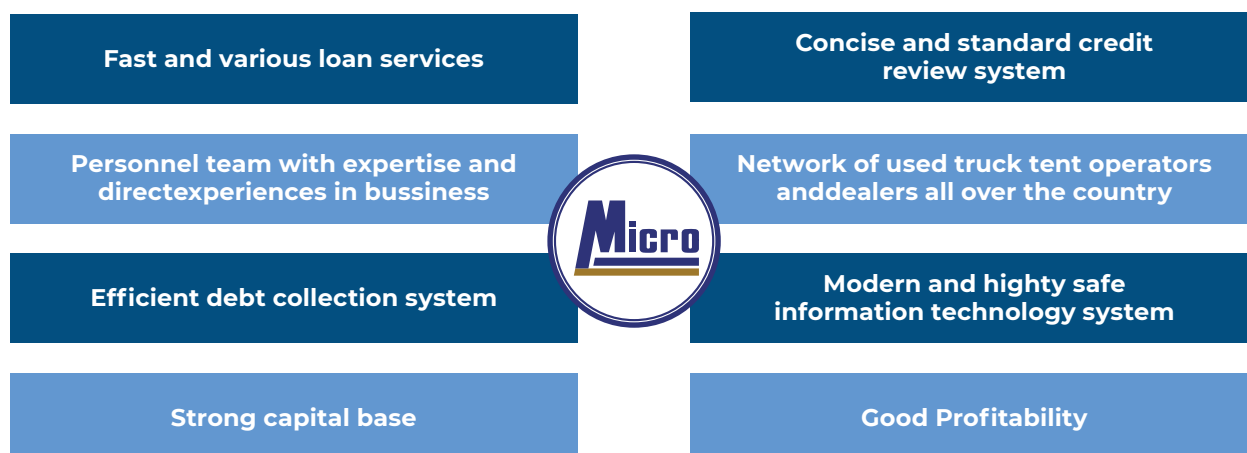
price closed to the remaining debt or at no significant loss. So the Company can avoid competing with large financial institutions which have lower operating costs in new truck hire purchase market.

In the next 3-5 years, the Company aims to maintain the average hire purchase portfolio growth rate of not less than 30 percent per year by focusing on maintaining the existing customer base and expanding the new customer base. through expanding the partner base of second-hand truck tent assemblers' Online channels and financial support for transport business operators increasing the number of employees and increasing the number of branches in different regions To provide the Company's second-hand truck hire purchase service covering all areas and able to reach customers across the country. The company plans to open 12 more branches in the North, the Northeast. west coast and the eastern central region This will allow the company to have a total of 32 branches to support the goal of expanding the hire purchase portfolio to

grow to 5,000 million baht by 2022, with the main source of funds expected from borrowing from financial institutions and issuing debentures. The company plans to maintain the ratio of second-hand truck hire purchase loans at around 95.0 percent, while other types of loans are liquidity loans. and refinance loans It is expected to account for approximately 5.0 percent of the company's total credit arrangements.

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Company's Strengths



1. One of market leaders in used truck hire purchase market which has potential to grow continuously

Currently the Company is one of the leaders in used truck hire purchase loan provider service. The Company has experiences and special expertise in business for over 25 years. Its executive team and personnel have knowledge and understanding in the used truck hire purchase loan market and have special skills in used truck price evaluation. These are the Company's significant business advantages.

The Company provides loan service for used truck hire purchase in 19 branches in all regions throughout the country. The Company also recruits new customers through used truck tent operators and dealers, the Company's partners, which have been increasing continuously. The Company currently has almost 480 used truck tent operators and over 170 dealers in the system. They are located in many provinces and ready to introduce the hire purchase loan service to customers who are interested in used truck hire purchase for business. The Company's hire purchase loan portfolio has

been growing from 2,542.0 million Baht in 2020 to 3,795.8 million Baht as of 31 December 2021.

2. Fast loan service for highest customer satisfaction

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

documents for requesting credit from customers. as well as developing and improving processes by analyzing data to create accuracy and increase service potential for partners and customers who use the service.

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

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

Micro Leasing Public Company Limited

increase the liquidity of daily spending.

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

The Company takes the credit consideration process as first priority and aims to develop tools for reviewing and screening good customers who pass the Company's credit approval criteria under the framework of Credit Risk Control Policy which was approved and regularly reviewed by the Board of Directors. Moreover, the Company aims to update Credit Policy to be in accordance with relevant regulations and changing situations and also improves the credit consideration process to be concise and discreet in order to control the debtor quality to be at good and appropriate level. The Company developed tools to be the standard of reviewing and screening credit customers like other large hire purchase loan providers in the same industry did. At present the Company's important tools used to review credit approval includes verification of correctness and completeness of the identity document, checking on source of income and domicile of residence, assessment of debt payment ability through debt-to-income ratio analysis, checking on debt payment record from Credit Bureau, and checking on bankruptcy history. All information will be used in Credit Scoring Model. Customers' credit scores must pass the minimum requirement set by the Company to be qualified for loan application.

The standard, concise and discreet credit review system is the key factor that makes the Company's non-performing loan (NPL) proportion continuously decrease. As

of 31 December 2021, the Company's NPL proportion was 3.8%, lower than comparable companies in the industry listed in the Stock Exchange of Thailand

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

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

The Company has a Risk Management Policy to manage such risk concisely before credit approval. The policy allows hire purchase loan only for used truck with no longer than 25 years of service and the loan to value limit must not exceed the criteria set by the Company. Moreover, the Company has the credible team with expertise and specialization on used trucks. The Company's executives also had over 20 years of experiences in trading car and truck spare parts business before entering the hire purchase loan business. The professional team had high experiences in condition inspection of used trucks, inspecting the editing chassis and the proof of car registration, and also had good knowledge of used truck market prices. So the Company can set the appropriate credit limit which does not exceed the value of collateral trucks which helps

reduce the risk from credit loss significantly.

6 **Network of over 440 partners of used truck tent operators and dealers throughout the country**

The Company's new customers recruited from the channel of used truck tent operators were accounted for 80% of total credit amount each year. (Another 20% were from walk-in customers and from branch staff's customer acquisition.) Thus, the used truck tent operators were important partners in new customer acquisition. At present, the Company has almost 480 partners who are used truck tent operators in the regions throughout the country. 270 of them are regular partners who are used truck agents in the metropolitan area and other provinces. And over 170 partners are agents who help recruit new hire purchase loan customers for the Company. The Marketing team and branches officers were responsible for contacting and taking care of relationship with these operators.

In the future, the Company will continue to focus on expanding its credit customer base through the expansion of the trading partner base, which is primarily a used truck tent operator. by focusing on building good relationships from responsible branch departments and high-level executives including head office coordination Fast and convenient both before and after the sale coupled with efficient customer service To create the highest satisfaction for customers who apply for loans which is a customer of both the company and the second-hand truck tent operator Branch loan officers will provide services and coordinate closely with second-hand truck tent operators. In order to provide credit services to

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customers quickly. In addition, the company also provides services to facilitate operators of used truck tents in various forms, such as car transfer services at the Department of Transportation. with fast and punctual payment of car payments to used truck tent operators.

With the experiences and expertise in hire purchase loan business for over 26 years, the Company currently has almost 480 partners including used truck tent operators and agents throughout the country. The Company shall utilize this advantage to create the business competitiveness through the good relationship with and motivating return to tent operators and agents when they encourage customers to choose the Company's services. For example, the partners will receive the commission when they get new customers to do agreement with the Company. The partners who can reach the target will receive sales incentives. The strengthening and expansion of relationship with these partners will give opportunities and channels to business growth in the future. As for the short term business plan in the next 3-5 years, the Company will maintain its focus on the hire purchase for used trucks services to support the demand of operators who want to buy used trucks for business operations. This segment is expected to continue growing and the market competitiveness is still low. Moreover, the used

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

The Company sees the importance of the risk management in debtor quality by increasing the intensity and developing various tools for credit approval review.

The Company also uses the efficient debt tracking and collection system aiming to reduce the number of non-performing loan (NPL) debtors to the low level or not higher than the average rate of the industry (about 3.0% of total loans.) At present, the debt tracking and collection process is under the responsibility of the Debt Management Department at the head quarter. They work closely with branch officers. The debt collectors were hired from the outsourcing companies in order to reach debtors in various areas thoroughly. The Company set the regulations and practices in debt tracking and collection clearly and concretely to reduce the risk from complaints about unfair debt collection. Debtors will be informed on details of the late fines and follow-up fees by phone calls and written notices during the collecting process.

The concise credit approval policy and the efficient debt collection are the key factors that last year the Company's NPL proportion continuously decreased. As of 31 December 2021, the proportion of the Company's NPL or receivables with longer than 90 days overdue was 3.6% of total hire purchase receivables.

8 Information System specially developed for modern and high security company

The Company developed the information system to connect the communication between head quarter and branches for the fast and secure information transfer. The credit approval could be processed quickly and created highest satisfaction to customers. The information system that the Company developed was specially designed to match the Company's hire purchase business. The Company used this information system to

establish information base of customers who used the Company's loans services. The system collected customer's profile and career, payment record and utilized them for credit analysis and marketing planning to maintain existing customers and recruiting new customers efficiently. The security of such system included granting of individual rights with access to information and requiring encrypted code before sending the data. The system was developed to cover the credit operating system, the debt tracking and collection, the management reporting system, etc. In addition, the Company was in the process of developing the credit providing system via mobile application to help collecting data integrity and improve the credit analysis accuracy. It was expected to be implemented at the beginning of 2021

9 Strong capital base reflecting potential of business expansion in the future

As of 31 December 2021, the Company held 1,958.4 million Baht as shareholders, consisting of 935 million Baht of paid-up capital. The Company had 2,076.1 million Baht of total debts, representing debt to equity ratio of 1.06 time.

10 Good level of profitability

In 2019 – 2021, the Company's total incomes were 328.9 million Baht, 444.5 million Baht, and 632.4 million Baht. Net profits were 110.8 million Baht, 135.1 million Baht, and 187.4 million Baht.

The Company's net profit margin tended to continuously grow as a result of the competitiveness in credit portfolio expansion and the ability to maintain the right interest margin spread. The Company also managed the

Micro Leasing Public Company Limited

operating expenses efficiently, including the debtor risk management with concise credit approval policy and the strict debt tracking and collection. However, the year end 2020 the net profit margin decreased due to the slowing economy caused by COVID-19.

Competitive Strategy

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

Marketing Strategy

- Increase credit balance and interest income from hire purchase by continuously expanding the second-hand truck loan customer base through expanding more branches to cover areas with high growth of the used truck market. The company plans to open 12 more branches by 2022 in the North, the Northeast, west coast and the eastern central region by focusing on setting up branches in provinces with high industrial growth or in areas with a large number of second-hand truck tent operators using the data for analysis according to the company's business expansion plan. It has a location on the main road and can easily connect to other provinces.
- To grow the hire purchase loan portfolio to 5,000 million Baht by 2022 focusing on the proactive competition

to gain market shares from local entrepreneurs who often offer higher interest rate since they have higher financial costs. The Company plans to promote its marketing and PR campaign to larger areas via new branches and to increase the number of marketing and credit staff.

- Maintain existing customer base and expanding new customer base by focusing more on SME entrepreneurs because they are the group that wants to use a lot of trucks for business focusing mainly on the business of transportation of goods and consumables. To reduce the risk of income volatility of loan applicants and study from external factors as well as analyze the country's economic direction in the next 2 - years, such as farmers' customers which incomes fluctuate according to the economic conditions of the country. As of December 31, 2021, the Company had agricultural loan receivables. Accounted for 12.9% of all hire purchase receivables.
- To revise credit portfolio by increasing the proportion of high return loans, such as hire purchase loans for tractors since most tractors' loan-to-contract balance has high value and tractors have short service life which helps the Company reduce the risks of collateral quality.
- Emphasis on providing credit through quality used truck tent operators by preparing dealer profiles and focusing on selecting used truck tent operators to become partners. of the company, such as selling second-hand trucks that meet the condition No car registration history or no complaints from customers, etc.
- To emphasize on the Company's PR and relationship with business partners, such as used truck tent operators, with continuous sales promotion campaign, i.e.

giving away gifts or premiums, offering reasonable compensation, providing various forms of convenience, such as truck ownership registration transfer, fast cash payment transfer, aiming to create highest customer satisfaction.

Operational Strategy

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

Financial Strategy

- To do financial restructuring and to focus on liquidity management in order to support the continuous expansion of credit business, such as issuance of long-term debentures of which service life is closed to average service life of hire purchase agreement, the control of debt-to-equity ratio as required by financial institutions, etc.
- To find suitable sources of fund to provide cost competitive with other operators to the Company, such as issuance of short-term and long-term debentures, etc.
- To improve business conduct for higher efficiency in order to reduce operating costs and to strengthen the Company's competitiveness, such as

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opening new branches as service points for credit team only. Other functions of administration, agreement and documentations will share the human resources with other nearby full branches. Some processes will be conducted by outsourcing companies to reduce employee expenses, especially for travel expenses on impounding vehicles in the areas far from branches, travel expenses of a trip to court for legal action, and the truck registration book transfer process at the Department of Transportation.

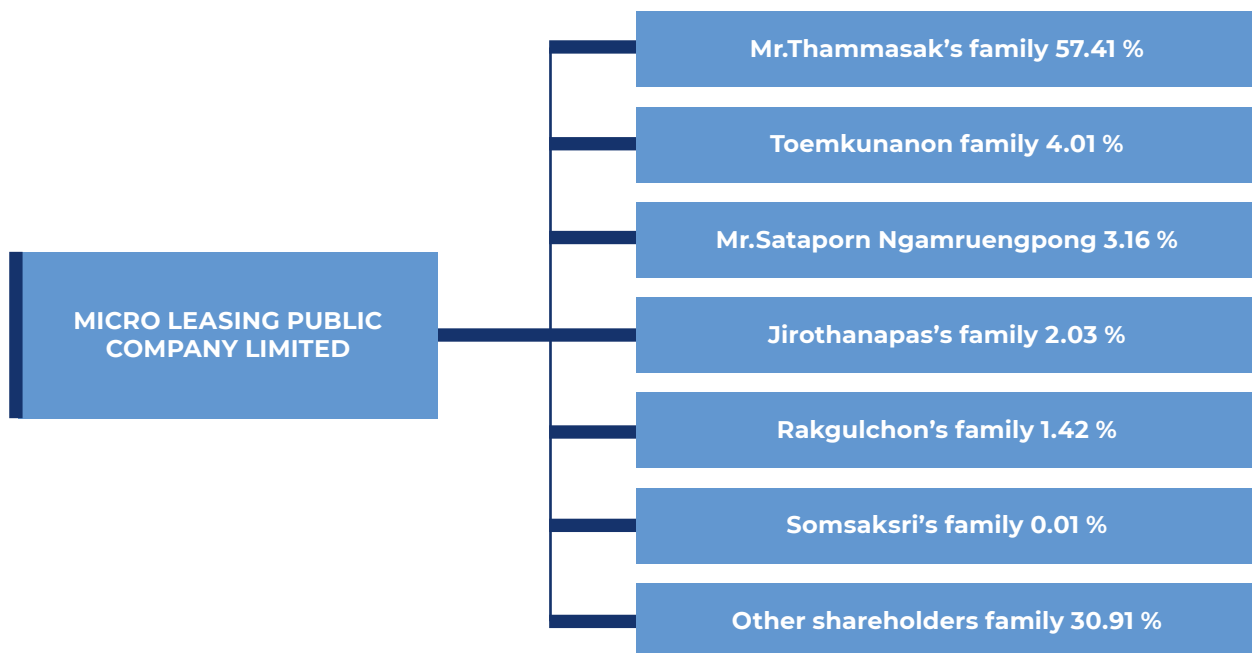
Human Resource Strategy

- To increase the number of staff in Marketing and Credit Department to support the growth of hire purchase loan business in larger areas.
- To sustain valuable employees of the Company with appropriate and fair remuneration and benefits, in accordance with the Company's performance and individual's performance.
- To emphasize on people development in Credit Department to be equipped

with knowledge and special skills through training. The training sessions are conducted at the training center at head quarter and on site to transfer knowledge of the qualification of loan applicant and the collateral condition inspection in order to build the working standard and support business growth in the future.

Shareholding Structure

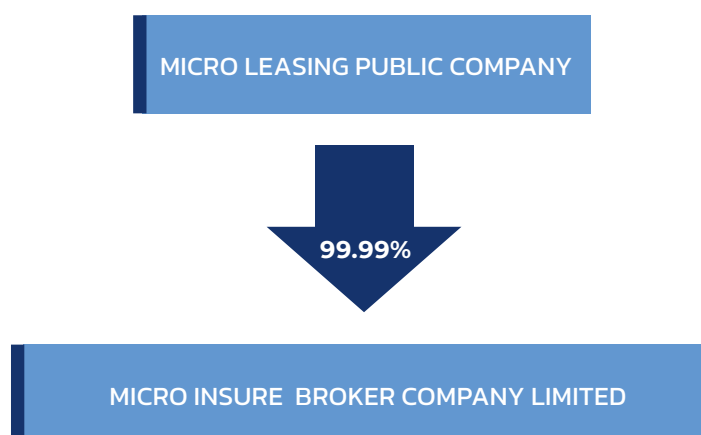
Chart of the Company's Shareholding Structure as of 31 December 2021:



Micro Leasing Public Company Limited

As of December 31, 2021 the major shareholders of the Company included family members of Mr. Thammasak Auchyawat, accounted for 57.41% of total issued and sold shares of the Company. As of 31 December 2021, In October 8, 2021 has established a subsidiary under the company name “Micro Insure Broker Company”

Structure Holding Company



Holding Company	Type of Business	Registered Capital (Million Baht)	Structure of Holding (%)
MICRO INSURE BROKER COMPANY LIMITED	Non-Life Insurance Broker and Life Insurance Broker	3.0	99.99

Relationship with business group of major shareholders

- None -





Nature of Business



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BUSINESS OVERVIEW

The Company operates business of providing services on hire purchase loans for used trucks, such as 6-wheel truck, 10-wheel truck, and 12-wheel truck, etc. The Company aims to provide hire purchase loans for used trucks since the hire purchase loan for used trucks can set higher interest rates than new trucks. Moreover, there are not so many players in this market. Most trucks used as loan collaterals are used for commercial operation, such as transporting products for commercial purpose or transporting products within the Company. Thus, they are assets that generate incomes to their owners to repay for the principles and interests successively. The company provides hire purchase loans for used trucks. Emphasis is placed on types, models and brands of trucks with high liquidity in the market, such as ISUZU, HINO and FUSO brands, etc. The credit limit is determined based on the condition of the truck, brand, age and liquidity in trading in the second-hand market. including the qualifications of the hire purchase loan applicant The company has set up

a policy and process for screening customers, both natural persons and juristic persons applying for hire purchase loans carefully and concisely. By focusing on customers with regular income who have a career related to the type of car or own a business. who wish to purchase second-hand trucks for use in business to bring certain and stable income.

In addition to hire purchase loans for used trucks, the Company also provides other types of loans including the following 3 types:

- 1 Used trucks hire purchase loans**
Are loans for individuals or corporates who want to buy used trucks for their business operations. The proportion of this type of loan is accounted for 95% of total loan amount each year.
- 2 Liquidity enhancing loans**
Are loans for customers who are owners of trucks and want to get working capital to enhance their liquidity. The customers can give their trucks as collaterals for loan application with the Company by transferring the truck

ownership to the Company, same as general hire purchase agreements.

- 3 Refinancing loan or closing & reopening loans**
Are hire purchase loans for existing customers of the Company who have good record of installments payment and are in the process of paying installments with the Company but need more cash. Customers can start the new hire purchase agreement and close the existing hire purchase agreement with low remaining debt. They will receive the difference from closing the original agreement in cash.

Moreover, the Company also provides pre-sales and after-sales services for customer's convenience, such as coordination for insurance and credit limit protection insurance, insurance policy renewal service, both compulsory and voluntary, to protect customer's assets and prevent damages to the Company.



Micro Leasing Public Company Limited

Income Structure of the Company

The Company's Income Structure in 2019- 2021 is shown below:

Incomes	Consolidated financial		Separate financial					
	2021		2019		2020		2021	
	Mil Baht	%	Mil Baht	%	Mil Baht	%	Mil Baht	%
Interest income from hire purchase contracts	503.9	79.7	282.2	85.8	355.6	80.0	503.9	79.7
Fee & service incomes ^{1/}	119.9	19.0	40.6	12.3	77.9	17.5	119.9	19.0
Other incomes ^{2/}	8.6	1.3	6.1	1.9	11.0	2.5	8.6	1.3
Total incomes	632.4	100.0	328.9	100.0	444.5	100.0	632.4	100.0

^{1/} Fee and service incomes include late interest penalty income, debt collection fees and insurance commission, etc.

^{2/} Other incomes include gain from sales of assets, income interest and bad debt recovery, etc.

The Company's incomes consist of interest income from hire purchase contract, fee and service income, such as late interest penalty fees, insurance commission income. The Company's main incomes come from interest income from hire purchase contracts representing 78-88% of total incomes. Most of interest incomes are from used truck hire purchase loans representing 95%. Interest incomes from liquidity enhancing loans and refinancing loans are accounted for 5% of total hire purchase interest incomes. The

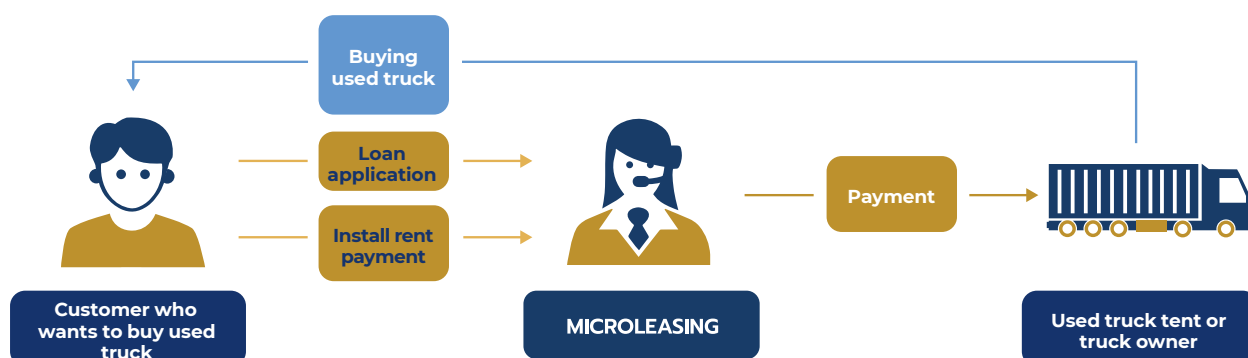
Company has a policy to set the interest rates and fees that reflect the risk of the Company appropriately by considering the age and condition of collaterals, financial costs, operating costs, market conditions on the date of signing hire purchase agreement and relevant legal requirements.

Overview of hire purchase loan service

Truck hire purchase loan is a form of loan service providing with objectives to provide the alternative funding sources or

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

Regarding hire purchase loan service for used trucks, when customers agree to purchase trucks from used truck tent operators or previous owners,



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they must submit documents required for loan application to credit officers at the Company branches. Credit officers will collect documents, do preliminary review and consider the qualification of applicants before submitting the information to authorized approver. The approval for customer and the information used in the consideration will be sent to the Credit Department in head quarter for review again before preparing the agreement to be signed in further step.

When customers agree to sign hire purchase agreement with the Company which provides hire purchase loan service, the Company shall pay the truck value to used truck tent operators or previous owners after the truck ownership is transferred to the Company. Then, customers will pay monthly installments to the Company while they can occupy and utilize hire purchase truck along the hire purchase period. The maintenance and other occurred expenses, i.e., annual vehicle tax renewal and insurance fees will be responsible by customers. The ownership of the truck belongs to the Company and shall be transferred to customers when they complete the last installment payment according to the agreement. If customers cannot pay the installments or have 3 outstanding installments, the Company will send registered notices to customers and surety to let them pay the overdue installments within 30 days after receiving notices. If the payment is not made within the deadline, the hire purchase agreement will be held cancelled. The trucks will be confiscated and sold at auction.

Providing hire purchase loan service for used trucks, the Company has over 100 credit officers at head office and branches to coordinate with almost 480 used truck tent operators who are partners with the Company and over 170 agents in the regions. Thus, the Company can access to potential customers all over the country.

Products and Services

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

1 Hire purchase loans for used truck

The Company provides services for used truck hire purchase loans to individual customers and corporate customers who want to purchase used trucks for business operation purpose. The company mostly provides credit at approximately 70-85% of estimated prices of collateral trucks. The maximum credit limit will not exceed 90% of trading prices or 120% of estimated prices of collaterals (whatever price is lower) (please see details in section 2.2.3 Process of collateral valuation and credit limit setting.) Thus, customers will pay cash for the difference to sellers and pay monthly installments of the hire purchase amount to the Company. Such assets' ownership will be transferred to customers when they complete the installments payment according to the agreement to the Company.

A car that can be used to apply for a hire purchase loan from the company Must be commercial vehicles such as 6-wheel trucks, 10 wheels, 12 wheels, tractor trailers and trailers covering leading brands such as ISUZU, HINO, and FUSO. Used or used trucks The customers who apply for the loan must genuinely wish to purchase the said vehicle for use in their business operations. In order to have cash flow back to pay principal and interest continuously. The company has no policy to accept that the engine and body parts are separated. and then assemble it yourself in Thailand Because such cars

are not popular in the market. causing problems with resale prices For registered trucks, companies have different criteria for consideration. To be suitable for the type of vehicle that affects both quality and price.

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

The Company's policy accepts only trucks that have been used for not over 25 years. Over 60% of hire purchase trucks of the Company at present have been used for 6-15 years. The hire purchase loans for trucks during these ages allows the Company to set the interest at higher rate than trucks with less years of service. The interest rate goes with the risk of collaterals.

Considering credit approval, the Company considers the qualification of credit applicants and ability to pay back. The term of payment can be 12 - 60 installments depending on the ability to pay back of the applicants. The interest rates of loans are flat rates over the term of the contracts and depend primarily on the age of the collateral. The hire purchase

Micro Leasing Public Company Limited

interest rates are 8-15% per year over the term of contracts or equivalent to the Effective Interest Rate (EIR) of 15-25% per year. The Company's hire purchase loan portfolio (as of 31 December 2021) was the EIR at the average of 17% per year.

2 Liquidity enhancing loans
The Company provides liquidity enhancing loans or collateral loans to general retail customers who are owners of trucks and want working capital to enhance liquidity for their businesses. Customers who own trucks can use their trucks as collaterals for credit applying with the Company. Loan applicants must own the trucks for not less than 3 months to ensure their true ownership.

The vehicles that will be used to apply for liquidity enhancing loans with the Company include commercial vehicles or various types of trucks similar to the used trucks for hire purchase loans, such as 6-wheel truck, 10-wheel truck,







12-wheel truck, etc. At present, the Company provides service of liquidity enhancing loans in the form of hire purchase agreement only. Customers who want to apply for the loans must submit the real vehicle registration book to the Company as collaterals. Then the vehicle's ownership will be transferred to the Company. During the loan installment payment period, customers can still occupy the vehicles and use them as normal. The ownership will be transferred to customers when they complete the last installment payment as per contract. The process of loan consideration and interest rate frame of liquidity enhancing loans is the same as normal hire purchase loans for used trucks.

3 Refinancing loans
The Company provides refinancing loans to customers who have good records and are in the process of used truck hire purchase installment with the Company. That

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

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

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

		
6-wheel truck	10-wheel truck	tractor
		
Trailer	4-wheel truck	Other vehicles ^{1/}

^{1/} Other vehicles include water truck, liquid truck, special truck, such as bulk feed truck (silo) or hazardous substance truck, etc.

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New loan amount

The new loan amount of the Company in 2019-2021 is classified by collateral type, region and customer group as follows:

New loan amount classified by type of collaterals.

New loan amount per type of collaterals	2019		2020		2021	
	Agreement	Mil Baht	Agreement	Mil Baht	Agreement	Mil Baht
10 wheel and 12-wheel trucks	571	537.1	564	562.0	861	922.0
6 wheel trucks	558	333.1	587	395.3	879	631.1
Tractor	172	199.9	228	241.0	383	434.9
Trailer / semi trailer	191	63.9	266	86.8	544	185.2
4 – wheel trucks	7	3.7	3	0.9	10	3.7
Others ^{/1}	24	22.4	24	18.5	37	31.9
Total	1,523	1,160.2	1,672	1,304.5	2,714	2,208.8

Note: The new loan amounts as show above includes all types of loans, such as hire purchase loan for uses trucks, liquidity enhancing loan, refinancing loan and debt restructuring loan.

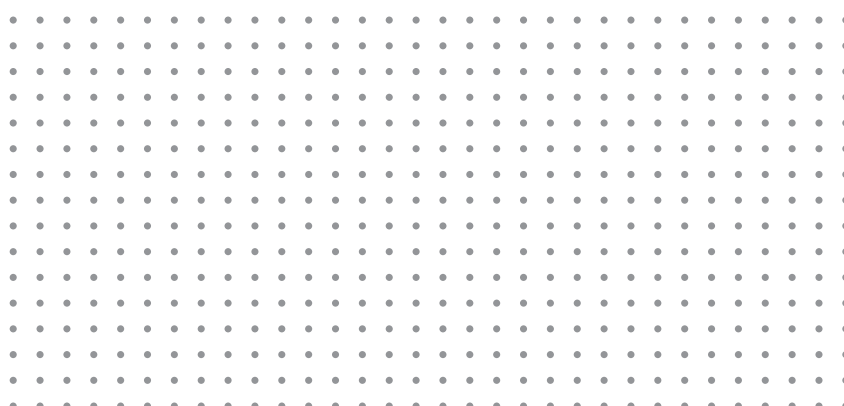
^{/1} Other trucks include water trucks, liquid trucks, special trucks, i.e. bulk feed trucks (silo) or hazardous substance, etc.

The Company arranged the hire purchase loan for used truck agreements in 2019 - 2021 for 1,523 agreements, 1,672 agreements, and 2,714 agreements, respectively. Total new loan amounts were 1,160.2 million Baht, 1,304.5 million Baht, and 2,208.8 million Baht, respectively. The types of truck that the Company granted for hire purchase loans the most

were 10-wheel truck and 12 wheel truck which represent 42.0% in total; followed by 6-wheel truck representing 28.2% of total accumulated hire purchase loans in 2019 - 2021.

In 2021, the Company granted new 2,768 hire purchase loan agreements with the new total loan amount of 2,208.8 million

Baht, including hire purchase loans for 10-wheel trucks and 12-wheel trucks of 922 million Baht representing 41.7% of total loan amount, increased from the 2019 amount. The loan amount for 6-wheel trucks was 28.6% of total loan amount while the loan amount for tractors was 19.8% of total new loan amount, respectively.



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New loan amount by region

New loan amount by installment period of hire purchase	2019		2020		2021	
	Mil Baht	%	Mil Baht	%	Mil Baht	%
Central	616.1	53.1	763.2	58.5	849.6	38.4
Northeast	244.8	21.1	204.0	15.6	526.0	23.8
East	116.8	10.1	136.0	10.4	267.2	12.1
North	70.8	6.1	71.4	5.5	158.4	7.2
South	75.8	6.5	71.3	5.5	127.3	5.8
West	36.0	3.1	58.4	4.5	280.3	12.7
Total	1,160.2	100.0	1,304.5	100.0	2,208.8	100.0

The Company has credit customers in all over the country. Most of them are customers in the Central and Northeast regions, accounted for 62% of loan amount each year. The loan amount in the East region has been growing in accordance with the growth of construction industry, government investment and demand for trucks in the areas.

New loan amount categorized by the installment period of hire purchase agreement.

New loan amount by installment period of hire purchase	2019		2020		2021	
	Mil Baht	%	Mil Baht	%	Mil Baht	%
0 - 12 months	-	-	-	-	-	-
13 - 24 months	12.5	1.1	5.7	0.4	11.4	0.5
25 - 36 months	60.0	5.2	32.7	2.5	22.9	1.0
37 - 48 months	347.5	30.0	269.8	20.7	301.8	13.7
49 - 60 months	740.1	63.8	996.2	76.4	1,872.7	84.8
60 - 72 months	-	-	-	-	-	-
Total	1,160.2	100.0	1,304.5	100.0	2,208.8	100.0

The term of agreement of most hire purchase loans of the Company is 49-60 installments which represent over 85% of total loan amount.

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New loan amount classified by age of collaterals.

New loan amount by installment period of hire purchase ^{/1}	2019		2020		2021	
	Mil Baht	%	Mil Baht	%	Mil Baht	%
0 - 5 years	159.8	13.8	57.1	4.4	80.0	3.6
6 - 10 years	412.8	35.6	473.0	36.3	924.7	41.9
11 - 15 years	324.4	28.0	357.5	27.4	524.1	23.7
16 - 20 years	133.5	11.5	285.3	21.9	487.2	22.1
21 - 25 years	107.0	9.2	78.7	6.0	90.1	4.1
25 years up	22.8	2.0	53.0	4.1	102.7	4.6
Total	1,160.2	100.0	1,304.5	100.0	2,208.8	100.0

^{/1} Age of collaterals on the granted loan date

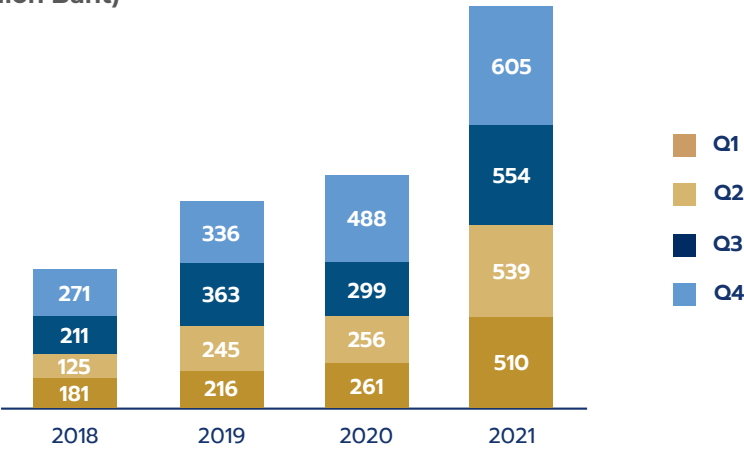
At present, the age of over 66% of the Company's collateral trucks, on the date of agreement signing, is 6 - 15 years. Moreover, and the over 20 years old truck segment increased from 10.1% in 2020 to 8.7% in 2021. As a result, the collateral assets of loans for trucks were newer and had fewer years of services which consequently improved the quality of the Company's collaterals.



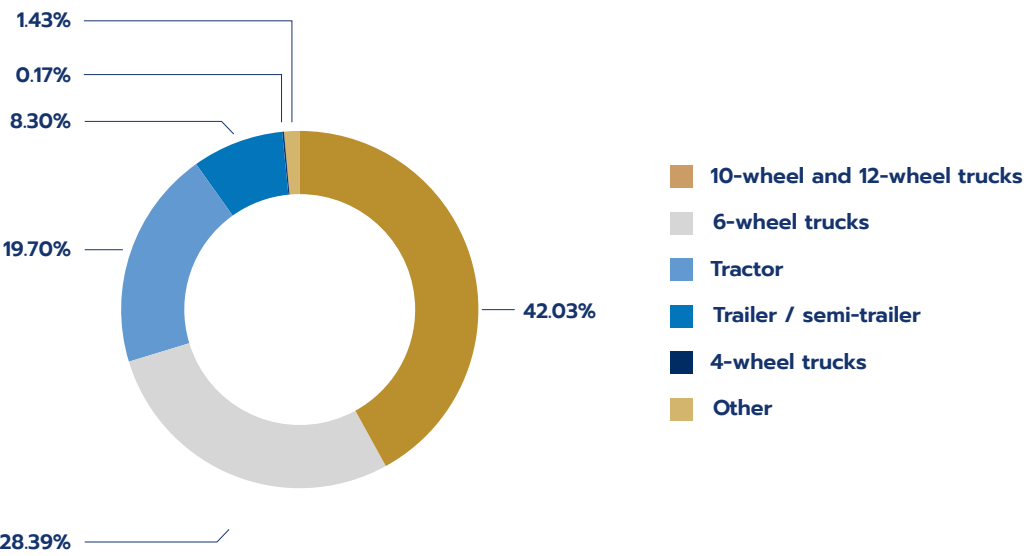
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Graph of total new loans of the Company in 2021

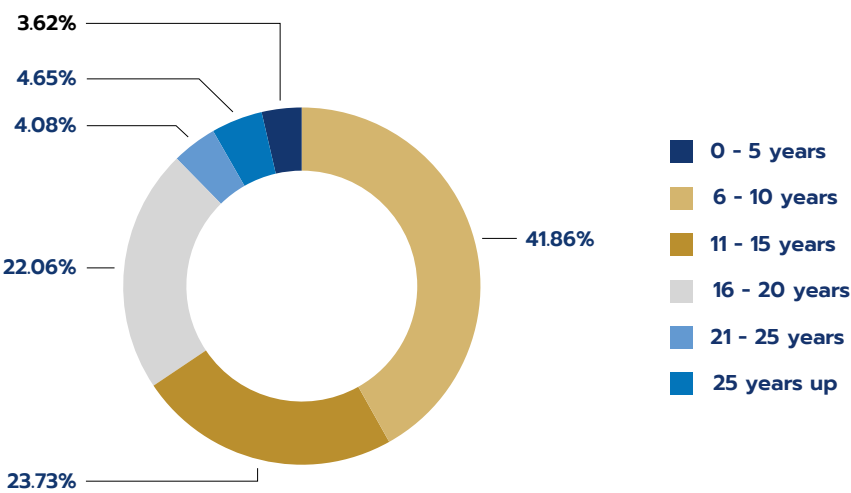
New Loan (Million Baht)



New Loan percentage by type of collateral

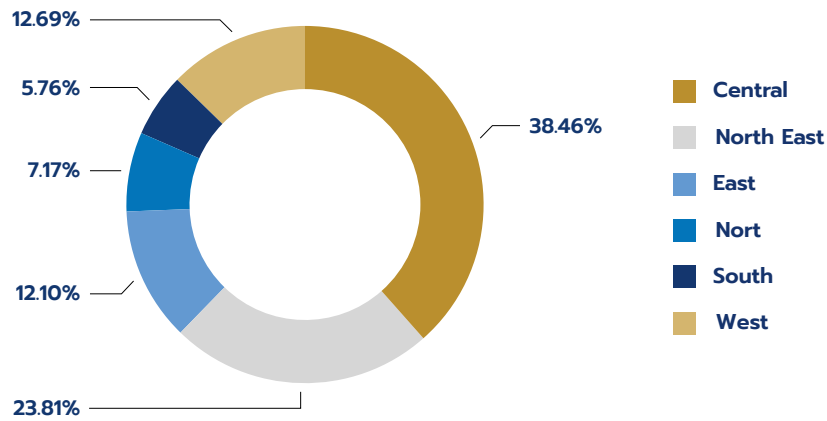


New Loan percentage by age of collateral

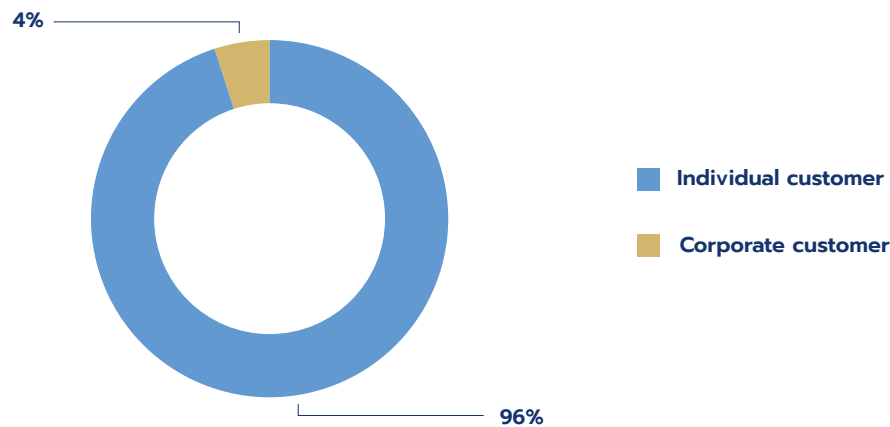


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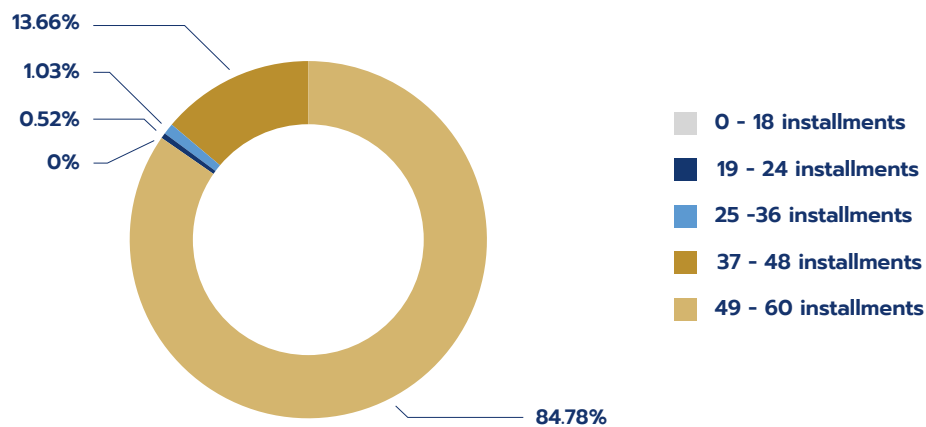
New Loan percentage by region



New Loan percentage by type of customer



New Loan percentage by installment payment period



Micro Leasing Public Company Limited

Outstanding hire purchase loan receivables

As of 31 December 2019 - 2021, the Company's hire purchase loan receivables classified by collateral type are as follows:

Outstanding loans classified by type of collaterals

Outstanding loan ¹ by type of collaterals	31 st Dec. 2019		30 th Dec. 2020		31 st Dec. 2021	
	Mil Baht	%	Mil Baht	%	Mil Baht	%
10-wheel / 12-wheel trucks	968.0	47.5	1,131.5	44.5	1,608.7	42.4
6-wheel truck	636.1	31.2	788.3	31.0	1,126.6	29.7
Tractor	293.7	14.4	427.8	16.8	723.7	19.1
Trailer/ semi-trailer	100.9	5.0	149.0	5.9	276.7	7.3
4-wheel truck	4.9	0.3	3.9	0.2	5.9	0.1
Others	33.0	1.6	41.3	1.6	54.2	1.4
Total	2,036.6	100.0	2,542.0	100.0	3,795.8	100.0

¹ The outstanding loans were calculated from outstanding hire purchase receivables deducted unearned interest and excluded accrued interests.

Number of loan accounts classified by type of collaterals.

Number of accounts by type of collaterals	31 st Dec. 2019		30 th Dec. 2020		31 st Dec. 2021	
	Agreement	Mil Baht	Agreement	Mil Baht	Agreement	Mil Baht
10-wheel / 12-wheel trucks	1,566	39.9	1,663	36.7	2,028	33.4
6-wheel truck	1,533	39.0	1,710	37.7	2,187	36.0
Tractor	320	8.1	483	10.7	786	12.9
Trailer/ semi-trailer	446	11.4	601	13.3	977	16.1
4-wheel truck	15	0.4	14	0.3	20	0.3
Others	47	1.2	63	1.4	82	1.3
Total	3,927	100.0	4,534	100.0	6,080	100.0

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As of the end of 2019 - 2021, the Company had total loan accounts of 3,927 agreements, 4,534 agreements, and 6,080 agreements, respectively. The outstanding hire purchase receivables were 2,036.6 million Baht, 2,542.0 million Baht, and 3,795.8 million Baht, respectively.

As of 31 December 2021, the Company has 6,080 loan agreements and 3,795.8 million Baht of outstanding hire purchase receivables, increased from the end of the previous year as a result of the increasing new loans of new customers and the effective sales promotions. However, the

Company had higher number of closed agreements from confiscated vehicles caused by the slowdown economy during COVID-19 pandemic since year 2020.

Loan service process

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



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

Micro Leasing Public Company Limited

Loan Application Process

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

1 Individual customers
This customer group is general individual customer with the age of over 20 years who want to hire purchase trucks as working tools to generate incomes. Individual customers must have stable income occupations which can be examined, such as regular employees, shop owners, farmers or personal business owners. The Company may

not consider the approval or take consideration for a special case on some occupations, such as the occupations with high risk of death or with a lot of location moves which make it difficult to track.

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

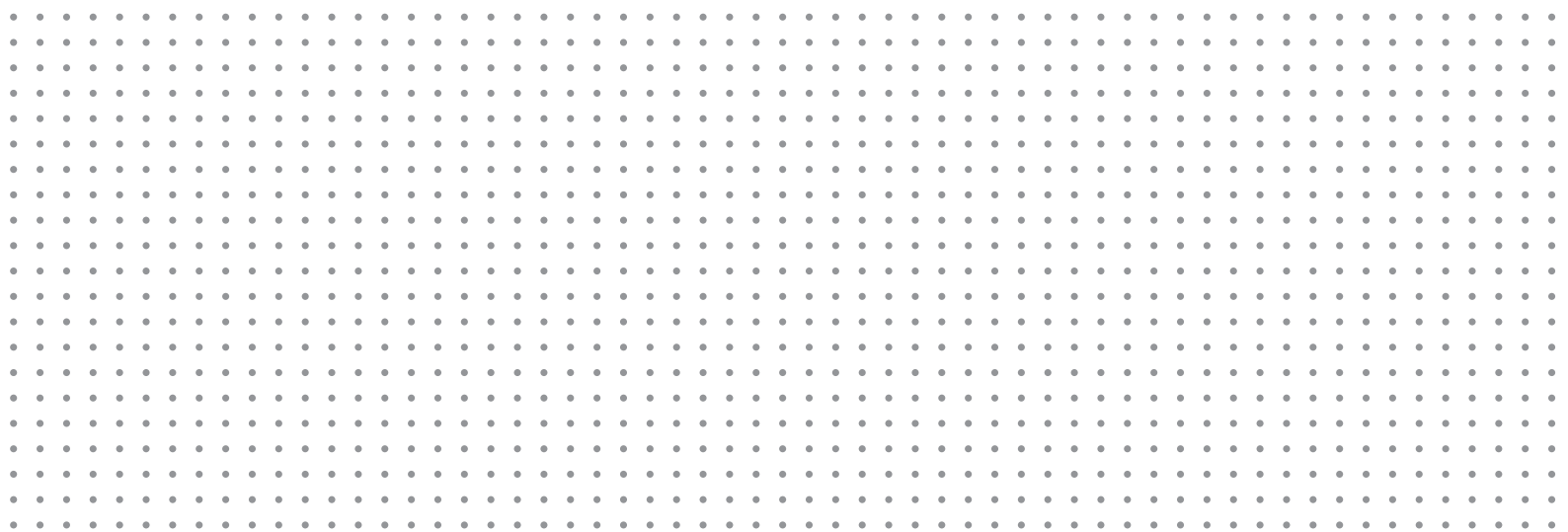
At present, all corporate customers of hire purchase loans are external persons. In the past, the Company never granted loans to directors, executives, major shareholders of the Company or any persons related to them.

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

Identity documents ^{/1}	Copy of identity card, copy of house registration, photo of house.
Income statements	Copy of company certificate, copy of bank statement in the past, copy of Memorandum of Association, Financial Statement in the past, copy of Commercial Registration Certificate, Transport License (if any), Certificate of Value Added Tax Registration (Por Por 20), Income Tax Return for Companies (PND 50).
Collateral documents	Copy of truck registration, photo of truck, copy of insurance policy.

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

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



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

Credit Management Officers will check the correctness and completeness of identity documents and income statements of loan applicant and surety before going to the residence of loan applicant, taking photos of loan applicant's and surety's residences, to confirm the correct residence location which will be used later for debt collection and truck confiscation if customers do not repay the installments. Then the branch officers will submit the loan applicant's information to the head office to be checked on their past payment records and

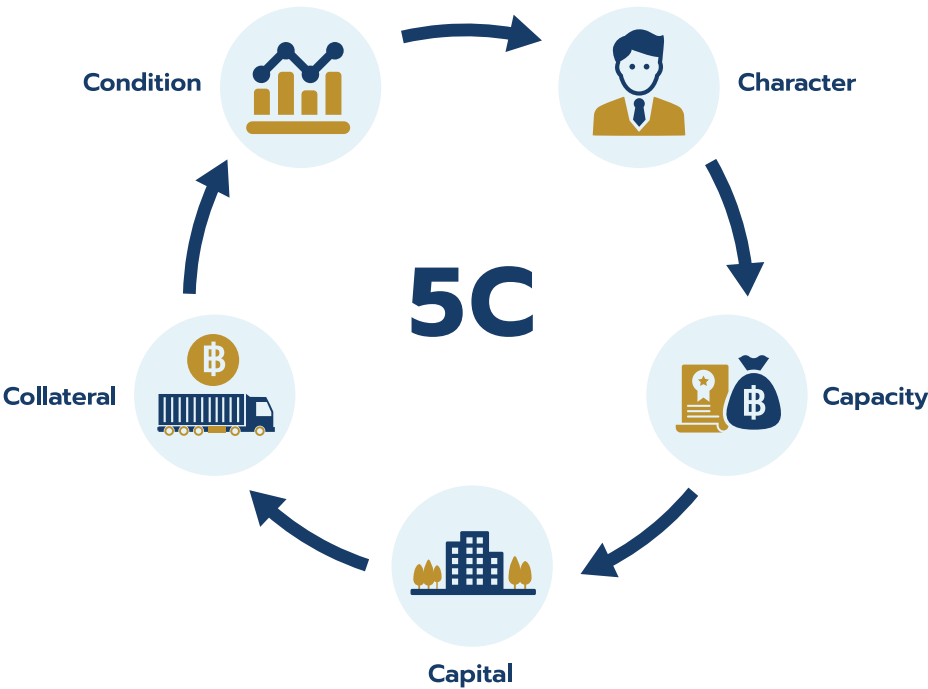
bankruptcy records with Credit Bureau and Government Gazette.

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

Credit officers at the branches will gather all acquired information to do the Credit Score model to know the preliminary

risk level of customer's default. The Company developed the Credit Scoring system to assess customer's risks. If customer's preliminary credit score is lower than the Company's criteria, the branch officers will ask for additional documents, such as other sources of income, to bring the applicant's credit score up to pass the minimum criteria set by the Company.

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



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(1) **Character:** customer's character is considered from the record of their installment payment in the past or the record of default which can be checked with the National Credit Bureau (or "NCB" or Credit Bureau), the bankruptcy records and the execution of purchase hirers.

(2) **Capacity:** the ability to repay debt is considered from occupation, source of net income after expenses and other existing debts, as stated in NCB documents.

(3) **Capital:** customer's capital comes from financial position analysis in other areas, i.e., properties or buildings owned by customer.

(4) **Collateral:** the value of collaterals is based on the hire purchase truck's good condition, popularity, acceptance in the market, and easily trading. The record of surety must be credible and has solid source of income and good financial position enough to be able to repay loans for loan applicants.

(5) **Condition:** other external factors include economic condition or political situation at that moment which may affect financial status or career of loan applicants and their business partners' creditability.

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

other topics are high enough to pass the minimum criteria, the Company shall consider approving the loans for them.

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

Process of collateral assessment and credit limit setting

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

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

A class tent operator only. One of the important criteria that the Company uses to classify the A class tent operator's qualification is the trading price of the truck must be defined according to the usage condition.

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

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

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

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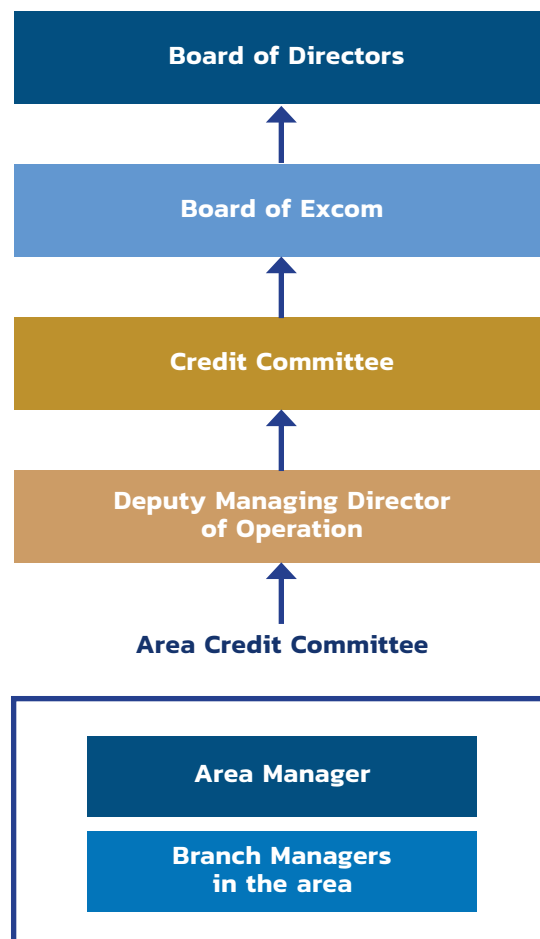
is high and its estimated price is higher than the reference price in the Company's Rate Book. However, since the Company's policy requires the estimated price not to be higher than the Rate Book price, the Company's estimated price of this truck is lower than the estimated price considering real condition. As a result, in some cases, the Company's approved the loans at higher prices than the estimated prices. Nevertheless, most of the

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

Process of Loan Approval

The Company's loan approval consideration is conducted on the concise and discreet basis, leading to stable incomes. The Company set the approval authority framework for loan approval to authorized persons in respective order, depending on Credit Line, Loan to Value ratio, and Credit

Score of loan applicants. The authorized persons can be the board including the Area Credit Committee level, consisting of Area Manager and all Branch Managers in that area. The approval authority framework can be increased respectively from Deputy Managing Director of Credit, Credit Committee, and Executive Committee up to Board of Directors.



Accumulated credit limit : not higher than 2.5 million Baht

LTV : not higher than 80% of truck body and not higher than 90% when including insurance premiums and credit limit protection insurance

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considered by the Area Credit Committee which supervises the credit approval of the branches. The Company divided the branches management into 4 areas according to the branch location in the province as follows:

Area 1	Nakorn Pathom, Ratchburi, Kanchanaburi, Samut Prakan and Surat Thani
Area 2	Saraburi, Chonburi, Pathum Thani and Prachin Buri
Area 3	Supanburi, Nakorn Sawan, Pisanulok,Phrae and Chiang Mai
Area 4	Khon Kaen, Ubonratchathani, Nakorn Ratchasima,Udon Thani and Roi Et

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

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

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

If the credit consideration is in line with the credit approval criteria of the Company, the authorized approver will inform the approval result to the branch so that the

branch can inform the customer further. In general, if the credit application and documents are complete, the Company will take 3-5 working days for consideration and approval.

Process of making hire purchase agreement

When the credit application is approved by area committee or head office, the branch credit officer will inform the credit department to prepare the hire purchase agreement and review the correctness of all documents before making hire purchase agreement. Then, the branch officer will call to inform the customer and make appointment for signing the hire purchase agreement. The Company's hire purchase agreement uses the standard format reviewed by the legal department of the Company to be effective as required by law. Moreover, the branch officer will prepare the "loan amount and expenses quotation" for customer to summarize all the credit approval information and identify the fees for doing the agreement, such as a new account opening fee, stamp fee, etc. The finance department will



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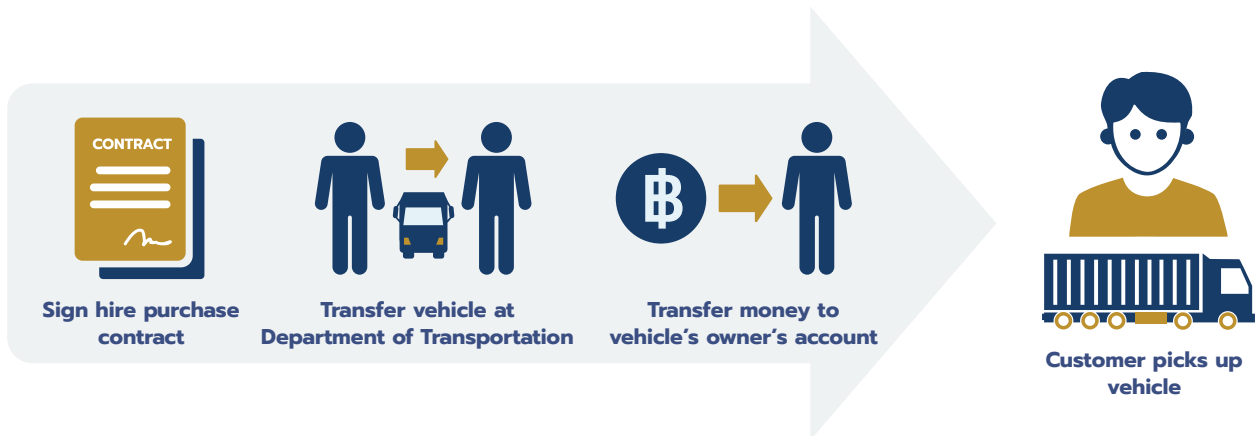
prepare the payment for used truck tent operator or previous truck owner. In this regard, the truck for hire purchase deal with the Company must have the second-class insurance policy, at least in the first year of hire purchase, stating the Company as the beneficiary in order to reduce the risk that may occur from damages of the trucks, both for the case of damage or loss.

When customer signs in the contract and documents for hire

purchase contract completely, the credit operation department will propose 2 sets of contracts (original and duplicate) to the Company's authorized person to sign.

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

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



Process of keeping contracts and collateral documents

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

Process of receiving installments

At present, the Company uses the

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

Such bill payment system not only provides convenience to customers but also helps reduce the corruptions of branch officers. After implementing such system, the Company announced to

cancel the cash payment at all branches. Moreover, the Company does not have a policy to send branch officers to collect cash payment from customers outside the branches. In the case that any branch officer goes out to visit a customer and the customer wants to pay cash for installment, that branch officer shall suggest or take the customer to the nearest bank to make the installment payment to the Company's account.

In the case that the installment payment is made at the bank, customer shall receive a temporary receipt from the bank and the original receipt / tax invoice will be sent to customer by the head office afterward. At the end of the day, the Company's finance department at the head office will review the payment transaction from customer. If the amount is fully paid, the finance department will issue the receipt/ tax invoice for customer. All receipts shall be issued from

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the head office's system. If any payment transaction is found overpaid or incomplete, the finance department will inform the debt collection department and branch officers to follow up with customer for the full amount repayment. If customer makes a defaulted payment of installments, the Company shall proceed on the regulations of debt tracking and collection.

Process of debt collection

The Company has a policy to manage the debt collection efficiently by defining that the branch officer has duty to monitor payment record of customers closely to get customers to pay their installments on time to maintain the not-too-high outstanding debt balance in the system. 3 days before the due date, customers shall receive SMS as a reminder from the Company. However, if a customer makes a defaulted payment or does not pay installment by due date, the Company shall proceed on the debt collection as following process: Late payment for more than 5 days: Charge late payment penalty according to the Company's announcement. Outstanding 1-2 installments: Reminder call and reminder letter. Outstanding 3 installments: Issue termination letter effective within 30 days. Outstanding 4 installments: Debt collection and truck confiscation. Outstanding 6 installments and over: If the debt is not paid, the Company shall proceed to legal action.

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

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

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

Process of closing account

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

mail as per the informed address. Customer can bring the documents to process the registration of ownership transfer at the Department of Transportation accordingly.

Process of collateral collection

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

Process of collateral auction

When the hire purchase customer refuses to redeem the collaterals, the Company shall cancel the use of such vehicles at the Department of Transportation and sell the confiscated vehicles as soon as possible in order to avoid the price decreasing until it is not enough to pay for the outstanding debt. All confiscated trucks are kept at the parking lot of confiscated vehicles of the Company, which is located on the 5-Rais rented land near Banglane Road in Nakorn Pathom, in order to provide convenience to customers who are interested in buying trucks, including both used truck tent operators and

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Parking lot of confiscated vehicles of the Company in Nakorn Pathom

general end users. The parking lot is very safe with surrounded gates to protect the company's assets. Before the auction, the credit analysis department will gather all confiscated trucks during that period to estimate the selling prices and propose to 2 Assistant Managing Directors to sign for approval of the confiscated truck auction.

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

used truck tent operators and agents for 75% of the value of total confiscated trucks. Another 25% was sold to end users. The end user customer who are the real users of the trucks can also apply for the truck hire purchase loan agreement with the Company. The Company shall use the same credit analysis method for consideration as they do in the normal used truck hire purchase agreement.

In selling the confiscated trucks to the used truck tent operators, most purchasers are trade partners who introduce hire purchase loan customers to the Company. However, the Company arranges the selection system that selects purchasers who offer the highest price during the same period for the sake of transparency and fairness. In this regard, the Company does not have a policy to sell confiscated trucks by bidding since the bidding offer prices usually are lower than the individual offer prices. Moreover, the Company has a network of the used truck tent operators,

who have long term partnership with the Company, which can be another channel for the fast and effective sales of confiscated trucks. However, in the case that the value of confiscated truck sales is not worth the outstanding debts, the Company can file a claim for the missing amount and enforce the case to seize the debtor's properties for further auction. In this regard, the legal action against debtor and surety depends on the consideration of the prosecution expenses and the outstanding debt after the sales of collateral assets.

As of 31st December 2021, there were 25 confiscated trucks as the Company's foreclosed assets with the accounting value of 11.3 million Baht or 0.3% of total assets of the Company. Most of them were 6-wheel, 10-wheel and 12-wheel trucks with no more than 1 month of service, counted from the date of collateral confiscation, with the following details:



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Age of foreclosed assets (from collateral confiscation date)	2019		2020	
	Mil Baht	%	Mil Baht	%
Less than 1 month	6.1	89.7	9.8	86.7
1-3 months	0.7	10.3	0.6	5.3
More than 3 months	-	-	0.9	8.0
Total	6.8	100.0	11.3	100.0
Deduct Allowance for impairment	-	-	-	-
Foreclosed assets - Net	6.8	-	11.3	-

Note: Foreclosed assets shown in financial statement is the costs deducted by allowance for impairment. The costs were referred from the estimated prices of each model of trucks on the date of confiscation, depending on the truck condition, the truck modification, the truck color condition and their age of services

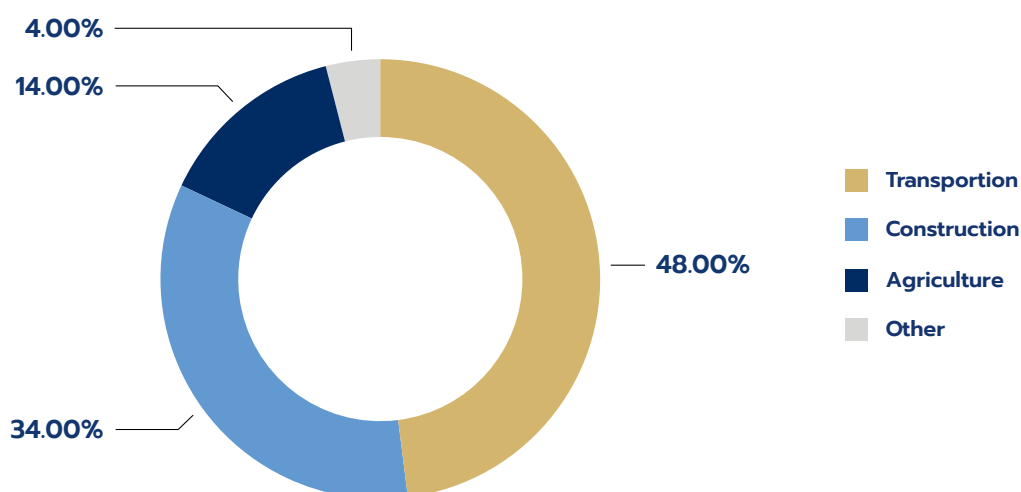
Customer's characteristics and target group

The Company provides hire purchase loans to individual customers and juristic persons who need to lease second-hand

trucks for use in their careers to generate income. by focusing on customers with regular income who have a career consistent with the car type business owner or farmers who want to buy trucks to use in transporting

goods or providing commercial services such as agricultural transport industrial products building materials and consumer products, etc.

Account receivable information of contracts formed in 2021 (divided by industry), data as of December 31, 2021



From the above diagram Most of the Company's customers today are from the transportation industry. Such customers mainly want to use trucks for transportation of agricultural goods and consumer goods, followed by customers who want to use trucks in the construction and agricultural industries. More than 34 percent of the total loans issued in 2021 are customers from the central region of the country.

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New Loan amount by customer group

New Loan amount by customer group	2019		2020		2021	
	Mil Baht	%	Mil Baht	%	Mil Baht	%
Individual customer	1,036.6	92.0	1,211.1	92.8	2,113.5	95.7
Corporate customer	123.6	8.0	93.4	7.2	95.3	4.3
Total	1,160.2	100.0	1,304.5	100.0	2,208.8	100.0

The Company's customer group consists of individual customers and corporate customers, introduced to the Company by the truck tent operators or used truck agents. From 2017 to the first 6 months of 2020, the Company's hire purchase loans for individual and corporate customers were 89.6% and 10.4% of total loan amount, respectively. The Company focuses on the fast and efficient loan services, considering the convenience of customers and tent operators as priority. The continuous development of after-sales services is also taken into consideration to maintain current customer base and expand to new customer group. As a result, the past record shows that existing customers who complete their installment loans with the Company come back for the Company's hire purchase loan services when they want to buy the new used trucks.

In this regard, the Company has a policy to expand new customer base by building relationship with and increase the number of the used truck tent operators and agents who are partners with the Company. The branch expansion to many provinces is also part of the plan, focusing on the provinces where there is the high growth of industrial sector or the area where the population of used truck tent operators is condensed. The selected area shall be closed to the main road and can easily access to other provinces so that the Company's services can cover more area and

can reach target customer group further in the future.

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

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

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

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Pricing policy

Interest rate

The Company has a policy to define the interest rate of hire purchase for each customer that appropriately reflects the risk of loan approval. The key factors that the Company use to define the hire purchase interest rate are the financial costs of the Company and other factors that have effect on the Company's financial costs in the short run, such as the state economy of the country, the trend of changes in market interest rates, and the government policy that could affect the Company's business conduct and the trend of interest rates of other entrepreneurs the industry. Moreover, the Company also considers operational costs, qualifications and risks of collaterals, considering mainly on the age of collaterals. The interest rates shall be defined under the condition that the Company shall have profits and competitiveness compared to other players. The Company does not have a policy to define the interest rates to be lower than its financial costs and operational costs.

Credit limit

In most cases, the Company's approves the credit limit at 70 – 85% of the collateral's estimated prices which depends on the vehicle's type, model, brand, age, and usage condition. The hire purchase credit limit, when including the accident insurance premiums and credit limit protection insurance, must not be higher than 90% of such truck trading price. The Credit Committee has duty to review the appropriateness of the credit limit policy regularly every 6 months in order to assure that the Company be able to define the credit policy in accordance with the economic condition or the changing industry conditions. Should there be any changes from the existing policy, the Credit Committee shall present the issues to the Board of Directors for further approval.

Installment amount and installment payment period

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

The term of payment depends not only on the ability to repay debts of customers but also on the age of the collateral trucks. The term of payment for a truck with less years of service is longer than an older truck. However, the term of payment shall not be longer than 60 installments.

Sales channels

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

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

At present, the Company has almost 480 trade partners of used truck tent operators in various regions all over the country. About 270 of them are regular partners who are used truck tent operators located in the provincial areas and other provinces. The branch's marketing

officer and credit officer are responsible for contacting and maintaining relationship with these operators. The used truck tent operators are considered as the important trade partners who introduce hire purchase loan customers to the Company. The Company provides hire purchase loan services to customers through this channel for about 80% of total loan amount each year.

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

2. Introduction by the agent network

At present, the Company has the network of registered agents in the system for over 170 agents throughout the country. They recruit new customers interested in hire purchasing trucks for the Company. The Company provides hire purchase loan services to customers via this channel for about 10% of total loan amount each year.

3. Introduction by Company's employees

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

4. Direct contact to the Company or its branches

Customers who know and receive information of the Company from advertisement, such as newspaper, radio, billboard, etc. can contact the Company to request for the credit application services at any branch or at the head office directly. As of 31 December 2021, the Company had total of 19 branches all over various provinces in every region of the country. The Company's

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branch is opened for service on Monday – Saturday: 8.00 – 17.00 hrs.

5. Contact via online channels (Online Channel)

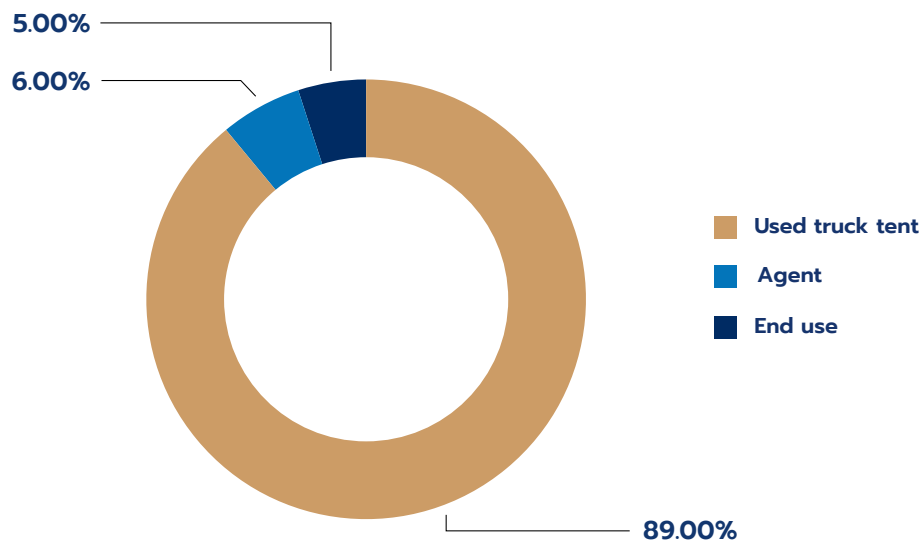
At present, the company has developed and improved through the use of Digital transformation strategy, to meet the needs of specific consumers including a new way of living (New normal) that is expected to depend on various transactions through more online channels This

allows the company to add more contact channels, either Facebook: <https://www.facebook.com/Microleasing> or Line official: @microleasing, making it more convenient for consumers.

In this regard, those who recruit new customers for the Company shall receive a "Commission" which is defined as a percentage of total interest income as per contract and shall not be over the maximum commission

rate per contract defined by the Company. Such rate will vary to the type of introducer. The Company will pay commission to introducer when introduced customer's qualification passes the requirement and get into the hire purchase agreement with the Company. Such commission is a one-time payment, cannot be recalled, and is the rate in accordance with the general practice of the industry.

Proportion of new customers from each channel, data as of Jan 1 - Dec 31, 2021



From the above chart, over 90% of the Company's new loan customers come from the channel of the used truck tent operators. Thus, the used truck tent operators are the important business partners in recruiting and introducing new customers to use the Company's loan services. The Company shall further screen these customers according to the credit review standard of the Company.



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The company focuses on lending through quality used truck tent operators. By focusing on the selection of used car tent operators to become the company's partners must be an entrepreneur with a good history. A reasonable selling price has been set. There is a process for selecting and buying a car. No car registration history and no complaints from customers, etc. In addition, the company requires an account opening procedure for car tent operators. The second-hand car tent operator must submit the documents according to the company's rules and a photograph of a car tent which is an establishment. To assess the establishment and location and attach an application for approval to open an account as an entrepreneur in the company's network. Including the preparation of partner information (Dealer profile) for use in both statistical analysis and can be used to formulate a marketing strategy plan with partners effectively.

The Company has a policy to build good relationship with

used truck tent operators with various kinds of sales promotions, such as offering commission or other marketing programs to stimulate sales, such as thank you party, incentive trip, or give-away premiums when tent operators achieve the targeted number of loan customers. In addition, the Company gives importance to the fast payment transfer for the truck price to the tent operators within 1 working day after the ownership transfer is finished, resulting in the trust and preference that the tent operators have for the Company and choose to introduce new customers to the Company. However, although the Company has been relying on this channel, there were no tent operators who can provide loan customers to the Company for more than 30% of total loan amount each year. Thus, the Company does not rely on any specific used truck tent

Product or service sourcing

Source of funds

In the beginning stage of business, the source of funds for credit business expansion mainly

came from the shareholders' capital, both in the form of capital increase in the company and loans from connected persons. The loan application to financial institutions during the beginning of business was limited because the credit policy of financial institutions was quite strict and the Company's business could be considered as competitor of some financial institutions. However, in 2018, the Company received the short-term credit limit from the financial institution for the first time to increase its liquidity. The operating result giving continuous retained earnings and the decreasing proportion of Non-Performing Loans, as a result of the concisely implementation of the credit approval policy and the effective debt collection enable the Company to receive more credit limits from other banks, respectively. As of 31 December 2021, the Company has short-term credit limit from the banks in total of 1,010.0 million Baht, consisting of 70.0 million Baht of used credit limit and 940.0 million Baht of unused credit limit.

Sources of funds	2018		2019		2019		2019	
	Mil Baht	%	Mil Baht	%	Mil Baht	%	Mil Baht	%
Loans from financial institutions	90.0	6.0	587.0	28.4	488.2	18.6	690.5	17.8
Loans from connected persons	430.0	28.9	370.0	17.9	305.6	11.6	150.8	3.9
Loans from other persons	-	-	29.2	1.4	9.2	0.4	16.0	0.5
Debentures	-	-	-	-	-	-	1,052.9	27.2
Shareholder's fund	968.9	65.1	1,079.8	52.3	1,823.0	69.4	1,958.5	50.6
Total source of funds	1,488.9	100.0	2,066.0	100.0	2,626.0	100	3,868.7	100
<i>Unused credit limit</i>	<i>290.0</i>		<i>547.0</i>		<i>444.7</i>		<i>1,340.0</i>	

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

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As of December 31, 2021 the Company had credit amount (before deducting allowance for expected credit loss) of 3,799.7 million Baht of which sources of funds came from shareholders' paid-up capital, legal reserves, and retained earnings in total of 1,958.5 million Baht and loans from connected persons of 150.8 million Baht, totally accounted for 74.9% of total capital, while the loans from financial institutions was 690.5 million Baht, accounted for 24.5% of total capital, respectively. From debentures 1,052.9 million Baht, for 37.4% of total capital.

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

directors accordingly.

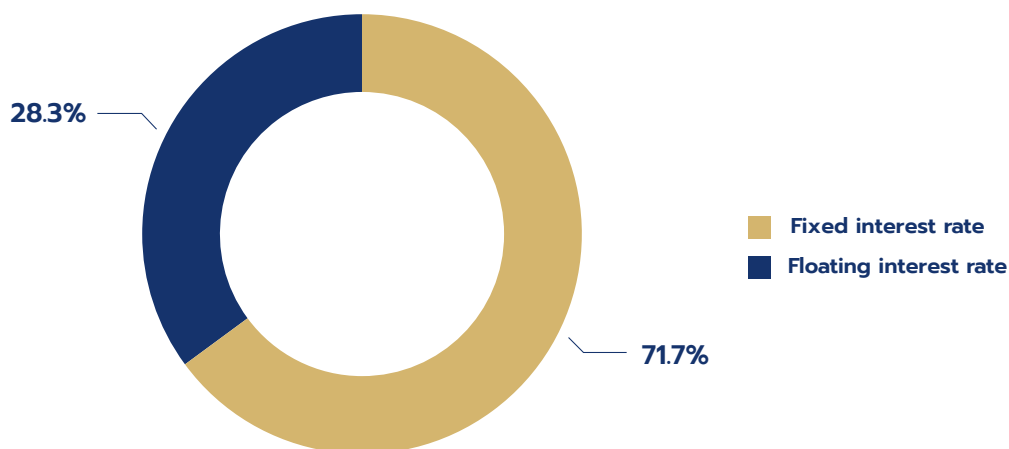
Liquidity Management

From the financial position structure of the Company at present, most of the Company's source of funds consists of the fund from the owner and the short-term and long-term loans for business operations including loans from financial institutions, loans from external persons, and loans from shareholders, directors or persons involving those people. Most loans' period of payment is within 1-3 years. The main business of the Company is the hire purchase loan service of which the contract payment period is 4-5 years resulting in the Maturity Mismatch. Moreover, there is also the Interest Rate Mismatch since the interest rate that the Company receives from the hire purchase contract is Fixed Rate while some loans' interest is the Floating Rate which goes up and down along the country's economic condition.

The Company gives importance to the liquidity risk management to reduce the risk of the inability

to repay debt or obligation when reaching due date, or the inability to find source of funds in time for a sufficient amount as needed to expand business, or the ability to find source of funds but at the unacceptably high financial costs which can affect the Company's incomes and performance. In this regard, the total loan amount of the Company as of December 31, 2021 was 1,910.2 million Baht with the payment due as follows:

Proportion of loans as of December 31, 2021 by type of interests



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Debt obligation to be repaid (Liabilities)	31 December 2020		31 December 2021	
	Mil Baht	%	Mil Baht	%
Within 1 year ^{/1}	670.7	83.5	467.0	24.5
Over 1 year but not over 2 years	132.3	16.5	997.1	52.2
Over 2 years but not over 3 years	-	-	353.5	18.5
Over 3 years	-	-	92.6	4.8
Total	803.0	100.0	1,910.2	100.0

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

Considering hire purchase receivables as of December 31, 2021 excluding receivables more than 3-months overdue and debtors currently under legal action, the Company's due payment installments are as follows:

Hire purchase receivables (Excluding NPL)	31 December 2020		31 December 2021	
	Mil Baht	%	Mil Baht	%
Within 1 year	758.4	31.0	1,097.2	29.9
Over 1 year but not over 2 years	592.9	24.3	840.1	22.9
Over 2 years but not over 3 years	530.1	21.7	789.5	21.6
Over 3 years	563.5	23.0	937.2	25.6
Total	2,444.9	100.0	3,664.0	100.0



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As of December 31, 2021 the Company had loans due within 1 year of 467.0 million Baht, including 300.2 million Baht of loans from financial institutions, 150.8 million Baht of loans from connected persons and 16.0 million Baht of loans from other persons, which were higher than the amount to be received from debtors within 1 year which was 1,097.2 million Baht. However, the short-term loans from a financial institution with an outstanding balance as of 31 December 2021 was 330.6 million Baht with the 4-year term of payment. The Company does not have to repay such loan in full amount within 1 year.

The short-term loan from another financial institution was the revolving credit. When the repayment is complete, the Company can apply for the new loan at full credit limit. The short-term loan from the connected persons due within 1 year of 150.8 million Baht was the short-term loan from directors and/or shareholders or connected persons to those persons who have been the good financial sponsors for the Company. The

Company have never been called for the repayment earlier than the due date and can renew the loan contract continuously.

In addition, considering the long-term loans with over 1 year but not over 3 years due of 1,350.6 million Baht and the amount to be received from the over 1 year but not over 3 years receivables of 1,629.6 million Baht, the Company will have enough fund for loan repayment in the long term.

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

In addition, the Company has a policy to restructure the financial structure by finding source of funds for the future. The

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



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Conditions required to comply with loan agreements from financial institutions.

As of December 31, 2021, the Company had short-term and long-term loans from 2 financial institutions to which the Company put on collaterals as per general conditions of borrowing, such as guarantee deposit, land, and building, claim for repayment from hire purchase receivables,

and guarantee by directors or shareholders, etc. However, such loan agreement had significant condition with which the Company must comply, that is, the Company must maintain the financial ratios according to the bank's terms and conditions. If the Company cannot maintain such financial ratios as required and does not comply with other conditions of the loan agreement,

the Company may face the risk of the suspension of credit limit or the immediate recall of all principles, which shall have effect on the liquidity and business conduct ability of the Company. The financial ratios complying with the bank's terms and conditions are as follows:

Financial Ratios maintaining	Bank conditions	As of 31 st December 2021
Total Debt to Equity Ratio	Not more than 2 Times	1.06 Time
Total revolving credit from financial institutions to total receivable value (including principles and interests) ratio	Not more than 40%	1.39%
Total revolving credit from financial institutions to the principal value of receivables outstanding for up to 3 installments ratio	Not more than 60%	1.91%
Total financial institution loans to total receivable value ratio	Not more than 70%	18.19%
NPL ratio	Not more than 5.0%	3.47%
NPL to confiscated truck value ratio	Not more than 7.5% ^{/1}	3.76%
Proportion of 4 major shareholders to registered capital	More than 50%	55.85%
Total Loan including Debentures to total receivable value ratio	Not more than 70%	50.09%
From 29/10/2021, can borrow money with collateral	Not more than 4,000 million baht	550 million baht

^{/1} The condition of financial institutions requires the Company to maintain the NPL ratio including confiscated trucks at not more than 7.5% up to Quarter 1/2022 and at 5.0% from Quarter 2/2022 onwards.

The Company is aware of the significance of the compliance with the financial institution's requirement and has operated at its best to maintain the financial ratios according to the bank's terms and conditions. As of December 31, 2021, the Company had the financial ratios as per the bank's requirement.

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Industry condition and competition

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

Overview of domestic economy and credit business

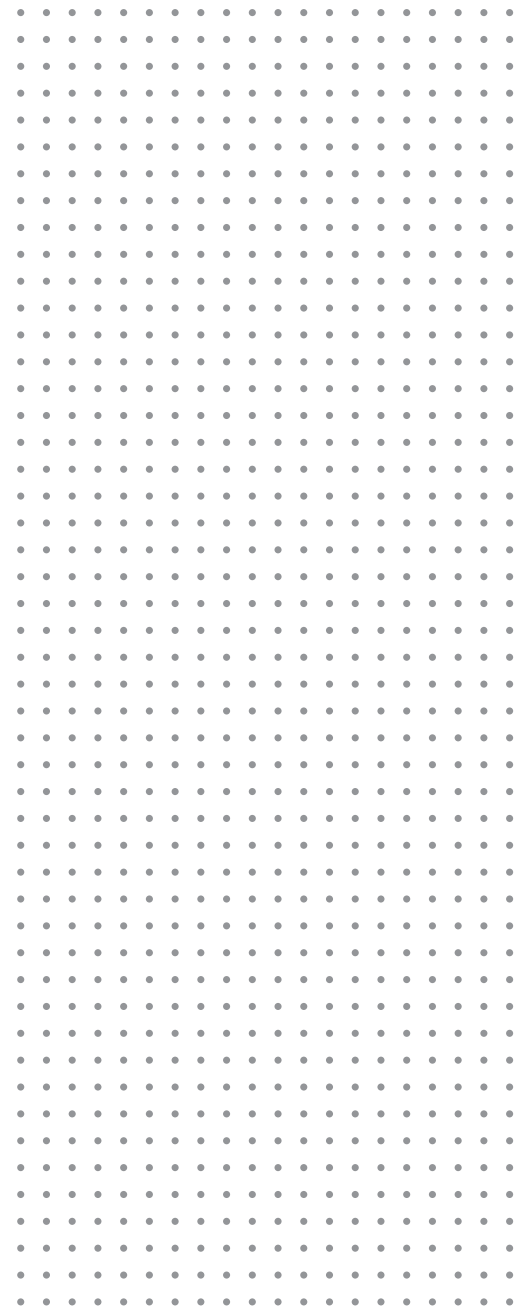
The Thai economy in 256 is expected to grow at a rate of 0.9 percent in 2021 and continually expand in 2022 and 2023 at 3.4 and 4.7 percent, respectively. The recovery in many business sectors is likely to improve in line with economic activities. However, it is estimated that the outbreak of the Omicron strain will affect the economy in the first period of 2022 with risks. On the low side, the impact could be more severe and prolonged than expected. It depends on the severity of the epidemic situation and the rigor of control measures. In addition, the recovery of the labor market must be monitored. In particular, employment and labor incomes are still lower than before the outbreak.

The medium term inflation outlook is expected to stay within the target range. Headline inflation in 2021, 2022 and 2023 is expected to be at 1.2, 1.7 and 1.4 percent, respectively. Headline inflation will temporarily increase due to supply-side factors, especially energy prices. This is expected to ease in the second half of 2022. There is little chance that inflation pressure will continue to increase due to the limited ability to pass on costs of operators due to the gradual recovery of the economy. However, the Committee assessed that there is still a risk of higher-than-expected inflation in the context of rapidly rising global inflation. The development of the above factors will be closely monitored.

Liquidity in the financial system remains high. But credit risk

also hinders credit spread. Especially for SMEs, the overall Thai government bond yield was stable. The exchange rate of the baht against the US dollar remained highly volatile. With the uncertainty surrounding the COVID-19 situation that may intensify and the monetary policy of major economies under high inflationary pressures, the Committee agreed to closely monitor the developments of the global and Thai financial markets. It should continue to drive the creation of a new FX ecosystem, especially encouraging SMEs to hedge their risk from exchange rate fluctuations more.

Source : Bank of Thailand



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Overview of domestic loan business

Total outstanding loans in the system as of 31st December 2014 – 31st December 2021

Outstanding balance of loans including the system classified by business type (Unit: Billion Baht)	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019	31 Dec 2020	31 Dec 2021
1. Agriculture, Forestry and Fisheries	105	114	110	111	105	101	97	100
2. Mining and Quarrying	71	81	74	78	75	80	86	100
3. Production	2,252	2,270	2,240	2,273	2,242	2,126	2,091	2,261
4. Construction	198	214	230	235	253	269	288	311
5. Wholesale and Retail Repair of motor vehicles and motorcycles	1,858	1,831	1,868	1,902	2,000	1,951	1,940	2,098
6. Financial and Insurance Activities	2,647	2,692	2,785	3,399	2,994	3,374	3,825	4,101
7. Real estate activities	585	638	619	663	743	777	781	760
8. Utilities and Transportation	762	854	920	939	960	1,015	1,029	1,119
9. Service	688	742	829	876	987	920	1,043	1,070
10. Personal consumption	3,463	3,708	3,888	4,124	4,507	4,852	5,078	5,266
Residence	1,684	1,844	1,971	2,080	2,240	2,366	2,458	2,621
Car	860	865	877	948	1,069	1,152	1,195	1,181
Credit card	199	212	224	232	249	274	268	273
Other personal	720	787	816	864	949	1,060	1,117	1,191
11. Other	246	91	75	118	214	156	419	674
Total	12,875	13,235	13,638	14,718	15,080	15,621	16,813	17,860

Sources: Bank of Thailand

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Considering the outstanding loan amount by type, it was found that the loan amount for public utilities and transportation had continuous growth. The trend of other business credits involving truck usage, such as construction business and real estate business, was growing continuously as well. This reflected the demand for loans to support such business growth which had direct impact

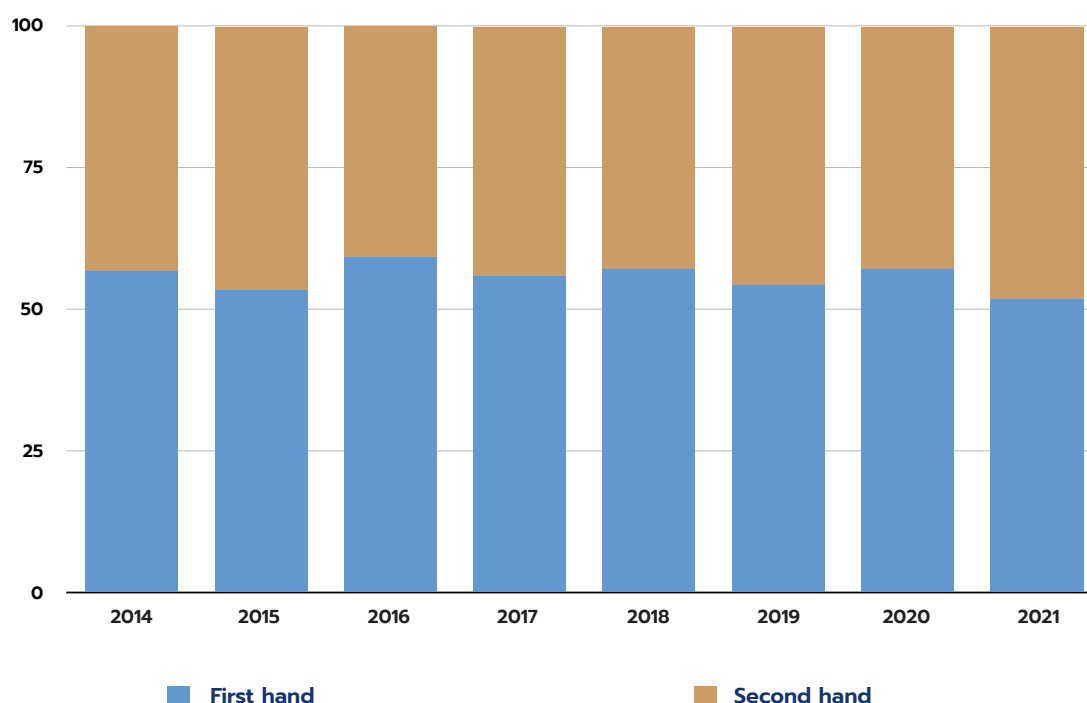
on the demand for trucks usage for business operations.

Domestic Truck Industry

As for the overview of the truck market in 2021, there is a growth rate from the economy, which has growth potential from 1.5% - 3.5% for two trucks. For new trucks, the rate has decreased due to the shortage of key parts for automobile factories around the

world. May affect the production of new cars until 2022. Problems in 2021 come from 3 factors 1. The shortage of chips for car production is not as severe as other countries. 2. The number of vehicles seized from financial institutions tends to increase and 3. The purchasing power of most consumers.

Number of newly registered trucks (%)



Source: Transportation Statistics Group, Planning Division, Department of Land Transport

Number of trucks	2014	2015	2016	2017	2018	2019	2020	2021
New truck red label	45,873	36,785	38,626	36,463	40,123	37,892	29,907	38,142
Used truck	35,092	32,196	26,537	29,093	30,282	30,592	39,814	35,731
Total trucks	80,965	68,981	65,163	65,556	70,405	68,484	69,721	73,873

¹ Growth rate compared to the same period of previous year.

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It was found that, by considering the type of truck, the registration of new trucks (red label) in 2017 decreased from 2016 by approximately 5.6% since in 2016 there was the double tax deduction measures for new truck purchasers, resulting in the high number of purchasing orders. However, although there was the 1.5 times tax deduction in 2017, the sales of this year could not reach the sales of 2016. The other factors included the decreasing spending of private sector and the small growth of government sector spending in the construction projects. The trading of used truck market in 2020 was still good.

Later in 2018, the overall truck market recovered with the growth rate of 7.4% from 2017. This was the result of the investment factor in the government's Mega Projects which supported the

increasing investment of private sector and reflected the direction of recovering economy of the country, including industrial production, construction, exports and agriculture, and consequently the confidence of investors. Moreover, the transportation and logistics sectors also gain merits from the growth of small transportation from online trading or e-Commerce.

In 2019, the economy was slow down all over the world. The overall truck market shrank for 2.7% while the used truck market had a small growth of 1.0% since used trucks were still important vehicles for business operations and a lot of new trucks had been bought into the market by some operators in 2018 resulting in the 10.0% market growth from 2017. During the slowdown economy, operators turned to choose used trucks instead of new trucks.

In 2021, the truck market was continuously shrinking due to the slowdown economy from the COVID-19 pandemic situation, resulting in the declining growth of the overall domestic truck market. However, the used truck market was significantly less affected than the new truck market during the economic slowdown because more operators changed to use used trucks rather than new trucks for their business operations. This was clearly reflected in the increasing proportion of newly registered used trucks as shown in following table:

New registered trucks (red label) to total new registered trucks ratio (%)

New registered trucks	2014	2015	2016	2017	2018	2019	2020	2021
New truck red label (%)	56.7	53.3	59.3	55.6	57.0	54.1	57.1	51.6
Used trucks (%)	43.3	46.7	40.7	44.4	43.0	45.9	42.9	48.4

Source: Transportation Statistics Group, Planning Division, Department of Land Transport



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The analysis of the new registered trucks (red label) to total new registered trucks ratio in the past 5 years found that the proportion of new registered truck red label was at the average of 56.1% of total new registered trucks each year. Another 43.9% of new registered trucks were the registration of used truck trading. During 2017 – 2019, the used truck trading ratio was quite stable at 43.0 – 45.0% of total new registered trucks, reflecting the continuous popularity of used truck market which was the main target group of the Company's hire purchase loan services. In 2020, the proportion of new registered

used trucks increased to 57.1% due to the slowdown economy which made operators turn to use more of used trucks. In 2021, the proportion of new registered used trucks decreased to 48.4%.

Thus, although the GDP of the country had a slow or shrinking growth, the outstanding amount of related loans, including used trucks, still increased. This reflected that the overall market condition of used trucks could still grow despite the slowdown economy. In addition, the growth of other businesses relating to used truck usage was the supportive factor for

the increasing demand for trucks, which was beneficial to the Company's used truck hire purchase business.

Moreover, in 2021, the Monetary Policy Committee ("MPC") announced the decrease in policy interest rate for 8 times, gradually decreased from 1.25% to 0.50%, to stimulate the economy according to the Easy Monetary Policy theory which resulted in the improving trend of the growth of hire purchase loans for used trucks industry since loan applicants could have lower borrowing interest burden.

Interest rate (%) from 5 large commercial banks	2015	2016	2017	2018	2019	2020	2021
Policy interest rate	1.50	1.50	1.50	1.75	1.25	0.50	0.50
MLR - lowest	6.50	6.25	6.03	6.03	6.00	5.25	5.25
MLR - highest	6.85	6.60	6.60	6.60	6.35	5.58	8.10
MRR - lowest	7.87	7.62	7.12	7.12	6.87	5.75	5.95
MRR - highest	7.95	7.70	7.37	7.37	6.95	6.22	8.8

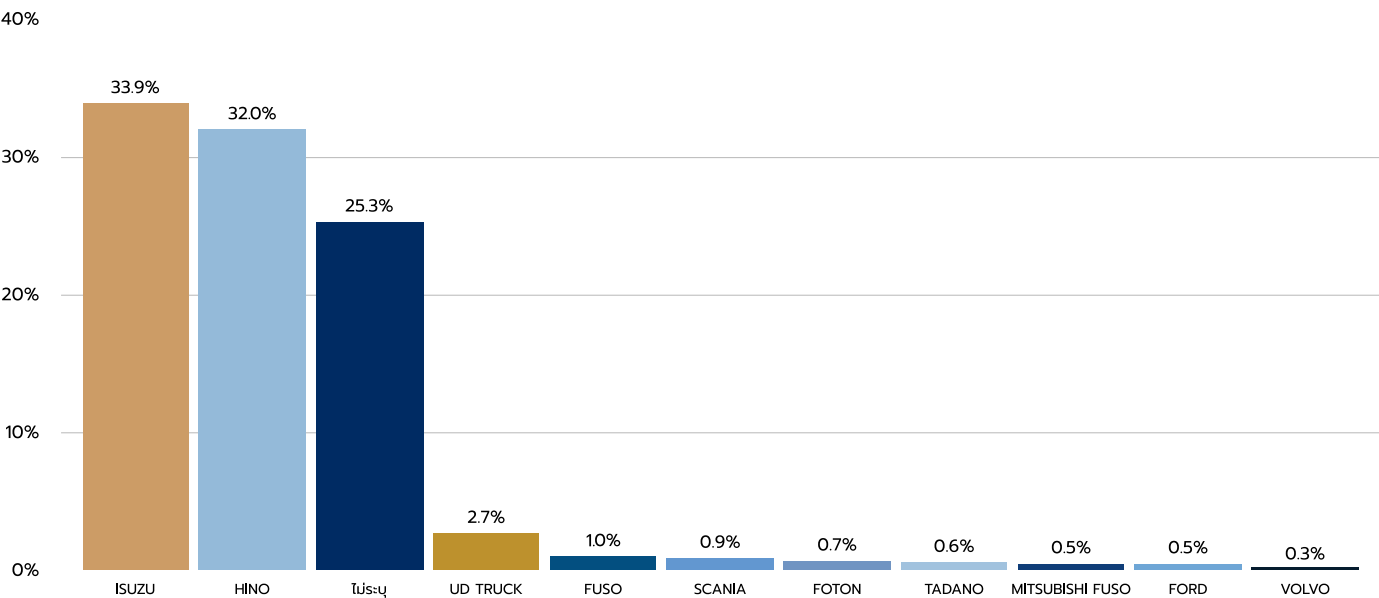
Source: Bank of Thailand



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At present, the market leaders of commercial trucks of Thailand are ISUZU and HINO of which market shares are over 90% of total trucks sales each year.

New registered trucks in 2021



Sources: Department of Land Transport

Service providers in the industry

At present, service providers of used truck hire purchase loan business in Thailand are classified into 3 groups, that is, financial institution (Bank), vehicle manufacturer and dealer (Captive Finance), and general hire purchase company which is a Non-Bank operator. Each type of service providers has different characteristics as follows:

(1) Financial Institution

The financial institution group mostly are commercial banks, branches of international commercial banks and Bank’s subsidiaries. The large providers with significant roles in the market are Bank of Ayudhya, Tisco Bank, Thanachart Bank and Siam Commercial Bank.

This group of providers usually gives importance to and focus

on providing hire purchase loans mainly for new vehicles since these companies have low-cost capital base and can be competitive in the new truck hire purchase market with low interest income rates rather than taking risks in the used truck hire purchase market. They also emphasize on the competition in personal car hire purchase due to its larger market size than such commercial car market as 6-wheel truck, 10-wheel truck, and trailer. Thus, the hire purchase loan service providers in financial institution group are not Company’s direct competitors. However, the current competitive condition of new car market brings the interest rates of hire purchase for vehicles down, especially the new registered vehicles (red label). So some providers move to the hire purchase for used vehicles which has higher interest

rates to maintain the Interest Spread not too low.

For example, in 2011, the subsidiaries of a large bank, the Ngerntidlor Co., Ltd. (“Ngerntidlor”) began to expand business from personal car and motorcycle registration loans to used truck hire purchase loans and truck registration loans to support entrepreneur group and farmer group that want to expand business. Their strengths were the number of branches all over the country and low financial costs as a subsidiary of Bank of Ayudhya which was the fifth largest commercial bank of the country and a subsidiary of Misubishi UFJ Financial Group (MUFG) which was the largest financial institution in Japan. So Ngerntidlor was under the regulatory of both domestic and international leading banks.

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(2) Car manufacturer and dealer

In the beginning of 2011, the car manufacturers and dealers (Captive Finance) played more roles in the car hire purchase business in Thailand after the launch of the government first car policy by utilizing the advantages of financial support from their parent company which was the large car company and creating the strategic advantages from the business partnership and marketing campaign with domestic car dealers. These car dealers usually sell both new cars and used cars. In addition, this entrepreneur group is in partnership with leading leasing companies in the country and can provide hire purchase loan services for customer's convenience in a complete loop of customer services.

Examples of car manufacturers or dealers which provide truck hire purchase loans are:

- Scania Siam Leasing Company Limited is a subsidiary of SCANIA Thailand, a dealer of both new and used bus, coach and truck from Europe.
- Hino Motors Sales (Thailand) Company Limited, holding 30% market shares of trucks, is in a partnership with Aioi which is a financial loan service provider to position Hino Leasing as a One-Stop Service of sales and services to provide convenience to customers.
- Daimler Commercial Vehicles (Thailand) Limited, selling FUSO trucks and providing loans with

Mercedes-Benz Leasing (Thailand) Company Limited, provides loan services for Mercedes-Benz trucks and FUSO trucks in the same group (together called Daimler Trucks.)

(3) Non-Bank loan service provider

This group at present consists of approximately 300 individual hire purchase loan service providers for vehicles. The Non-Bank loan service provider group usually loses the cost advantages on the source of fund when comparing with other service providers and usually carries higher risks of bad debts than other groups because most customers have low incomes.

The Company is considered as one of Non-Bank loan service providers which is in the market of many small and large entrepreneurs, both listed companies and general private companies. The significant entrepreneurs in this group are Ratchthani Leasing (Public) Company Limited ("THANI") and Asia Sermkij Leasing (Public) Company Limited ("ASK") which are the large service providers of hire purchase loans for trucks.

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

The company ("micro") is not financial institution under control of Bank of Thailand, and not under Civil and Commercial Code section 654 which specify that the interest rate that credit

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

Used truck Hire-Purchase Business

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

Since the first publication in BE.2555 of the announcement of the Office of Consumer Protection Board, Title Enforce Hire-Purchase of car or motorcycle business are not under consumer protection in contracts format, until the



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second publication in BE.2558 and the last publication, that enter into force at present, 1 July BE.2561, all of them intent to protect debtor who use car or motorcycle that hire-purchase in personal object only, not include the debtor who is Juristic person or debtor who has objective of business purpose. Because "car" in this announcement are personal car or personal truck that use for personal object only, not use for business object. So, that announcement is not conduct to Micro business because Micro provide credit especially for the debtor who has business object only.

Increase liquidity credit or secured credit

About the beginning of BE.2562, Bank of Thailand started to conduct Non-Bank strictly. It issued the announcement called sor.nor.sor.2/2562 for setting the guidelines of conducting secured car registration loan or car registration pledge loan, that one type of loan agreement, and the companies which are under that announcement such as car registration pledge's credit provider call for the loan applicant put the car registration such as car registration book, motorcycle registration book, agriculture vehicles registration book, truck or other car to the credit provider and the loan applicant must sign in advance into transfer car agreement and any documents related, that announcement force the credit providers must have paid capital minimum of 50 million Baht and they can charge the interest and fees not exceed 28% per year, however that announcement is not cover to Micro business because Micro

business is truck registration secured loan which is one type of hire-purchase agreement which loan applicant must transfer truck or another secured car to Micro while signed contract, as a result Micro can charge the interests and fees without enforcement of any regulations.

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

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

(1) The Company must comply with the Debt Collection Act B.E. 2558 ("Debt Collection Act"), including various announcements. Issued by virtue of the Section of the Act, such as the announcement of the Debt Collection Supervisory Board regarding the number of times to contact the debt collection. which requires the debt collector to contact the debtor or the person whom the debtor has specified has been informed of debt

collection not more than 1 time per 1 day, effective from 21 November 2019 onwards. However, the Act does not have a requirement for late penalty charge. or the charge of tracking fees in any way and the announcement of the Debt Collection Supervisory Board about the rate of fees or any expenses in debt collection which requires debt collectors to charge fees or any expenses in debt collection as follows: Not more than 50 baht per debt collection cycle In the case that the debtor has an outstanding debt in one installment and does not exceed 100 baht per debt collection cycle In the event that the debtor has overdue debt for more than one period It is effective from 13 September 2021 onwards.

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



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RESEARCH AND DEVELOPMENT

1. Micro has been focusing on research, development, and adoption of modern technologies to improve our services. The company has an Information Technology team dedicated to the study and development of new technologies to improve the efficiency of the company's business operations and to improve customer service experience. Our research and development projects focus on transitioning our business process to digital (Digital Transformation) and the company continues to make strategic investments to develop and improve our infrastructures and IT capabilities.

During the implementation of information technology projects, we focus on using technology in key business processes such as customer acquisition and relationship management, loan application process, credit analysis, debt collection, loan Portfolio Tracking, branch administration, and internal working processes; using various information technology systems that we developed, such as Mobile POS Application systems for loan officers, Vehicle appraisal system, Credit Analysis system, Enterprise Resource Planning (ERP), Robotic Process Automation (RPA), Business Intelligence (BI), and Data Warehouse systems.

Meanwhile, we also emphasize the importance of the security of our information technology systems and the protection

of personal data. We have put resources into improving our information technology security system and employ a consultant company to continuously test and assess system security (Vulnerability Assessment). Furthermore, our company is in the process of raising the standard of information technology services by hiring a consultant to develop the ISO27001 standard for our data center and business applications. This is an assurance to our customers, partners, and other stakeholders, that our Company has taken the necessary measures to protect both corporate and personal data, enhancing our data security.

Going forward, we will continue to develop and improve more information technology systems, such as Customer Mobile Application to improve customer's service experience, adopting cloud technology in our business process in the form of Hybrid Cloud, developing data links with external service providers through API. Automate the business process with RPA technology (Robotic Process Automation), as well as the development of innovative Credit Scoring Models to help increase the company's lending opportunities to qualified prospects, while reducing our credit risk. Micro intends to take advantage of new technology tools and build new business platforms. This would help develop various channels for acquiring new customers and business partners for both the credit business and the

insurance brokerage business. It would also increase efficiency in risk analysis and improve our online services to enhance the customer's experience and satisfaction.

2. The Company had analyzed our partners and number of businesses geographically to research and develop services for our business strategy in 2022. The data will be analyzed for branch expansion, manpower, services, and product development in accordance with the quality of credits and services.

In the case of Branch expansion, we had expanded new branches effectively and in accordance with our investment, which allows us to make profit accordingly

In case of manpower, it helps us to plan to increase our manpower effectively and suited with the number of businesses in each area, which allows us to effectively executed.

In case of services, we could set limit and parameter for our staff in each branch effectively allowing our staff to work promptly and allows us manage our fixed cost effectively.

In case of product development, the company had analyzed the needs of our client and all those interested, which we had acquired during client visits nationwide, we had came up with products that meets what our clients need and suit with the principle of good governance.



Shareholders Structure and Dividend



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SECURITIES AND SHAREHOLDERS INFORMATION

1) Amount of registered capital and paid-up capital

As of 31 December 2021, the company has a registered capital of 935,000,000 baht as follows common stock

amount 935,000,000 shares par value of 1 Baht per share.

2) Share transfer restrictions

The company has no restrictions on the transfer of shares. The transfer of shares must not cause the foreign shareholding of more than 49% of the total voting shares of the

Company. After the offering of common shares to the public this time. If the transfer of shares of any person makes the foreign shareholding proportion more than 49% of the total voting shares of the company. The company has the right to refuse to register the transfer of such shares.

Shareholder

1) Shareholder Structure

Shareholding structure as of 31 December 2021 as follows:

Major Shareholders	Amount	%
1. Mr. Thammasak Auchyawat	218,274,000	23.35
2. Mr. Kitsada Auchyawat	128,750,000	13.77
3. Mr. Jedsada Auchyawat	123,150,000	13.17
4. Mr. Tanyakon Autchayawat	52,050,000	5.57
5. Mr. Keittipong Toemkunanon	29,963,200	3.21
5. Mr. Sataporn Ngamruengpong	29,572,300	3.16
7. Mrs. Thanida Jirothanapas	17,130,000	1.83
8. Mrs. Wanna Auchyawat	16,548,000	1.78
9. Mr. Athon Jirothanapas	15,715,900	1.68
10. Mrs. Rotsanan Yingthaweesak	14,548,000	1.56
11. Other shareholders	289,298,600	30.94
Total	935,000,000	100

Dividend Payment Policy

The Company's dividend payment policy is to pay at least 40 percent of its net profit of the separate financial statements and after deducting corporate income tax and various reserves. However, The subsidiaries will consider

paying dividends based on the net profit after the deduction of the corporate income tax each year. However, this will depend on the investment plan and other factors. The annual dividend payment under the above policy must be approved by the Board of Directors and must be presented

for approval to the shareholders meeting respectively, except when it is an interim dividend payment, under such policy, it must be approved by the Board of Directors, then the Board of Directors will report to the shareholders at the next shareholders' meeting.

Micro Leasing Public Company Limited

Issuance of Other Securities

Debentures

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

Issued Date	Symbol	Issue Size	Interest Rate	Term	Maturity Date
28 May 2021	MICRO235A	500,000,000	5.55	2 years	28 May 2023

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

Issued Date	Symbol	Issue Size	Interest Rate	Term	Maturity Date
29 Oct 2021	MICRO23OA	349,300,000	5.25	2 years	29 Oct 2023
29 Oct 2021	MICRO23OA	203,600,000	5.50	3 years	29 Oct 2024



Risk Management



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RISK FACTORS

Risk factors mentioned in this topic are assessed from the situation in 2021. There may also be some other risks which the Company has considered and found that they do not significantly impact on the Company business operations. Micro Leasing (Public) Company Limited or ("the Company") conducts business in hire purchase loan service for used trucks, such as 6-wheel truck, 10-wheel truck, trailer, tractor, etc. The Company has a policy to approve credit for popular trucks only, such as ISUZU, HINO, and FUSO, etc. The terms of payment are between 12-60 months and the interest rate is the Flat Rate for the whole term. Every purchase hirer must transfer the ownership of truck to the Company and give the registration book to the Company as a collateral. The Company provides service channels through 19 branches all over Thailand. Moreover, the Company has business partners who are used truck tent operators and agents throughout the country to introduce the Company's credit services. The primary target group of the Company's credit providing service includes transportation operators in various industries, such as transportation of agricultural products and construction materials, etc. This target group has limited opportunity and option to access to the source of funds. In addition to the used truck hire purchase loan service, the Company provides other forms of loan service, such as loans with truck registration as collateral, refinancing loans, and other hire purchase services, such as coordination job to arrange and renew car insurance under the Car Accident Victims Protection Act, etc.

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

1. Risk from operating a used truck hire purchase business
2. Legal and regulatory risks
3. Financial risk
4. Risk from the impact of the COVID-19 pandemic situation

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

1. RISK FROM OPERATING A USED TRUCK HIRE PURCHASE BUSINESS

1.1 Risk from approving hire purchase loan for used truck

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

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

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

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

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

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

Moreover, the Company started to expand customer base in consumer goods transportation sector because consumer goods are necessary in daily life. Their demand and supply are

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not seasonal. The Company's hire purchase customers who are transportation operators have consistent incomes and can continuously repay the installments. With the policy mentioned above, the Company's non-performing loan ratio has been continuously decreasing. The Company has set the reserves for expected credit loss allowance for the whole amount of NPL.

(b) Risk of collateral quality

The risk from operating a used truck hire purchase business is not limited to the debtor quality like the risk from new truck hire purchase business. The Company also has the risk of collateral quality. Since collateral of hire purchase loan is used truck, its condition has aged by its years of usage. In addition, some trucks may be cut and recomposed or their structure may be modified. If the Company cannot inspect or assess the collateral truck condition correctly, the approved credit limit could be over the true value of the collateral and thus result in the Company's credit loss significantly when debtor cannot repay the debt. As a result, the Company's financial status and business performance shall be affected. However, the experiences in used truck hire purchase business for over 25 years contributed to the Company's management team and personnels who are full of experiences and specialization in condition inspection and price appraisal of used trucks. The Company can define the appropriate credit limit according to the collateral's condition and value. Moreover, the Company also has a policy to support hire purchase loan service only for used trucks of which models and brands are popular and well accepted in the market. The selection of used truck tent operators who meet the standard and

sell quality trucks helps the Company screen the quality collaterals in a way.

1.2 Risk from business competition that may increase in the future

At present, there are not many operators in used truck hire purchase market. However, since this business is not under the control and governance of any government agencies, anyone who has funding for credit can enter business easily. This may lead to the higher business competition in the future which may affect the growth of credit portfolio and performance of the Company.

However, the hire purchase loan for used truck business is the business that needs knowledge and specialization of used truck inspection. The Company estimates that the chance of new players to enter the market and create severe competitiveness is not high. With the experienced team in hire purchase loan for used truck business for over 25 years and the network of branches and partners all over the regions throughout the country, the Company is confident in its competitiveness against both old and new operators.

1.3 Risk from depending on personnel with experience and expertise in used truck hire purchase business.

Providing hire purchase loan for used truck service, the Company needs personnel who have experience, knowledge, and expertise in various aspects, such as marketing officers who have good relationship with used truck tent operators and agents who recruit quality customers, credit and collateral price appraisal analysts who have expertise in business to appraise quality and price of collaterals which mostly are more than 6 years old trucks with depreciation according to usage and have understanding in the main customer group who are transportation operators in various business sectors in

order to be able to assess the quality of debtor correctly and concisely. Thus, the Company has risks from relying on the knowledge, expertise and experience of executives and key working team in managing business. If such personnel are absent, the Company's business operation can be affected in the short term which can cause a mistake in credit consideration or appraisal of collateral value and debtor quality, resulting in the negative impact on the Company's financial status and performance.

However, the Company has set the clear target to motivate its executives and employees to continuously work with the Company in the long term. The executive team and key personnel in various departments have been working with the Company since the beginning of business. The Company also has a policy to transfer knowledge and experience through training courses for employees of all levels to build the working team with high potential to support the Company's efficient operations.

1.4 Risk from collateral collection

Since the assets used as collaterals in loan application of the Company are trucks used in business operation which are movable assets at any time, the Company has a risk of losing track of collateral collection when debtor makes defaulted payment. The Company will then lose principal and interest that debtor does not repay at once which shall affect the Company's financial status and business performance. To reduce such risk, the Company has a policy to approve loans only for customers with domicile and residential address and their collaterals must be registered within the branch area so that the branch officers can check customer's information, source of income, and assess the ability to repay debt efficiently. Moreover, the Company has a policy of debt collection which

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is efficient and in accordance with legal requirement, such as sending a message to remind customers of the installment payment before the due date, calling and sending reminder letters when the installment is 5 days up overdue. The collateral survey and tracking will be started as soon as the debtor does not pay 1 or more installments to reduce the risk that debtor will take collateral out of the area before the agreement is cancelled. In addition, the Company has a network all over the country to help the efficiency of collateral collection. The Company also hires outsourcing collection team to track the collaterals at the places where customers provide transportation service, such as factory, residence, etc.

1.5 Risk from selling foreclosed assets

Since the Company's collaterals are used-for-work trucks that have specific usage in relevant industries, the Company may have risk in the delayed disposal of foreclosed assets or may not be able to sell such assets at the specified price or not worth the remaining debt, which shall give negative impact on the Company's financial status and business performance.

To reduce such risk, the Company has revised the policy of foreclosed assets management by focusing on the fast and efficient disposal of assets to reduce the impact from decreasing selling price. The Company shall communicate the detailed information of confiscated trucks, such as truck photos and offering prices, to the target group, that is, used truck tent operators who are business partners of the Company and have introduced hire purchase loan customers to the Company. The confiscated truck information will also be publicized on the Company's website as another sales channel. All confiscated trucks shall be gathered in the parking lot located on Pholdamri road, Kampangsang district, Nakorn Pathom province, which is

the main road that transportation operators use as a transport route, to increase the opportunities to reach target group who are interested in buying used trucks. Moreover, the Company defined the policy to approve used truck hire purchase loans only for the trucks that are popular in the market and easy to trade. The credit limit mostly approved is approximately 70-85% of the collateral's appraisal price. In the case that the truck selling price is lower than the debt, according to the hire purchase agreement, the Company can claim the remaining difference from debtor. Thus, the chance that the Company will get significant loss from the disposal of foreclosed assets is slim.

1.6 Risk from significant documents loss or damage from fire

In conducting business of hire purchase loan for used truck service, legal agreement, and original truck registration book, which are documents of rights showing ownership of collateral's owner, are the important documents for operation and litigation when customer does not comply with the agreement. If such documents are lost or damaged from fire, there may be a negative impact on business process and performance of the Company.

To reduce such risk, the Company assigned the branch manager to be responsible for the original agreement and truck registration book and to make electronics copy of every single document in the central system which backs up data everyday in another place to prevent the loss. Moreover, the Company requires the internal audit department to audit the completeness of the agreement and registration book at each branch every year. The branch manager is also required to summarize the audit result of registration book and agreement of new hire purchase loan each month for the credit operations manager every month. Further-

more, the document storage room (Hong Mun Kong) has the strong access control and fire insurance. The Company has never received any problems or complaints for the book or document loss.

1.7 Risk from fraud of branch officer in credit consideration

Since a branch officer is the one who gathers the information of customer and guarantor and assesses collateral's condition to consider the credit limit and interest rate of each customer, in the case that customer and branch officer have personal relationship or branch officer has relationship with used truck tent operator, that branch officer may assess the quality of customer or collateral incorrectly which impacts the credit consideration to be inconsistent with the ability to pay debt of customer. This shall lead to the non-performing loan which affects the Company's operation performance and financial status.

Realizing such risk, the Company requires branch officers to send all documents of credit approval, including documents of quality assessment on debtor and collateral, to the authorized persons of each credit limit or condition which can be a form of group, such as the Area Credit Consideration Board, Assistant Managing Directors, the Credit Committee, the Executive Committee, or the Board of Directors, respectively. In addition, before doing hire purchase contract, the credit operations department from head office will review the information and all supporting documents for credit consideration again, including the review of supporting documents for creating a Credit Scoring model and the review of collateral appraisal price, etc. Moreover, the Company will pay commission to branch officers when debtor has paid at least 3 installments on time to ensure that branch officers perform their duties in assessing quality of customers

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and collaterals according to the policy.

2. LEGAL AND REGULATORY RISKS

2.1 Risk from being sued by customer from debt collection

The Company has a risk from being sued by debtor when the debt collection causes a dispute with debtor who is being tracked; for example, the debt collection that does not comply with the Debt Collection Act, the notification of the Debt Collection Supervisory Board on the number of contacts for debt collection, or other relevant notifications. In this regard, the Company is aware that such risk could occur when customer files a complaint or sues the Company for not complying with the Debt Collection Act which will cause a negative impact to

the Company's reputation and competency for customer base retention and expansion.

Nevertheless, the Company enjoins branch officers and debt collection officers to strictly comply with the law relating to debt collection. The Company emphasizes the regular communication for correct understanding with customer and the assessment of ability to repay debt to reduce the chance of fraud payment which is the main cause of litigation. Moreover, for the case of outstanding payment, the Company has defined the guideline for debt collection to be fair and to comply with regulations of relevant notifications to reduce the risk of future litigation. In the past, the Company has never had any dispute of debt collection litigation.

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

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

The Announcement of the Committee on Contracts Re: Let the car and motorcycle hire purchase business be a contract control business B.E. 2561 (2018) set the definition of Car, meaning a passenger car or personal truck for personal use only, without being used for transportation for their own trade or business or to pay. The Company business, however, provides services of hire

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purchase for used truck with commercial purpose, such as trade transportation or transportation for customer's business. Moreover, the Company's business conduct is not under supervision of the Bank of Thailand and is not under the Civil and Commercial Code, Section 654, which set the maximum interest rate for borrowing under a loan agreement not to exceed 15% per year. Since the business of the Company is to provide service of hire purchase loan, not personal loan, the Company's current business of used truck hire purchase loan service is not controlled by personal loan's regulations on content of contract and interest rate ceiling setting in any way.

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

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

3. FINANCIAL RISK

3.1 Risk from depending on funding from financial institution

At present, the Company does not depend much on the funding from financial institution. However, in the future, when the hire purchase loan business

grows, the Company may have to find more funding from financial institution. The dependence on financial institution's funding in a higher proportion will give the Company's burden to repay principal and interest on the required term of payment, to comply with the conditions and requirements of financial institution, to maintain the ratio of loans from financial institutions to loan receivables and to maintain the non-performing loans ratio. If the Company's performance is significantly affected by negative factors, the Company may have risk of not able to repay debt or not able to comply with the conditions required by financial institution. As a result, the Company may be called for the repayment of partial or whole amount of the loan at once, which will have effect on its liquidity and business competency especially the expansion of hire purchase receivable portfolio. Nevertheless, the Company has had good business performance, good repayment record, and has never been called for early repayment of loans by the banks. The Company gives importance to the principal and interest repayment to financial institution and has concise financial management plan. Moreover, the Company regularly monitors the credit approval plan and the receiving of installment payment from customer every month, to be assured that the Company have enough cash flow to repay the loan and to be able to comply with the conditions of financial institutions. In addition, the Company has monitored and controlled its operation and financial position every quarter to ensure that the financial ratios are maintained as required by financial institutions. So far, the financial ratios of the Company have met the requirement of financial institutions. In this regard, after being listed in the Stock Exchange of Thailand, the Company took some amount of funding to repay the loans from financial institutions and some to grant loans and open new branches to expand the

Company's credit portfolio.

3.2 Liquidity risk

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

In this regard, the Company has never been called for early repayment of loan, have no default repayment and have been able to renew the loan contract continuously. Thus, the Company can be considered to have sufficient liquidity. Moreover, the management has prepared the cash flow estimate to assess its liquidity and the plan to find source of funds to support and be consistent with the loan repayment and to provide efficient liquidity management to ensure the continuous growth of the Company's credit business.

4. RISK FROM THE EFFECT OF COVID-19 PANDEMIC SITUATION

In the past, the situation of the epidemic of the virus in Thailand has continued to impact on the economy of Thailand in almost every industry, including the Company's business. The Company has assessed the potential risks and defined the guideline of risk prevention as follows:

Risk of debtor quality

Since the primary target customer group of the Company is the group of transportation operators in various industries which were directly impacted

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from the policy of a night curfew, effective during April–June 2020. Most of Company's customers could not take the trucks out for business operations. The uncertainty of the measures relating to COVID-19 pandemic prevention also forced customers to reserve cash for any unexpected expenses if the pandemic situation was prolonged. The results of such factors included the potential decrease of loan quality according to the ability to repay debt of debtors affected by COVID-19. The Company would face the risk of debtor quality and would have to increase reserves for doubtful accounts for a chance of the second pandemic. However, the situation of virus pandemic control in the country tended to be better. The government has eased the measures to normalize the situation as much as possible. In this regard, the Company was aware of such risk and has added the more concise system of credit consideration and debt collection, such as the more frequent contacts with tent partners or receivables. Moreover, the operational departments, including marketing department, credit analysis department, branch department, and internal audit department, shall also work with the management in surveillance and response to problems in approving credit and monitoring status of receivables of each branch, such as outsourcing debt collection companies or outsourcing truck confiscation companies which have efficient working system, expertise, and outstanding profile in debt collection. The frequency of contact with partners and receivables is increased to reduce the problems of future non-performing loans.

As for supporting measures in other aspects, the Company will publicize more about its liquidity enhancing loan and refinancing loan services to support customer's liquidity problem. Such loan services will be offered only to customers with good repayment record according to the Company's policy to help

enhance their liquidity during the crisis period. Moreover, the Company has conducted the moratorium for some receivables directly affected by COVID-19 to help them and to prevent the impact on the Company's liquidity in the future. Most receivables are from transportation industries.

Liquidity risk of the Company

As the loan provider, the Company may face the problem of liquidity management which is a result of the default payment of receivables. The Company has assessed the liquidity management by considering the payment received forecast and regularly adjusting the forecast. The estimate of approved loans and expenses from the internal operations is done on a daily, monthly, and yearly basis. If the company liquidity is not sufficient to pay for the loans or to use in cash flow, the Company still has another source of funds from shareholders and business partners. The Company also received the Soft Loan approval of 200 million Baht according to the policy of the Government and Bank of Thailand to support liquidity of Non-Bank business entrepreneurs who support individual debtors affected from COVID-19 situation.

Risk of working system and financial reporting preparation

The Company has practiced the Business Continuity Plan since April 2020. A part of employees in each department took turn to work from home. The information technology department prepared sufficient equipments to mainly support the accounting and finance department in account closing. Such BCP practice found that employees were able to work from home with the help and support from the information technology officers during daytime to ensure the normal operations.





Driving Business for Sustainability



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DRIVING BUSINESS FOR SUSTAINABILITY

Micro Leasing Public Company Limited has the policy to drive business with Corporate Social Responsibilities (CSR) to lead for the sustainable development throughout the business period for both internally and externally. It will cover all three aspects of sustainable development such as economic, social, and environmental aspects, including management reporting. Unfortunately, due to the epidemic situation of the coronavirus (COVID-19) in 2020, it strongly affects the business operations of listed companies. However, both at present and in the future, the company has accelerated the study and formulated measures to manage the impact of such incidents to show that the company has the potential in dealing with events that occur in a timely manner and is able to adjust to mitigate the effects as well as taking care of and assisting stakeholders and planning to rehabilitate the business so that it can resume normal operations as quickly as possible.

Prioritizing issues of importance to sustainability from impacts that may arise from the company's business operations in 2021. The company divides stakeholders throughout the business value chain into 7 groups: 1. Shareholders and investors 2. Employees 3. Customers 4. Partners 5. partners and creditors 6. competitors and 7. community and society in general and review the arrangement of important issues to economic, social, and environmental as follows

Economic

1. Corporate Governance
2. Anti-corruption and corruption
3. Conducting business with fairness
4. Risk Management
5. Innovation development Social
6. Personnel development and supervision

7. Human rights and fairness of labor practice
8. Occupational Safety and Health
9. Consumer and Social Responsibility

Environmental

10. Implementation of Environmental Laws
11. Greenhouse Gas and Environmental Management

DRIVING BUSINESS FOR SUSTAINABILITY MANAGEMENT IN SOCIAL DIMENSIONS

1.1 Conducting business with fairness

The Company has a business approach that considers equality, fairness, does not take advantage, be honest and transparent in business operations. The company's strongly strict not demand, receive and pay any benefits dishonest in trading with partners and adhere to the rules of equal competition of obtaining fair returns for both parties, by giving importance to the rights of all groups of stakeholders including internal stakeholders, employee, and executives of the company. External stakeholders, including customers, creditors, government agencies, and other related agencies, also including community, society, and environment. Nevertheless, this is not only compliance with the law but, also includes not taking any action which infringes or deprives the rights of those stakeholders as well.

1.2 Anti-corruption

The company operates with transparency and adheres to correctness by encouraging employees to work with honesty. It does not encourage or cheer with the success that comes from fraudulent practices. Moreover, we have provided a good control system by checking and balancing the exercise of

power to prevent corruption. The Company has regulations in place to prevent any involvement in corruption, it has been communicated to all levels of directors, executives, and employees to be strictly within the legal scope. and the company also provided a channel for reporting. If there is any violation or corruption that might occurred within both internal and external sections and has the protection measures for those who report corruption accordingly. In 2020, the company has provided training for employees involved in accordance with the policy of anti-money laundering law and Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT).

1.3 Respecting Human Rights

The Company attaches high attention to respecting human rights. Executives and employees should treat each other with equal respect for dignity and human values. Therefore, it promotes a participatory working atmosphere and provides equal opportunities for career advancement. also have appropriate compensation and welfare according to their abilities. The employees will be developed to promote and improve their knowledge, ability continuously to create value and maintain operational excellence in business

2. Fair treatment of labor

The company has paid importance attention to realizing equality, by having fair treatment guidelines for employees without discrimination against any person in the organization. Therefore, the company has explained the Code of Business Conduct to all employees on the first day of joining the company. It also emphasized the details in the training course for employees. However, the company has a system to take care of all employees quite thoroughly and fairly. In accordance with the Company's work regulations, we

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have provided an appropriate welfare arrangement with the situation that arises such as providing insurance for COVID-19 for all employees, etc.

3. Consumer Responsibility

In addition to complying with the law, the company has a policy for all employees to perform their duties in accordance with the business ethics that are relevant to customers or business partners by complying with fair and reliable business conditions under an appropriate contract format, also has a management and monitoring system to ensure that the contract conditions are fully complied and prevent fraud and misconduct at every step. Including attached importance to the use and access of customers' personal data in accordance with the Personal Data Protection Act B.E. 2562 (2019) and other relevant laws.

4. Caring for the environment and participating in community or social development

The company values the community, society, and surrounding environment. Recognizing that the Company is part of a society that moves towards the development of communities, society, and the environment for sustainability. Therefore, the Company has guidelines for conducting activities for the community, society, and the environment continually in parallel with business operations. There is a policy to arrange committee members to participate in the creation of society, community, and environment on a basis regularly for both operating by itself and in cooperation with government agencies, the private sector, and the community. In addition, the company will take a respond quickly and efficiently to environmental incidents caused by the company's operations by cooperating with the government sector, states, and agencies that are involved in the action as well

as encouraging employees at all levels of the company to realize the importance of having an awareness and support activities that are socially and environmentally responsible.

5. Innovation and dissemination of innovations derived from operations that are responsible to society, environment, and stakeholders.

The company will encourage innovation in both work processes in the organization and the cooperation between organizations to make a positive change and better productivity. However, it is for the best benefit of society as much as possible, spreading innovation is a social responsibility that we have to communicate and disseminate to groups of stakeholders both directly and indirectly through a variety of communication channels to ensure that the Company's information is accessible to all of the Company's stakeholders.

2. OPERATIONS AND PREPARATION OF REPORTS

The company focuses on cultivating employees to understand the goals of the organization and operate with an awareness of social responsibility. We communicate its policies on social and environmental responsibility to all employees, through the company's corporate governance policy which was announced to the public so that all employees can follow the right and same direction. Moreover, we encourage employees to participate in various activities for the benefit of society and the environment regularly, it is to promote awareness of participation and create social and environmental responsibility among personnel within the company. The Board will consider the guidelines for social and environmental responsibility that

are appropriate for the company's business, including the financial status and results of the company to determine the budget and the format of activities for each year. The company considers the framework of guidelines to carry out social and environmental responsibility. According to the specified policy and a report on the results of compliance with the social and environmental responsibility policy is produced annually. All the frameworks will present to the management, the board of directors, and shareholders, this will be disclosed in the annual registration statement or prepare a sustainability report to be published every year after listing on the Stock Exchange of Thailand

ACTIVITIES FOR THE BENEFIT OF SOCIETY IN 2021

The performance of Micro Leasing Public Company Limited on Environment and Society. The company attaches great importance to the operation to improve the quality of life. social equality even in the spread of COVID-19 virus circumstance by setting guidelines in accordance with the prevention and measures to maintain social distancing. Also, we have provided various sanitation to carry on the intention of the management team that intent to continue to operate regularly.

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Social Activities

The project “Give with love, donate with heart”

On April 28, 2021 Management team led by Mr. Rossanan Yingthaweesak, Senior Deputy Managing Director, Mr. Preeda Iramaneerat, Deputy Managing Director of Resources and Investment) with employees from the head office participate in the blood donation due to the shortage of blood from COVID-19 situation in the “Give with love, donate with heart” project to continue the “giving” spirit of Mr. Thammasak Atchayawat, the founding chairman of Micro leasing Public Company Limited at the unit mobile blood donation the 4th National Blood Service Sector, Ratchaburi Province, at Eknakprasong ground, River Hotel, Nakhon Pathom Province.



The Project “Micro Leasing Sending love and encouragement to medical personnel”

Microleasing Public Company Limited, led by Mr. Thammasak Atchayawat, the founder of the company, Mr. Wisan Buranasantikul, Managing Director, Mr. Rasanan Yingthaweesak, Senior Deputy Managing Director along with the management team has participated in the delivery of protective equipment against COVID-19 comprising of 200 sets of PPE kits and shoe covers, 400 sets of lab coats and shoe covers, 200 pairs of pink nitro gloves, 500 N95 masks, as well as 600 food boxes to Nakhon Pathom Hospital. This project is part of sending love and encouragement from all the management and staff of Micro Leasing Public Company Limited to the medical personnel who sacrifice, dedicate, and take responsibility for their duties throughout the period of the epidemic of COVID-19.

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The Project “Giving Medicines to Inmates of Nakhon Pathom Prison”

Micro Leasing Public Company Limited by Mr. Rosnan Yingtaweesak Senior Deputy Managing Director represents in to give the Andrographis paniculata and necessary items for inmates at Nakhon Pathom Prison with the Governor of Nakhon Pathom Province, Mr. Surasak Charoensirichot, and the Prime Minister of the Nakhon Pathom Red Cross, Mrs. Waraporn Charoensirichot as a recipient at the press conference room, Nakhon Pathom City Hall



The Project “Promoting and developing society for better living”

Micro Leasing Public Company Limited delivered 10 wheelchairs to promote charity works of businesses and private sectors to the Women’s Business Association and Professions of Thailand - Nakhon Pathom by Mr. Thammajak Atchayawat, the company’s founding chairman, Mr. Wisan Buranasantikul, Managing Director, Mrs. Rasanan Yingthaweesak, Senior Deputy Managing Director Mr. Jessada Atchayawat, Deputy Managing Director and Mr. Preeda Iramaneerat, Deputy Managing Director of Resources and Investment had donated 10 wheelchairs to the head office of the Women’s Business Association and Professions of Thailand - Nakhon Pathom with Ms. Natpaphan Chanlamul, President of the Association as a recipient to use in activities that promote social responsibility of the country in both business and private sector in Nakhon Pathom Province.

Guidelines and reporting for sustainability 2021 of Micro Leasing Public Company Limited, have been prepared continuously for the 2nd year with details as calendar year results from 1 January 2021 to 31 December 2021 to communicate progress on sustainability performance covering economic, social, environmental, and governance dimensions. Including the determination to be the leader in used truck loans in the country and create maximum satisfaction for service recipients. The company is ready to be one of the driving forces that are able to help and drive social development to let Thai people have equal opportunities and access to various assistance to promote sustainable well-being.



General Information and other Important Information



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1. GENERAL INFORMATION

1.1 Company

Company name:	Micro Leasing Public Company Limited
Symbol	MICRO
Registration number:	0107562000416
Type of business:	Hire purchase financing and other financing services for used trucks
Head Office address:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom
Pathom	District, Nakhon Pathom Province 73000
Phone number:	034 109 200
fax:	034 255 577
Homepage:	www.microleasingplc.com
Capital:	935,000,000 baht (Information as of 31 December 2021)
Paid-up capital:	935,000,000 baht (Information as of 31 December 2021)
Type of Stock:	Common stock

1.2 Subsidiary

Company name:	Micro Insure Broker Company Limited
Symbol	MIB
Registration number:	0735564007704
Type of business:	Life Insurance and Non – Life Insurance Broker
License	Life Insurance Broker 00032/2564 Life Insurance Broker 00020/2564
Head Office address:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom
Pathom	District, Nakhon Pathom Province 73000
Phone number:	034 109 228 Ext.5000
Homepage:	www.microleasingplc.com
Capital:	3,000,000 baht
Paid-up capital:	3,000,000 baht

1.3 Joint venture company

-none-

Micro Leasing Public Company Limited

2. OTHER REFERENCES

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

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3. SERVICE BRANCH

BRANCH	PHONE	ADDRESS
Nakorn Pathom (Head Office) (Mon - SAT 8.00 - 17.00)	(034)-255577	863/3 Petchkasem Road, Sanamchan, Mueang Nakhon Pathom, Nakhon Pathom Province 73000
Ratchburi Branch (Mon - SAT 8.00 - 17.00)	(032)-327885	157/20 Petchkasem Road, Na Mueang, Mueang Ratchaburi 70000
Kanchanaburi Branch (Mon - SAT 8.00 - 17.00)	(034)-624486	70/13 Moo. 8 Kaeng Sian, Mueang Kanchanaburi, Kanchanaburi Province 71000
Suphanburi Branch (Mon - SAT 8.00 - 17.00)	(035)-056086	33/19 Moo. 4 Sanam Chai, Mueang Saphanburi, Suphanburi Province 72000
Nakornratchasima Branch (Mon - SAT 8.00 - 17.00)	(044)-222052	150/12 Moo. 1 Suranari, Mueang Nakornrat- chasima, Nakornratchasima Province 30000
Chonburi Branch (Mon - SAT 8.00 - 17.00)	(038)-284524	20/9-20/10 Moo. 1 Nong Khok, Mueang Chon Buri, Chon Buri Province 20000
Khonkaen Branch (Mon - SAT 8.00 - 17.00)	(043)-467348-9	410-410/1 Moo. 5 Mueang, Kao Mueang, Khonkaen Khonkaen Province 40000
Phitsanulok Branch (Mon - SAT 8.00 - 17.00)	(055)-377755	362/22-362/23 Moo. 3 Aranyik, Mueang Phitsanulok, Phitsanulok Province 65000
Saraburi Branch (Mon - SAT 8.00 - 17.00)	(036)-380159	144/5-144/6 Nong Khae, Nong Khae Sara Buri Province 18140
Ubon Ratchathani Branch (Mon - SAT 8.00 - 17.00)	(045)-311940	145/7 Moo. 20 Kham Yai, Mueang Ubon Ratchathani, Ubon Ratchathani Province 34000
Nakorn Sawan Branch (Mon - SAT 8.00 - 17.00)	(056)-225477	132/16 Moo. 10 Nong Krot, Mueang Nakhon Sawan, Nakhon Sawan Province 60000
Surat Thani Branch (Mon - SAT 8.00 - 17.00)	(077)-313620	16/18-19 Moo. 3 Makham Tia, Mueang Surat Thani, Surat Thani Province 8400
Samut Prakan Branch (Mon - SAT 8.00 - 17.00)	(034)-109200 Ext 7130	235-236 Moo. 2 Bang Chak, Phra Pradaeng, Samut Prakan Province 10130
Pathum Thani Branch (Mon - SAT 8.00 - 17.00)	(034)-109200 Ext 7140	142-143 Moo. 2 Sam Khok, Sam Khok, Pathum Thani Province 12160
Phrae Branch (Mon - SAT 8.00 - 17.00)	(034)-109200 Ext 7150	199/4 Moo. 7 Na Chak, Mueang Phrae, Phrae Province 54000
Prachin Buri Branch (Mon - SAT 8.00 - 17.00)	(034)-109200 Ext 7160	199/10 Moo.9 Mueang Kao, Kabin Buri Kabin Buri Province 25240
Udon Thani Branch (Mon - SAT 8.00 - 17.00)	(034)-109200 Ext 7100	140/136, K3 Building, Lane Station Road, Mak Khaeng, Mueang Udon Thani, Udon Thani Province 41000
Roi - Et Branch (Mon - SAT 8.00 - 17.00)	(034)-109200 Ext 7190	287/20 Moo.7 Niwet, Thawat Buri, Roi Et Province 45170
Chiang Mai Branch (Mon - SAT 8.00 - 17.00)	(034)-109200 Ext 7180	418/16 Panna Oasis, Chiang Mai-Lampang Road, Nong Pa Khrang, Mueang Chiang Mai, Chiang Mai Province 50000

Micro Leasing Public Company Limited

4. AUDITING FEE

The Company paid auditing fee for the review of financial statement of 2021 to EY Offices Company Limited as follows:

Fees (Baht)	2021
Auditing fee for financial statement review	3,240,000
Other service fees	200,000
Total	3,440,000

5. LEGAL DISPUTE

As of December 31, 2021 the Company does not have any legal dispute which may affect the Company's assets in excess of 5 %shareholders' equity. According to the financial statements for ended December 31, 2021 and

there are no other legal disputes that may materially affect the Company's business operations. There are also no other legal disputes that are not arising from the normal business operations of the company.



Corporate Governance



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1. GOOD CORPORATE GOVERNANCE POLICY

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

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

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

- The Board of Directors sets objectives and goals of the Company, defines strategic operational policy, and manages significant resources to achieve the Company's objectives and goals and follows up, evaluates and supervises the performance reporting.
- The Board of Directors pro-

vides the policy for directors, executives and employees reflecting the operational guidelines that bring competency and good long-term performance, encourages the Company to conduct business with ethics, to bring benefits to society, to reduce impact on environment, to have a follow-up on the result and to review the policy regularly.

- The Board of Directors has duty in supervising directors and executives to perform their duties with responsibilities, discreteness and honesty to the corporate. The operations shall be supervised to be in accordance with the legal requirements, regulations, and shareholders' meeting resolutions for the best interest of the Company.
- The Board of Directors understands its role and responsibility scope, defines and assigns the duties and responsibilities to Managing Director and the Management clearly, including monitoring the performance of duties of the Managing Director and the Management.
- The Board of Directors sets up the Board Charter as the practices of duties for every director, regularly reviews the Charter at least once a year and regularly reviews the roles and responsibilities of directors and executives to be in accordance with the corporate direction.

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

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

and support the Company's sustainable growth.

Vision: The Company commits to be the leader of used trucks finance services in Thailand

Mission: - To our Customers and Business Partners: Ensure excellent services. Maintain strong relationship and satisfy the needs of our customers and business partners.

To our Employees: Quality and professional workplace. Openness and honesty. Fair share of benefits to all our employees. To our Shareholders: Sustainable growth with good corporate governance and transparency to maximize shareholders' value. To our Society: Corporate with society and government to develop our country's economy in order to create a sustainable and prosperous society.

Corporate Values: Morality
Candidness Industriousness
Robustness Objectivity

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

Practice 3: Establish and support the effective committees

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

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- The Board of Directors composes of qualified directors who can contribute to the Company's business and has at least 1 independent director out of total 3 directors but must not be less than 3 persons. The number and qualification of independent directors shall comply with the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand ("SET"). The Board shall supervise to ensure that the independent directors can work with all committees efficiently and are able to provide their opinions independently.
 - The Company selected an Independent Director to be the Chairman of the Board of Directors.
 - The Company has a policy that does not allow the Chairman of the Board of Directors to be the same person as the Managing Director in order to balance the power in operations and shall clearly define the separating roles and duties of each position.
 - The details of the Board of Directors' composition, including the qualification of directors, term of office, authority, duties and responsibilities, and performance evaluation are defined in the charter of each committee. The information about the number of directors, number of years in term of office, and the position holding in other listed companies of directors, is disclosed in the Company's Annual Report and web site.
 - The Board of Directors appointed the Nomination and Remuneration Committee mostly consisting of independent directors in order to consider the criteria and methods to recruit the qualified directors who can contribute to the effective committee composition. The roles of the Nomination and Remuneration Committee are defined in such committee charter.
 - The Board of Directors supervises all directors in taking responsibility for their duties and time management by stating in the charter and informing every director to acknowledge them. This includes the defined appropriate number of listed companies in which each director can hold position and the number of meetings needed to be attended in order to increase the efficiency of their performance.
 - Directors are required to attend Board of Directors meetings for at least 75% of total Board of Directors meetings held in a year.
 - Each director can hold a position in at most 5 other listed companies, taking into consideration the appropriate positions and the company business.
 - Each director should receive necessary training and development continuously according to the courses held by the Institute of the Board of Directors (IOD) or other academic institutions.
 - Independent directors can hold the position continuously for not more than 9 years from the date of the first appointment. In the case that any Independent Director shall be appointed to continue holding his position, the Board should reasonably consider the necessity of the case.
 - The information about continuous training and development of the Board shall be revealed in the Annual Reports.
 - The policy of investment and corporate governance of subsidiary companies, associate companies and joint ventures shall be established.
 - Performance evaluation of the Board of Directors, committees and individual director is conducted at least once a year.
 - The Board of Directors supports every director to have knowledge and understanding and to develop skills concerning his role and duty, nature of business operation and relevant law.
 - The meeting schedule and agenda shall be set in advance so that directors can manage their time to attend.
- The Company appoints the Company Secretary to perform duties regarding Board of Directors meetings and shareholders' meetings, to support the Board of Directors' tasks and to coordinate with others to ensure the implementation of the Board of Directors' resolutions. The Company Secretary must have appropriate and necessary knowledge and experiences that can contribute to the Board's work and should receive continuous training and development contributing to perform the duties.
- The criteria of performance evaluation of the Board of Directors as a group, individual and Committees are as follows:**
1. The performance evaluation of the Board as a group is divided into 6 topics as follows:
 1. Structure and qualification of the Board
 2. Role, duty and responsibility of the Board
 3. Board meetings
 4. Director's performance of duty
 5. Relationship with Management and
 6. Self-development of directors and executives development
 2. Performance evaluation of the Board as an individual (self-evaluation) is divided into 3 topics as follows:

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1. Structure and qualification of the Board
 2. Board meetings
 3. Role, duty and responsibility of the Board.
3. Performance evaluation of committee as a group is divided into 6 topics as follows:
1. Structure and qualification of committees in defined
 2. Meetings of the committees take action in various issues so that the committees can perform their duties in the meetings efficiently
 3. Roles, duties, and responsibilities of the committees give importance to and
- provide time to consider and review various issues sufficiently.
- The score level counts from 1 – 5 from Strongly disagree or No action taken in that issue to Strongly agree or Excellent action taken on that issue. The result of each performance evaluation form for committee in 2021 is as follows:

Evaluation Form	Average score (Full 5 points)
Performance evaluation form of the Board as a group	4.70
Performance evaluation form of the Board (as individual: self-evaluation)	4.70
Performance evaluation form of the Committee as a group (Audit Committee)	5.00
Performance evaluation form of the Committee (as individual: self-evaluation)	5.00
Performance evaluation form of the Committee as a group (Nomination and Remuneration Committee)	4.86
Performance evaluation form of the Committee (as individual: self-evaluation)	4.85
Performance evaluation form of the Committee as a group (Risk Management Committee)	4.34
(Risk Management Committee)	4.55

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Performance Evaluation of Managing Director

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

Practice 4: Recruiting and developing senior executives and personnel management

- The Board of Directors assigned the Nomination and Remuneration Committee

to consider the criteria and methods to select qualified individuals for the Managing Director position. The Board of Directors defined the qualification of the Managing Director, senior executives and their Succession Plan with details according to the Executive recruitment policy for the key position succession.

The Board of Directors shall supervise the defining of remuneration structure and performance evaluation of senior executives to be appropriately conducted, taking into consideration the sufficiency of duties and responsibilities, the estimated compensation rate in the same industry, the performance of the Company and the performance and competency of each senior executive.

- The Board of Directors shall supervise to ensure that the

structure and relationship of shareholders are not the obstacles of the Board's performance of duty. When there is a change of directors or there are new directors coming, they shall be introduced to the business nature and business direction of the Company.

- The Board of Directors shall monitor the management and personnel development to ensure the appropriate number, knowledge, skills, experiences and motivation. Training and knowledge providing shall also be conducted to relevant people in the corporate governance system of the Company, such as directors, audit directors, executives, and company secretary.
- During 2021, as the COVID-19 pandemic accelerated changes in the demand for skills and raised the possi-



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bility of structural shifts in skills development and lifelong learning platform. The Company has to focus on developing modern-day training model with online platform for upskill and reskill our employee professional skills such as digital skills and leadership skills in order to foster the construction of a more sustainable future.

Practice 5: Promote innovation and business conduct with responsibility

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

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

Employees: The Company shall oversee all employees to get support and competency development for their highest potential in operation. The Company conducts fair employment and reasonable compensation, opens opportunities to hear employees' opinions, and provides welfare and good working environment.

Any employment, appointment, transfer and penalty process shall be determined on the fairness basis.

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

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

Community, society and environment: The Company shall apply knowledge and experiences in business to develop the projects that bring benefits to community physically. The Company shall also manage and supervise to be assured that the Company shall not create or cause any negative impact on the environment.

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

Practice 6: Supervise the risk management system and internal control

- The Board of Directors appoints the Audit Committee to support the Board of Directors in supervising the Company to have the good corporate governance system and to provide honest opinions on financial statement, internal control system, and risk management, in order to effectively achieve the objectives and provide opportunities to Management and auditors to consult for potential risks and to make

the financial reporting reliable. The scope of authority, duties and responsibilities of the Audit Committee is stated in the Audit Committee Charter.

- The Board of Directors defines the Risk Management Policy and appointed the Risk Management Committee to supervise risk management of the Company.
- The Board of Directors shall follow up and manage conflict of interest that may occur between the Company and the management, committees or shareholders, including the protection of the improper use of the Company's assets, data and opportunities and transactions with persons connecting with the Company in the improper manner.
- The Company's Anti-Corruption Policy prohibited its directors, committees, executives and employees of the Company from demanding, conducting or accepting the corruptions for the benefits of their own, families, friends, or acquaintances. They must strictly comply with the law, regulations, and requirements relating to the anti-corruption to create reliability to business stakeholders that the Company shall conduct business with integrity, transparency and fairness.
- The Company defined more than one channel for whistleblowers for more convenience. The whistleblowing channels are disclosed in the Company's website or annual reports. The whistleblowing can be made to the Company's Audit Committee. The complaints and whistleblowing information sent to the Company shall be kept confidential. The Audit Committee will order to verify the information and define solutions (if any) and report to the Board of Directors.

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Practice 7: Retain financial creditability and information disclosure

- The Board of Directors gives importance to the financial information disclosure in terms of accuracy, sufficiency, and timeliness. The persons relating to preparing and disclosing the information must have knowledge and competency suitable for the responsibility. There must be enough manpower to conduct the assignment. The Board of Directors shall supervise the information disclosure including Financial Statements, Annual Report Form 56-1 and the Management Discussion and Analysis or MD&A to reflect the financial status and operating result sufficiently.
- The Board of Directors shall monitor the financial liquidity and ability to pay debt of the Company. The management shall report to the Board of Directors regularly. The discussion among the management and the board shall be held to find solutions if there is a sign of liquidity problems.
- If the Company gets financial problems or tend to get them, the Board of Directors shall supervise to ensure that the Company has problem solving solution plans which are reviewed for rationality, taking into account the creditors and all stakeholders' rights.
- The Company assigned Investor Relations officers to communicate with shareholders and other stakeholders with appropriateness, equality and in timeliness. Investor

Relations officers shall disclose the Company information, financial information, and general information to shareholders, securities analysts, credit rating companies and relevant government agencies through various channels, such as reporting to the The Securities and Exchange Commission, the Stock Exchange of Thailand and the Company's website, etc.

Investor Relations Activities in 2021

1. 8 Time Analyst Meeting, with approximately 20-30 attendants, to inform the quarterly operating performance to analysts, institutional investors, and general investors by senior executives of the Company.
 2. 12 Time Conference Calls to provide further information to investors and analysts after the information was publicized.
- The Board of Directors shall support the application of Information Technology in information disclosure. The Company sees the importance of the regular information disclosure so that shareholders can get information regularly from the Company's website. Such information shall regularly be updated.

Practice 8: Support the shareholders' participation and communication

- The Board of Directors shall supervise to ensure that shareholders participate in significant issues by sending

the meeting invitation and relevant information to shareholders and publicize them on the Company's website prior to the meeting date for a period as required by law or relevant regulations so that shareholders can have time to study the information in advance of the meeting date. The Company defines the requirement for minor shareholders should they want to propose the additional meeting agenda or the nomination of candidates for director positions.

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



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2. CORPORATE GOVERNANCE FOR SUBSIDIARY AND/OR ASSOCIATE COMPANIES

The Board of Directors meeting (after becoming the public company) no. 5/2019 on 13th December 2019 had a resolution to approve the defining of the Corporate Governance Policy for subsidiary and associate companies as follows:

1. The Company shall send its representative to be a director in subsidiary companies and/or associate companies according to the shareholding proportion in each company to govern the subsidiary companies and/or associate companies to comply with the Company's policy and the law. Nevertheless, sending a representative to be a director in each subsidiary and/or associate company shall receive consideration and approval from the Board of Directors' meeting, taking into account the appropriateness of each company.
2. Any transactions or operations of subsidiary companies, that is within the scope of or is an acquisition and disposition of assets according to the announcement of the acquisition and disposal of assets or the connected transactions according to the announcement of connected transactions, which result in the Company's duty to ask for approval from Board of Directors meeting and/or shareholders' meeting or relevant legal agencies before entering the transactions, the subsidiary companies can enter such transactions

or process the transactions only when they have already received the approval from the Board of Directors meeting, shareholders' meeting and/or relevant agencies (as the case may be.)

Moreover, in doing any transactions or in some cases when a situation occurs resulting in the subsidiary company's duty to reveal information to the Securities and Exchange of Thailand as defined requirements, the representative director of such subsidiary company has duty to report to the Company's management as soon as he is aware of such transaction or situation.

3. The Board and executives of each subsidiary company and/or associate company have a scope of authority, duties and responsibilities according to the relevant law, such as the information disclosure of financial status and operation performance to the Company, being reinforced by the related announcement of the Capital Market Supervisory Board and the announcement of the Board of Governor of the Stock Exchange of Thailand relatively. They have to also disclose and submit their personal and their related persons' interest information to the Board of Directors to be aware of their relationship or transactions with subsidiary company and/or associate company in the manner that could create conflict of interest and avoid any transactions that could create conflicts of interest.
4. The Company shall define necessary plan and operations

to ensure that subsidiary company and/or associate company shall reveal their performance and financial status information. The Company shall also take necessary action and follow up with subsidiary company and/or associate company to ensure that they have the information disclosure process and internal control process that are sufficient and appropriate for business conduct.

3. SUPERVISION OF THE USE OF INSIDE INFORMATION

The Company realizes the importance of the use of Company's inside information. In order to prevent the exploitation of the use of inside information which has not yet been disclosed to the public and could affect the changes in trading prices of securities of the Company to be traded in the Stock Exchange of Thailand, the Company has a policy and methods to supervise the use of inside information of directors, executives, and staff of the Company. The Board of Directors meeting (after becoming the public company) no. 5/2019 on 13th December 2019 had a resolution to approve the defining of the use of inside information policy in order for the Company to have good corporate governance as follows:

1. Directors, executives and employees of the Company must keep the Company's confidentiality and inside information from other persons, including the Company's personnel who are not involved.



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2. The Company has to have the inside information use protection by limiting the access to information that is not yet revealed to public and is allowed to know for only involved persons as necessary. The persons responsible for such inside information must reinforce involved persons to comply strictly.
 3. Directors, executives and employees of the Company must not disclose or exploit the Company's confidentiality and/or inside information for their own or others' benefits either directly or indirectly and regardless of whether they shall get return or not.
 4. The Company defines an individual or unit to be responsible for disclosing information to the public to ensure that the accurate and complete information is disclosed in compliance with the legal requirement.
 5. The Company must regulate the persons who are involved with inside information, such as financial consultant, legal consultant and auditor, including colleagues who are involved in managing information that are not yet disclosed to the public and are in the process which is considering to be within the scope of inside information retention and can have effect on the changes in price of securities value or can cause the Company's business disadvantages. Those persons have to sign contract of confidentiality retention until the information is disclosed to the Stock Exchange of Thailand and the Securities and Exchange Commission.
 6. Directors, executives and employees of the Company have duties to protect the Company's inside information and not to exploit the inside information although they have already been dismissed or have terminated their duties at the Company.
 7. Directors and executives have duties to report their securities holding and changes in securities holding, under Section 59 of the Securities and Exchange Act B.E. 2535, to the Securities and Exchange Commission within 3 working days after the date of selling, transferring or accepting transfer of securities or derivatives by reporting via the electronics system on www.sec.or.th. The Company's securities are prohibited to be traded during 1 month period before the financial statement is disclosed to the public. This requirement includes spouses or cohabitants and their underage child and juristic persons of which directors and executives, spouses or cohabitants and their underage child hold shares together for more than 30% of total number of voting rights of the Company.
 8. Directors, executives and employees of the Company must not trade or accept transfer of Company's securities by exploiting confidentiality and/or inside information of the Company and/or enter any juristic act by exploiting confidentiality and/or inside information of the Company in a way that is likely to take advantage of outsiders. This requirement includes spouses and underage child of directors, executives and employees of the Company. Any violation against such requirement shall be considered a serious offense and shall be taken into legal process by the Company.
 9. The Company requires directors and executives being informed of significant inside information that has effect on the changes in price or securities value to suspend trading of the Company's securities for 1 month period prior to the disclosure of financial statement or such inside information to the public. They are also prohibited to reveal the significant information to other persons. During the period of 30 days before the performance announcement, the Company Secretary will send the document to inform directors, executives and acknowledged agencies. Any action should wait for at least 24 hours after such information is disclosed to public. In this regard, in the case that the information disclosure is not generally aware of or is very complicated, the waiting period should last 48 hours after such information is disclosed to public before trading Company's shares. Such persons and persons involved with inside information are also prohibited to disclose such information to other people.
 10. The Company must provide knowledge to directors, executives about the duties of preparing and disclosing report of Company's securities holding of their own, spouses, and underage child to the Securities and Exchange Commission under Section 59 and Penalty provisions under the Securities and Exchange Act B.E. 2535 (including amendments.)
- In this regard, the Company shall deem any action violating the use of inside information policy and unauthorized disclosure of information resulting in damages to the Company as the offenses subject to disciplinary penalty and/or legal liability. The penalty will be considered from the intent of action and the serious level of the offense.

4. COMPLIANCE WITH GOOD CORPORATE GOVERNANCE IN OTHER AREAS

- None -

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CODE OF CONDUCT

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

PRACTICES AND RESPONSIBILITIES TOWARDS STAKEHOLDERS

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



Please find more details in Code of Conduct on the Company's website

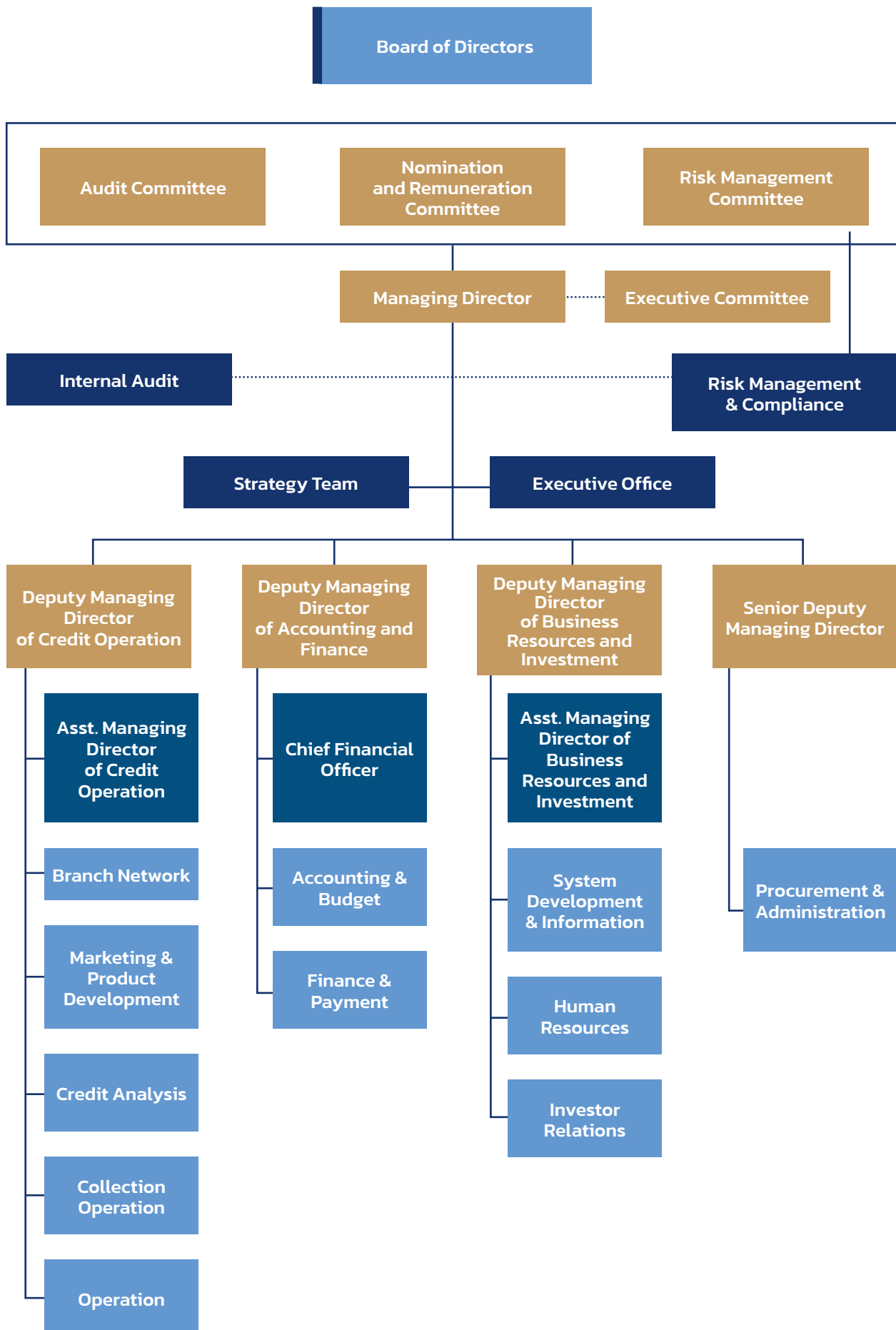


Corporate Governance Structure

and Important Information about
the Board of Directors, Sub-Committees,
Executives, Employees and Others



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Micro Leasing Public Company Limited

1 BOARD OF DIRECTORS AND SUB-COMMITTEES

The Company's Management Structure consists of the Board of Directors and 4 Committees, that is, Audit Committee, Executive Committee, Nomination and Remuneration Committee, and Risk Management Committee. The Company's committee structure, including Audit Committee and Independent Directors comply with the requirements of the Notification of the Capital Market Supervisory Board No. Tor Chor. 39/2016 Re: Application for and Permission to Offer for Sale of Newly Issued Shares dated September 30, 2016 (including the amendments) in all respects.

1. Board of Directors

As of December 31, 2021 the Board of Directors consisted of 11 Directors as follows:

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

^{/1} Mr.Weidt Nuchjalearn was appointed as the Vice Chairman according to the Board of Directors meeting resolution No 6/2021 on October 18, 2021

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Authorized Director

The authorized directors of the Company according to the company certificate dated December 24, 2020 are Mr. Wisan Buranasantikool or Mr. Keittipong Toemkunanon in co-signing with Mr. Thammasak Auchyawat or Mrs. Rotsanan Yingthaweesak or Mr. Tanyakon Autchayawat or Mr. Jedsada Auchyawat or Mr. Kitsada Auchyawat, as 2 signatures with the Company seal.

Meeting Attendance of the Board of Directors

The meeting attendance of the Board of Directors in 2020 and 2021 are as follows:

Board of Directors List		No. of attendance / Total meetings	
		2020	2021
1	Asst. Prof. Krit Umpote	8/8	8/8
2	Mr. Weidt Nuchjalearn ^{/1}	2/2	8/8
3	Mr. Chalong Luengprasit	11/11	8/8
4	Dr. Pijak Chantaviroj	11/11	8/8
5	Mr. Wisarn Boornasuntikoon ^{/2}	-	8/8
6	Mr. Thammasak Auchyawat	11/11	8/8
7	Mrs. Rotsanan Yingthaweesak	11/11	8/8
8	Mr. Tanyakon Autchayawat	11/11	8/8
9	Mr. Jedsada Auchyawat	11/11	8/8
10	Mr. Kitsada Auchyawat	11/11	8/8
11	Mr. Keittipong Toemkunanon	11/11	8/8

^{/1} Mr. Weidt Nuchjalearn was appointed as the Vice Chairman according to the Board of Directors meeting resolution no.6/2021 on October 18, 2021 was appointed as the Audit Committee and Independent Director according to the Board of Directors meeting resolution no.8/2020 on October 16, 2020.

^{/2} Mr. Wisarn Boornasuntikoon was appointed as the Company Director according to the Board of Directors meeting resolution no. 11/2020 on December 23, 2020 replacing Mr. Winit Piyamethang who submitted his resignation on December 23, 2020.

Micro Leasing Public Company Limited

2. Audit Committee

As of December 31, 2021 the Audit Committee consisted of 3 Directors as follows:

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

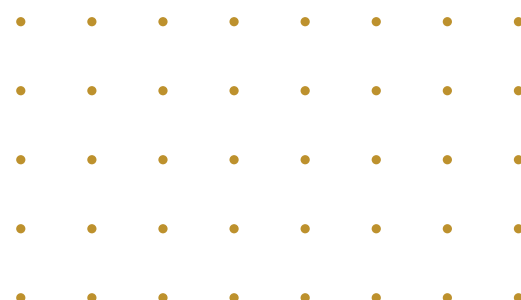
The whole Audit Committee has knowledge and experiences in accounting and finance and is qualified to examine the credibility of the Company's financial statement with the following members: Mr. Chalong Luengprasit, holding the position of Chairman of Audit Committee and Independent Director, Bachelor's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

Meeting Attendance of Audit Committee

Meeting attendance of the Audit Committee is as follows:

Audit Committee list		No. of meeting attendance/Total meetings	
		2020	2021
1	Mr. Chalong Luengprasit	8/8	5/5
2	Mr. Weidt Nuchjalearn/ ¹	3/3	5/5
3	Dr. Pijak Chantaviroj	8/8	5/5

¹ Mr. Weidt Nuchjalearn was appointed as Audit Director according to the Board of Directors meeting resolution no.8/2020 on October 16, 2020 replacing Mrs. Nantinee Yurai who submitted her resignation on October 15, 2020.



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3. Nomination and Remuneration Committee

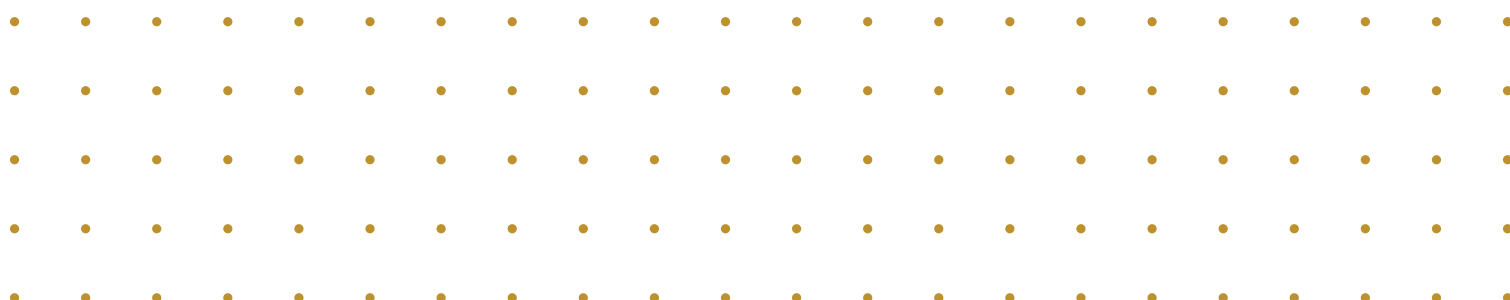
As of December 31, 2021 the Nomination and Remuneration Committee consisted of 3 Directors as follows:

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

Meeting attendance of Nomination and Remuneration Committee

Meeting attendance of Nomination and Remuneration Committee is as follows:

Nomination and Remuneration Committee list		No. of meeting attendance/Total meetings	
		2020	2021
1	Mr. Chalong Luengprasit	4/4	5/5
2	Mr. Thammasak Auchyawat	4/4	5/5
3	Dr. Pijak Chantaviroj	4/4	5/5



Micro Leasing Public Company Limited

4. Risk Management Committee

AAs of December 31, 2021 the Risk Management Committee consisted of 7 Directors as follows:

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

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Meeting Attendance of Risk Management Committee

Meeting Attendance of Risk Management Committee is as follows:

Risk Management Committee list		No. of meeting attendance/Total meetings	
		2020	2021
1	Mr. Weidt Nuchjalearn ^{/1}	-	6/6
2	Dr. Pijak Chantaviroj ^{/2}	3/3	1/1
3	Mr. Keittipong Toemkunanon ^{/2}	3/3	1/1
4	Mr. Wisarn Boornasuntikoon ^{/3}	-	6/6
5	Mrs. Rotsanan Yingthaweesak ^{/4}	3/3	1/1
6	Mr. Tanyakon Autchayawat	3/3	7/7
7	Mr. Jedsada Auchyawat	3/3	7/7
8	Mr. Kitsada Auchyawat ^{/2}	3/3	-
9	Mr. Preeda Airamaneerat	3/3	7/7
10	Mr. Kandanai Chonsuwat ^{/5}	-	7/7
11	Mr. Wisan Wethayanukool ^{/6}	-	6/6

^{/1} Mr. Weidt Nuchjalearn was appointed as the Chairman of Risk Management Committee according to the Board of Directors meeting resolution no.2/2021 on April 2, 2021, replacing Dr. Pijak Chantaviroj.

^{/2} Mr. Keittipong Toemkunanon and Mr. Kitsada Auchyawat has submitted who submitted resignation from being a sub-committee on March 1, 2021.

^{/3} Mr. Wisan Boornasuntikoon was appointed as the Risk Management Committee according to the Board of Directors meeting resolution no.2/2021 on April 2,2021.

^{/4} Mrs. Rotsanan Yingthaweesak was revised according to the resolution of the Board of Directors meeting No.2/2021 on April 2,2021.

^{/5} Mr. Kandanai Chonsuwat was appointed as the Risk Management Committee according to the Board of Directors meeting resolution no.5/2020 on July 17, 2020.

^{/6} Mr. Wisan Wethayanukool was appointed as the Risk Management Committee according to the Board of Directors meeting resolution no.1/2021 on February 25, 20201.

Micro Leasing Public Company Limited

5. Executive Committee

As of December 31, 2021 the Executive Committee consisted of 7 Executive Directors as follows:

	Name – Last name	Position
1	Mr. Wisarn Boornasuntikoon	Chairman of Executive Committee
2	Mrs. Rotsanan Yingthaweesak	Executive Vice President
3	Mr. Tanyakon Autchayawat	Executive Director
4	Mr. Jedsada Auchyawat	Executive Director
5	Mr. Preeda Airamaneerat	Executive Director
6	Mr. Kantdanai Chonsuwat	Executive Director
7	Mr. Wisan Wethayanukool	Executive Director



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Meeting Attendance of Executive Committee

Meeting Attendance of Executive Committee is as follows:

Executive Committee list		No. of meeting attendance/Total meetings	
		2020	2021
1	Mr. Wisarn Boornasuntikoon ^{/1}	-	13/13
2	Mr. Winit Piyamethang	11/12	-
3	Mrs. Rotsanan Yingthaweesak	12/12	13/13
4	Mr. Tanyakon Autchayawat	12/12	13/13
5	Mr. Jedsada Auchyawat	12/12	13/13
6	Mr. Kitsada Auchyawat ^{/2}	12/12	2/2
7	Mr. Preeda Airamaneerat	12/12	13/13
8	Mr. Kantdanai Cholsuwat	12/12	13/13
9	Mr. Keittipong Toemkunanon ^{/2}	12/12	2/2
10	Mr. Wisan Wethayanukool	12/12	13/13

^{/1} Mr. Wisarn Boornasuntikoon was appointed as Chairman of Executive Committee according to the Board of Directors meeting resolution no.11/2020 on December 24, 2020 replacing Mr. Winit Piyamethang who submitted his resignation on December 23, 2020.

^{/2} Mr. Keittipong Toemkunanon and Mr. Kitsada Auchyawat has submitted who submitted resignation from being a sub-committee on March 1, 2021.

Micro Leasing Public Company Limited

2 EXECUTIVES

As of December 31, 2021, the Company had 7 Executives as follows:

	Name – Last name	Position
1	Mr. Wisarn Booranasuntikoon	Managing Director
2	Mrs. Rotsanan Yingthaweesak	Senior Executive Director
3	Mr. Jedsada Auchyawat	Deputy Managing Director of Credit Operation
4	Mr. Kandanai Chonsuwat	Deputy Managing Director of Accounting and Finance
5	Mr. Preeda Airamaneerat	Assistant Managing Director of Information Deputy Managing Director Business Resources and Investment
6	Mr. Tanyakon Autchayawat	Assistant Managing Director of Credit Operation
7	Mr. Wisan Wethayanukool	Chief Financial Officer

3. COMPANY SECRETARY

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

1. Prepare and keep the following Company documents:
 - 1.1) Director's registration
 - 1.2) Invitation letter for director meetings, minutes of meetings, annual reports
 - 1.3) Invitation letters for shareholder's meetings and minutes of shareholder's meetings
2. Keep the reports of conflict of interest reported by directors or executives.
3. Conduct Board of Directors meetings and shareholders' meetings.
4. Give advice on requirements and regulations to committees or executives as needed.
5. Supervise and coordinate to make the Company comply with the law, regulations, requirements, Board of Directors meeting resolutions, shareholders' meeting resolutions, Corporate Governance policy and business ethics.
6. Perform other duties as required by the Securities and Exchange Act and the Capital Market Supervisory Board.

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4 DIRECTOR'S SHAREHOLDING INFORMATION

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

	Name - lastname	Position	No. of shares		
			31 Dec 2020	31 Dec 2021	+ / -
1	Asst. Prof. Krit Umphot Spouse and underage children	Chairman/ Independent Director	-	-	-
2	Mr. Weidt Nuchjalearn Spouse and underage children	Vice Chairman / Independent Director and Audit Director	-	-	-
3	Mr. Chalong Luengprasit Spouse and underage children	Independent Director and Chairman of the Audit Committee	100,000	100,000	
4	Dr. Pijak Chantaviroj Spouse and underage children	Independent Director and Audit Director	440,000	440,000	
5	Mr. Wisarn Boornasuntikoon Spouse and underage children	Director	-	120,000	-
6	Mr. Thammasak Auchyawat Spouse and underage children	Director	214,140,000	218,274,000	4,134,000
7	Mrs. Rotsanan Yingthaweesak Spouse and underage children	Director	14,748,000	14,548,000	(200,000)
8	Mr. Thanyakorn Autchayawat Spouse and underage children	Director	58,330,000	57,230,000	(1,100,000)
9	Mr. Jedsada Auchyawat Spouse and underage children	Director	128,750,000	128,750,000	-
10	Mr. Kitsada Auchyawat Spouse and underage children	Director	123,150,000	123,150,000	-
11	Mr. Keittipong Toemkunanon Spouse and underage children	Director	30,750,000	29,963,200	(786,800)
12	Mr. Preeda Iramaneerat Spouse and underage children	Deputy Managing Director of Resources and Investment	2,980,000	2,400,000	(580,000)
13	Mr. Kandanai Chonsuwat Spouse and underage children	Deputy Managing Director of Accounting and Finance	3,484,000	3,484,000	-
14	Mr. Wisan Wethayanukool Spouse and underage children	Chief Financial Officer	200,000	385,300	185,300

Micro Leasing Public Company Limited

5 REMUNERATION FOR DIRECTORS AND EXECUTIVES

The Company's Management Structure consists of the Board of Directors and 4 Committees, that is, Audit Committee, Executive Committee, Nomination and Remuneration Committee, and Risk Management Committee. The Company's committee structure, including Audit Committee and Independent Directors comply with the requirements of the Notification of the Capital Market Supervisory Board No. Tor Chor. 39/2016 Re: Application for and Permission to Offer for Sale of Newly Issued Shares dated September 30, 2016 (including the amendments) in all respects.

1 Remuneration for Directors

a) Monetary compensation

The 2021 Annual General Meeting of Shareholders held on April 12, 2021 set the policy of remuneration payment to the Board of Directors and Sub-Committees 2021 Determine the remuneration of the Board of Directors in the form of monthly monetary compensation as follows:

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

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

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The 2021 compensation paid to Directors as of December 31, 2021 as follows:

Directors	Monthly compensation	Meeting Compensation					Total expenses of 2021
		Executive Director	Audit Director	Nomination and Remuneration Director	Risk		
1 Mr. Krit Umpote	720,000	160,000	-	-	-	-	880,000
2 Mr. Wisarn Boornasuntikoon	-	-	-	-	-	-	-
3 Mr. Thammasak Auchyawat	240,000	80,000	-	50,000	-	-	370,000
4 Mrs. Rotsanan Yingthaweesak	-	-	-	-	-	-	-
5 Mr. Tanyakon Autchayawat	-	-	-	-	-	-	-
6 Mr. Jedsada Auchyawat	-	-	-	-	-	-	-
7 Mr. Kitsada Auchyawat	200,000	70,000	-	-	-	-	270,000
8 Mr. Keittipong Toemkunanon	200,000	70,000	-	-	-	-	270,000
9 Mr. Weidt Nuchjalearn	480,000	80,000	75,000		120,000		755,000
10 Mr. Chalong Luengprasit	480,000	80,000	150,000	100,000	-		810,000
11 11.Dr. Pijak Chantaviroj	480,000	80,000	75,000	50,000	20,000		705,000
Total	2,800,000	620,000	300,000	200,000	140,000		4,060,000

b) Other compensation

- None -

Micro Leasing Public Company Limited

2) Compensation for Executives

a) Monetary compensation

The monetary compensation paid to executives was as follows:

Compensation for Executives	2020		2021	
	Number (person)	Compensation (million Baht)	Number (person)	Compensation (million Baht)
Salary and Bonus	10	18.3	7	15.6
Others ^{/1}	10	0.3	7	0.3
Total	10	18.6	7	15.9

Remark: ^{/1} Others include travel expenses, provident fund and social security fund contribution.

b) Other compensation

- None -

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6 PERSONNEL

1 Number of all employees

As of December 31, 2019 – 2021, the Company's number of employees was as follows:

Department/ Devision	Number of employees (person)		
	31 Dec 2019	31 Dec 2020	31 Dec 2021
1 Executive Office Department	4	7	6
2 Marketing and Product Development	9	5	6
3 Branch Management Department	-	8	13
4 Credit Analysis Department	8	8	9
5 Human Resources Department	5	7	10
6 Accounting and Budget Department	19	17	9
7 Debt Collection Department	32	16	21
8 Credit Operation Department	-	14	13
9 Information Technology Department	10	13	16
10 Investor Relations Department	1	1	1
11 Internal Audit Department	2	2	3
12 Finance and Payment Department	-	-	8
13 Procurement and Administration Department	-	-	3
14 Risk Management and Compliance	-	-	3
15 Branches	83	82	108
Total	173	180	229

Remark: The agencies under Articles 12-14 are newly established in 2021.

Micro Leasing Public Company Limited

2 Compensation for employees

The Company paid compensations to employees in various forms, salary, bonus, and other employee benefits, such as cost of living allowance, position allowance, professional allowance, area management allowance, travel allowance, phone allowance, provident fund and social security fund contribution, etc. in accordance with the Company's employment policy. In 2021, the Company paid monetary compensations to employees (excluding executives) as follows:

Compensations for employees (Million Baht)	2020	2021
Salary and bonus	55.5	71.6
Others ^{/1}	11.0	13.0
Total	66.5	84.6

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



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3 Provident Fund

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

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

4 Labor dispute in the previous 3 years

- None -

5 Human Resources Management and Development Policy

The 3-year human resources management plan of Micro Leasing Public Company Limited ("MICRO") aimed for employees to work professionally, to provide excellent services and to work as a team under the corporate value of Morality, Candidness, Industriousness, Robustness, and Objectivity, and to adjust themselves to the listed company in the Stock Exchange of Thailand in order to support the corporate to achieve its mission.

Micro Leasing Public Company Limited ("MICRO") set the policy to enhance personnel potential in order to be ready for the changes and challenges in the future with

efficiency. The objective was to develop personnel to have skills and competency about truck loans and to commit to the corporate value. The human resources management policy and practices were set as follows:

1. Manpower planning and recruitment

Define the corporate structure, manpower planning, employment pattern, recruitment, selection, appointment, transparent transfer to open opportunities for good, competent, knowledgeable, and qualified persons to perform in various positions and improve the corporate potential and enable the organization to work in the New Normal way in accordance with the changing environment, society, economy and technology.

2. Development

Prepare executives and employees of all levels to be equipped with knowledge and necessary skills from basic knowledge to in-depth knowledge of each profession or position, management knowledge, including attitude and behavior complying with key competency, management competency and position competency, by applying various tools and development methods. The development was also encouraged to occur through the knowledge management process and many knowledge exchanging platforms.

3. Training

Emphasize in transforming the attitude and operating methods to support the corporate to go to the international level by combining the Classroom Training, Coaching and Giving Feedback and On-The-Job training together.

4. Sustainability

Work on succession planning, career management, career advancement, management of performance, compensa-

tion, welfare and benefits, development of quality of life and working environment to encourage employees to have good morale and motivate them to perform at their full potential and to have satisfaction and engagement to the organization.

5. Management

Cooperate to manage human resources systematically, fairly and transparently by communicating to employees about the channels for receiving information about human resource management, including controlling and supervising employees thoroughly and fairly.

6. Moral and ethical promotion

Encourage employees to be virtuous, to have moral and to strictly comply with the regulations by promoting ethical, moral, and disciplinary activities and setting measures and mechanisms that promotes valid behavior.

7. Corporate Culture and Engagement Promotion

The corporate value "Morality, Candidness, Industriousness, Robustness, and Objectivity" is the key driver to encourage employees to behave in the expected way of the Company. The Company also gives importance to the well-being, good working environment and satisfaction, and strengthening employee engagement with the corporate.

Micro Leasing Public Company Limited

7 STRUCTURE OF BOARD OF DIRECTORS AND SCOPE OF RESPONSIBILITIES

The Structure of the Company's committees consists of the Board of Directors and 4 committees, that is, (1) Audit Committee, (2) Nomination and Remuneration Committee, (3) Risk Management Committee, and (4) Executive Committee. The scope of authority, duties and responsibilities of each committee is clearly defined as follows:

1 The Board of Directors

The Extraordinary General Meeting of Shareholders no. 2/2019 held on September 9, 2019 had a resolution to define the scope of duty and responsibility of the Board of Directors for all company directors to acknowledge their duties and responsibilities and to completely perform their duties as follows:

1. The Board has authority, duties and responsibilities to manage and conduct business of the Company in compliance with the law, objectives and regulations of the Company, and shareholders' meeting resolutions, with integrity and concern for the Company's interests.
2. Manage to set up at least 3 Board of Directors meetings per year.
3. Define objectives, direction, policy, business plan and budget of the Company, including monitoring and supervising the administration and management of the Company and its subsidiaries (if any) to follow the defined policy, operating plan and budget, in accordance with relevant laws, notifications, requirements and regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand, such as the connected transaction,

the acquisition or disposition of important assets, as long as not in conflict or inconsistent with other laws.

4. Conduct the Company to have the suitable and efficient accounting system, the credible financial and accounting reporting, and to establish the appropriate and sufficient internal control system and internal audit system.
5. Consider and define the Risk Management Policy for the whole organization and supervise to have the risk management system or process with the supportive measures and controlling methods to properly reduce the impact on the Company's business.
6. Consider and define the management structure, have authority to appoint committees, Managing Director, and other sub-committees as deemed appropriate, including defining the scope of their authority and duties.

In this regard, the authorization of such defined duties must not allow committees, Managing Director, and sub-committees to be able to consider and approve any transactions that may have conflicts or gain/loss or conflict of interests with the Company or subsidiaries (if any) unless it is the approval of transaction according to the policy or criteria that were considered and approved by the Board.

7. Prepare the annual report and be responsible for the preparation and disclosure of financial statements to reflect the financial status and operating performance of the previous year and present them to the shareholders' meeting for consideration and approval.

8. The Board may authorize one or many directors or any other person to act on behalf of the Board as long as they are under the Board's control or may authorize such person to have authority as deemed appropriate and within the time frame as deemed appropriate. The Board can cancel, revoke, change or amend such authorization as deemed appropriate.

In this regard, the authorization must not allow such person to be able to consider and approve any transactions that he or any person that may have conflict of interests shall do with the Company or its subsidiaries (if any) as defined in the notifications of the Capital Market Supervisory Board and/ or the Securities Exchange of Thailand and/ or any other announcement of related agencies unless it is the approval of transaction according to the policy or criteria that were considered and approved by the Board.

2 Audit Committee

Realizing the significance of the Good Corporate Governance, the Board of Directors appointed the Audit Committee to perform as an important tool or mechanism to ensure the Company's business to have the good corporate governance. The Audit Committee can help the Board of Directors in supervising business conduct to be effective and transparent, creating credibility of information disclosure in financial reporting and supervising the internal control system to have the regulatory process that supports the further efficient and effective Company's operations. The Extraordinary General Meeting of Shareholders no. 2/2019 held on September 9, 2019 had a resolution that defined the scope of authority, duties and responsibilities of the Audit Committee as follows:

1. Review the financial reporting of the Company to ensure

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its accuracy and sufficient information disclosure.

2. Review the Company's internal control system and internal audit system to ensure its appropriateness and effectiveness and review the internal audit's independence, approve the appointment, transfer, and dismissal of the internal audit head or any other agencies responsible for internal audit.
3. Review the management of and compliance with the defined Risk Management Policy.
4. Review the Company's compliance with the Securities and Exchange Law, the Stock Exchange requirements and the laws relating to business of the Company and its subsidiaries (if any.)
5. Consider, select, and nominate an independent individual to perform the duty of the Company's auditor, offer compensation for such individual, and attend the meeting with the auditor without participation of Management at least once a year.
6. Consider connected transactions or transactions with conflict of interests to comply with the law and requirement of the Stock Exchange to be assured that such transactions are reasonable and are in the best interest of the Company.
7. Prepare the Audit Committee report and disclose it in the Company's Annual Report. Such report must be signed by the Chairman of Audit Committee and contains at least the following information:
 - 7.1 Comments on the accuracy, completeness and creditability of the Company's financial report.
 - 7.2 Comments on the sufficiency of the Company's

internal control system.

7.3 Comments on the compliance with the Securities and Exchange law, the Stock Exchange requirements and the laws relating to the Company's business.

7.4 Comments on the suitability of auditors.

7.5 Comments on transaction with conflict of interest.

7.6 The number of Audit Committee meetings and meeting attendance of each Audit Director.

7.7 Comments or overall notices that the Audit Committee receives from performing duties stated in the charter.

7.8 Other issues that shareholders and general investors should be aware of within the scope of duties and responsibilities assigned by the Board of Directors.

8. Perform other actions as assigned by the Board of Directors agreed by the Audit Committee.

3 Nomination and Remuneration Committee

The Board of Directors meeting (after becoming the public company) no. 5/2019 held on December 13, 2019 had a resolution that defined the scope of authority, duties and responsibilities of the Nomination and Remuneration Committee as follows:

Nomination

1. Consider and propose the structure, size and composition of the Board of Directors to suit the size, type and complication of business and Company's strategy.
2. Consider and define the qualification of persons to hold positions of Directors,

Committees, Managing Director, taking into account the variety of knowledge, expertise, skills, experience and time allocation that contribute to Company's business.

3. Review the succession plan of Managing Director and key executives to ensure the continuity of business.
4. In the case that a director position is vacant:
 - If a Director position is vacant due to retirement of rotation, the Nomination and Remuneration Committee shall recruit and select qualified candidates for Director and nominate for Board of Directors' approval and then propose to the Annual General Meeting of Shareholders' approval.
 - If a Director position is vacant apart from the retirement of rotation, the Nomination and Remuneration Committee shall recruit and select qualified candidates for Director and nominate for Board of Directors' approval and appointment.

Remuneration Consideration

1. Propose the structure and composition of remuneration for Company Directors, Managing Director and Senior Executives regularly every year.
2. Consider and review performance evaluation form of Company Directors and Managing Director and propose for Board of Directors' approval and evaluation processing. The Nomination and Remuneration Committee will use this form to consider and define the remuneration further.
3. Consider and define the policy and criteria of remuneration that are appropriate to the

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duty, responsibility and performance evaluation including performance of the Company, Directors, Managing Directors and Senior Executives, and propose for Board of Directors' approval and then propose for shareholders' meeting approval (as the case may be); for example, to review the appropriateness of current criteria, to consider the remuneration information of other companies in the same industry, to define appropriate criteria that contributes to the expected performance to be fair and in return to people who help the company achieve success.

4. Consider the appropriateness and approve the offer for sale of new securities or warrants to purchase shares for directors and employees at more than 5% of total number of securities to be allocated, taking into account the conditions to motivate directors and employees to perform to create long-term value added for shareholders and to retain qualified personnel. Such securities or warrants must not be too high and be fair to shareholders. No director in the Nomination and Remuneration Committee shall get more than 5% of the offered allocated securities in order to be entitled to make approval.

4 Risk Management Committee

The Board of Directors meeting (after becoming the public company) no. 5/2019 held on December 13, 2019 had a resolution that defined the the scope of authority, duties and responsibilities of the Risk Management Committee as follows:

1. Define the policy and framework for risk management and propose the Risk Management Policy for Board of Directors' approval. Such policy must cover various kinds of risks

that are impactful, which can be external and internal risks, such as Strategic Risk, Operational Risk, Financial Risk and Compliance Risk.

2. Prepare the risk management plan in accordance with the Risk Management Policy by assessing risks and proposing the prevention measures and solution guidelines for each type of risks.
3. Control, monitor, and supervise risk management in compliance with the defined measures to ensure the systematical risk management process that can be applied for the whole organization in order to prevent impact from various internal and external risk factors which can affect company business.
4. Review the risk management guideline framework to be assured that the corporate has appropriate and sufficient risk management. Propose the risk management guideline framework to Board of Directors for acknowledgement and consideration when defining the policies and guidelines for continuous organization development.
5. Evaluate performance of the Risk Management Committee and provide suggestions to develop and improve structure, roles, duties, and other suggestions to propose for Board of Directors' acknowledgement and approval.

6. The Risk Management Committee has authority to appoint the Risk Management working team and define their duties and responsibilities.
7. Perform other duties as assigned by the Board of Directors.

5 Executive Committee

The Executive Committee has authority and duty in managing the Company's business to be in

accordance with objectives, regulations, policies, requirements, orders and laws, including the Securities and Exchange law, the notification of the Securities and Exchange Commission, the notification of the Capital Market Supervisory Board, the Announcement of the Board of Governors of the Stock Exchange of Thailand, other announcements, rules, regulations and/or relevant requirements and Board of Directors' meeting resolutions, and/or shareholders' meeting resolutions. Moreover, the Executive Committee has duty in considering and screening the issues to be presented to the Board of Directors for approval and/or approving the issues as defined by requirements or orders of the Board of Directors, including implementing the Board of Directors' orders from time to time.

The Board of Directors meeting (after becoming the public company) no. 5/2019 held on December 13, 2019 had a resolution to approve the defining of the scope of authority, duties and responsibilities of the Executive Committee as follows:

1. Consider and define policies and important plans in various aspects to be in accordance with the corporate governance, such as Corporate Governance Policy, Anti Corruption Policy, policy on related transactions, Code of Conduct, Risk Management Policy, Human Resource Policy, Information Technology Security Policy, and other policies as deemed necessary and appropriate to further propose for Board of Directors' approval.
2. Prepare annual business plan that reflects short-term and long-term goals and strategic plan that defines goals at the corporate level, unit level, and functional level, and propose for Board of Directors' approval. In this regard, the business plan shall be reviewed regularly to be updated with the changing situation.

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3. Define service plan, marketing plan, financial plan, and human resource plan, to be in accordance with the Company's policy, strategy, and annual business plan. Prepare budget and define regulation, requirement, announcement and operational guideline to support the implementation of the above plans to achieve the defined objectives.

4. Perform duty according to the normal process of Company business, such as the investment expenditures approval, material management, procurement, consideration of setting hire purchase interest rate and discount policy, amortization of bad debts, amortization of fixed assets, donation for public charity, rewarding, financial transaction with financial institutions, etc., within the defined financial limit.

5. Control, monitor and supervise the operations to be in accordance with the defined policies, plans, annual business plans, and measures effectively and efficiently.

6. Evaluate performance of the Executive Committee, give suggestion to improve its structure, roles, authority, duties and other suggestions and propose to the Board of Directors for acknowledgment and consideration.

7. Have authority to manage, control and supervise operations relating to the Company's normal business operations to be in accordance with the the Company's business plan and to operate for solid result according to the Company's policy, strategy, annual business plan, direction, and other measures approved by the Board of Directors. The Executive Committee has authority to authorize other person to perform the duty as long as

such authorization complies with the regulations, requirements or orders defined by the Board of Directors.

In this regard, the delegation of authority, duty and responsibility of the Executive Committee shall not be the delegation or sub delegation that enables the attorney to approve any transactions that he/she or any person may have conflicts, (according to the definition of the Capital Market Supervisory Board and/ or the Stock Exchange of Thailand and/ or relevant agencies), gain and loss, or other conflict of interest with the Company or its subsidiaries and/or related companies. The Executive Committee does not have authority to approve the action on such issues which need to be presented to the Board of Directors meetings and/ or shareholders' meetings (on as the case may be) for further approval, unless it is the approval for transactions of normal business condition and trade terms which comply with the notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

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

6 Managing Director

The Board of Directors meeting (after becoming the public company) no. 5/2019 held on December 13, 2019 had a resolution that defined the scope of authority, duties and responsibilities of Managing Director as follows:

1. Supervise the company business operation to comply with the law, objectives, regulations, code of conduct of the Company, and other resolutions approved by the Board of Directors and/or shareholders' meeting with

integrity and concern for Company's interests.

2. Prepare and propose business plan, investment plan and annual budgeting plan to the Board of Directors and implement the plans to achieve the objectives with strategy and business plans approved by the Board of Directors.

3. Responsible for the overall management and consider management policies for various functions of the Company to ensure the operation to achieve defined target within the framework of policy, business plan and budgeting plan as approved by the Board of Directors and /or shareholders' meeting.

4. Define, change, revise and cancel regulations, orders, announcements, requirements, penalty code and internal control system so as to be the guideline of practices for every employee and to ensure that the internal management of the corporate complies with the Company's policy.

5. Have authority to sign in any documents related to the operations or the normal commercial transactions of the Company within the scope and authority of Managing Director.

6. Approve and/or delegate the authority to perform juristic acts binding the company in normal transactions including transactions that the Managing Director is authorized by the Board of Directors to perform on their behalf. This includes any transaction which is not directly binding on the assets of the company.

7. Consider and approve the implementation or approve the operational spending according to the Company's approval authority regulation or annual expenditure budget

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as approved by the Board of Directors.

8. Consider and appoint consultants necessary for the Company's business conduct within the approved budget and have authority to appoint attorneys to prosecute or enter a lawsuit related to the company.

9. Consider and approve the recruitment, employment, appointment, exchange, transfer and dismissal of executives and employees in any positions lower than Managing Director. The defined scope of authority and appropriate compensation of the Assistant Managing Director position and up must be directly reported to the Board of Directors for acknowledgement. The position level of internal audit head shall be processed under the Audit Committee's approval.

10. Supervise employees to work in accordance with the policy, regulations, and corporate governance, and support the development of knowledge, skills, and competency of employees to increase the overall organizational potential.

11. Conduct business and mission as assigned by the Board and according to the Board of Directors' policy. Managing Director does not have authority to approve any issues or connected transactions that are not in normal commercial terms, transactions of acquisition and disposition of significant assets of the Company and/or transactions that Managing Director or any persons who may have conflict, gain/loss or conflict of interest in other forms shall do with the Company, unless it is an approval of transactions that comply with the policy and criteria that the Board considered and approved.

12. Have authority to sub delegate and/or assign other persons to perform a specific task for him/her. Such sub delegation and/or delegations shall be within the scope of delegation as stated in the given power of attorney and/or be in accordance with regulations, requirements or orders defined by the Board of Directors. In this regard, the delegation of authority, duty and responsibility of such Managing Director shall not be the delegation or sub delegation that enables such person to consider and approve any transactions that he/she or any person who may have conflicts, gain and loss, or other conflicts of interest shall do with the Company or its subsidiaries (if any) according to the definition stated in the notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or other announcements of related agencies, unless it is an approval of transactions that comply with the policy and criteria that the shareholders' meetings or the Board of Directors considered and approved.

8. Audit Committee with knowledge and experiences in financial statement review

- Mr. Chalong Luengprasit, Chairman of Audit Committee, graduated Bachelor's Degree of Accounting, Siam University and Master's Degree of Accounting, Chulalongkorn University.
- Dr. Pijak Chantaviroj graduated Doctorate in Public Administration, Rangsit University (In Progress), Master's Degree of Business Administration, Siam University and Bachelor's Degree of Accounting, Siam University.
- Mr. Weidt Nuchjalearn graduated Bachelor's Degree of Agricultural Economy, Kasetsart University and Master Degree of Accounting, Thammasart University.

9 Recruitment and Appointment of Board of Directors and Top Management

9.1 Board of Directors

Composition of Board of Directors

1. The Board of Directors consist of not less than 5 directors. Not less than half of total directors must have residence in Thailand.
2. In the Structure of The Board of Directors, at least 1 out of 3 of total number of directors, but not less than 3 or as required by relevant law, must be independent directors.
3. The Board of Directors will select one independent director to be the Chairman of the Board of Directors. If the Board of Directors considers appropriate, they may select one or many company directors to be Vice Chairman and may appoint a Secretary of the Board of Directors to help the Board about meeting arrangement, meeting agenda preparation and sending meeting documents, and taking minutes of meeting.
4. The Company has policy not to allow the Chairman of the Board of Directors to be the same person as Managing Director in order to balance power of operation and to have clearly separated roles and duties.

Qualification of Company Director

1. A Director must be an individual who has knowledge and experiences that can contribute to business operation and has integrity, honesty, ethics and sufficiently time to fully dedicate his knowledge and competency to perform duty for the Company.
2. A Director must have qualification and does not have any prohibited characteris-

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tics according to the Public Limited Companies Law, the Securities and Exchange Law, or criteria defined by the Securities and Exchange Commission, and shall not have any characteristics that reflect the inappropriateness to gain reliability to manage business of which shareholders are the public as defined by the Securities and Exchange Commission.

3. The Board of Directors shall perform their duties and use their judgment independently to consider and make decision on any issues. Each director has duty and independence to raise questions, express opinion, vision, or objection in the case of conflicts, in order to manage the Company to be sustainable and become the business leader for the best interest of the Company and stakeholders.
4. A Director cannot conduct business, hold shares or take partnership or hold a Director position in other juristic persons that have the same condition and are competitors of the Company's business, whether it is for that Director's or others' interests, unless the shareholders' meeting was informed before the resolution to appoint the position.
5. A Director must inform the Company without delay if he/she has any gain and loss in the contracts issued by the Company either directly or indirectly, such as the share holding in a counterparty of the contract, the investment in debentures, etc.
6. Holding an Independent Director position, a director must have qualification as required in the relevant notification of the Capital Market Supervisory Board and any amendment in the future.
7. Each Director can hold a position in not more than 5 other listed companies in con-

sideration of the appropriate position and business nature.

Qualification of Independent Director

An Independent Director must have qualification of independence as defined by law and must be a person who can manage benefits of all shareholders equally to prevent conflict of interest. Moreover, he/she must attend the Board of Directors' meetings and express opinion independently.

In addition to general qualifications of director, an independent director must have following qualifications:

1. Hold not more than 1% of total number of shares with voting rights of the Company, parent company, subsidiary companies, associate companies, major shareholders, or controller of the Company. The shares holding of the related persons to that independent director are included.
2. Is not or was not a director taking part in business management, employee, staff, consultant receiving regular salary or controller of the company, parent company, subsidiary companies, associate companies, subsidiary companies of same level, major shareholder, or controller of the company unless having been discharged from such positions for at least 2 years.
3. Is not a person having blood relations or legal relations by registration of other directors, executives, major shareholders, controllers of the Company, or any person who shall be proposed to be director, executive or controllers of the Company or subsidiary companies.
4. Does not have or never had business relationship with the Company, parent company, subsidiary companies,

associate companies, major shareholder, or controller of the Company in a manner that may impede his/her independent exercise of judgment and is not or was not a shareholder who is significant or has controlling power over a person who is in business relationship with the Company, parent company, subsidiary companies, associate companies, major shareholders or controllers of the company unless having been discharged from such positions for at least 2 years.

5. Is not or was not an auditor of the Company, parent company, subsidiary companies, associate companies, major shareholder, or controller of the Company, and is not a significant shareholder, controller, or partner of the audit office to which the auditor of the Company, parent company, subsidiary companies, associate companies, major shareholder, or controller of the Company belong unless having been discharged from such positions for at least 2 years.
6. Is not or was not any professional service provider or legal consultant or financial consultant receiving service fees of more than 2 million Baht per year from the company, parent company, subsidiaries, associates, major shareholders or controllers of the company, and is not the significant shareholder or controller or partner of such professional service provider unless having been discharged from such position for at least 2 years.
7. Is not a director appointed as a representative of Managing Director, major shareholder or a shareholder related to major shareholders.
8. Does not conduct business of the same nature and in significant competition with the Company or subsidiaries

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or is a significant partner in partnership or a director taking role in business management, employee, staff, consultant receiving regular salary or holding shares of more than 1% of total number of shares with voting rights of other companies that conduct the same business and are significant competitors of the Company or its subsidiaries.

9. Does not have any other characteristics that prevent the independent opinion expression about the Company's management.

In this regard, after being appointed as Independent Director with the mentioned qualification, an Independent Director may be assigned by the Board of Directors to make decision on business management of the Company, parent company, subsidiary companies, associate companies, and subsidiary companies of the same level. The decision making can be made in the form of collective decision.

Appointment and Term of Office

1. The appointment of directors shall be in accordance with relevant laws. The director recruitment shall be transparent by considering knowledge, competency and experiences of such person with sufficient details for decision making of the Board of Directors and shareholders.
2. In every Annual General Meeting of Shareholders, 1/3 of directors shall retire from the position. If 1/3 does not result in a full number, the number closest to 1/3 shall be applied. After the Company became a public company, retiring directors leaving in the first year and second year shall be selected by drawing. After that, directors who hold in position for the longest shall leave.

3. Directors retiring by rotation may be re-elected to the position.
4. In the case that a director position is vacant due to other reasons than retiring by rotation, the Nominatin and Remuneration Committee shall select an individual whose qualification meets requirements of the Public Limited Companies Law to take the director place in the following Board meeting. If the term of such director left is less than 2 months, the replacing director shall be in that position until the end of that term.

5. The term of office of Independent Director should be no longer than continual 9 years from the date of the first appointment. For an Independent Director to stay longer in the position, the Board should reasonably consider the need for such case.

Vacation of Office

1. The office of director can become vacant when:
 - (1) The term of office is ended.
 - (2) A director dies.
 - (3) A director resigns.
 - (4) A director is disqualified or has a prohibited characteristics defined by law.
 - (5) The shareholders' meeting has a resolution for a director to leave.
 - (6) The court issues an order for a director to leave.
2. Any director who wants to resign can submit resignation to the Company. The resignation is effective from the date it arrives the Company.

9.2 Audit Committee

Composition of Audit Committee

1. The Audit Committee consists of not less than 3 independent directors, of which at least 1 is an Audit Director who has

knowledge, understanding and experiences in accounting or finance and continuously acknowledges the causes that have effect on the changes in financial reporting.

2. The Board of Directors or Audit Committee review and select one Audit Director to be the Chairman of Audit Committee and may appoint an Audit Committee Secretary to help their work in meeting appointment, preparing meeting agenda, sending meeting documents and taking minutes of meeting.

Qualification of Audit Director

1. Audit Director is independent director who has qualifications required by the Public Limited Companies Law, the Securities and Exchange Law, and announcements, requirements, and/or regulations of the Securites and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET.)
2. Audit Director has knowledge and experiences much enough to perform duties of an audit director for the assignment and to be able to exercise his discetion independently.

Appointment and Term of Office

1. Audit Committee is appointed by the Board of Directors or the shareholders' meeting. In the case that the Audit Director's name is nominated for the shareholders' meeting approval, the Company should reveal the name and profile, including a message stating that the appointed person has the qualification and independence as required in the meeting invitation letter.
2. Audit Committee's term of office is 3 years. When any Audit Director's term of office is complete, such person can be re-elect to hold the position as deemed appropriate by

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the Board of Directors or the shareholders' meeting.

3. When an Audit Director completes his term of office or has any reasons that make him leave before the end of the term, resulting in the less number of members than the requirement of Audit Committee's composition, the Board of Directors or shareholders will appoint a new Audit Director to fill in the body at once or at least within 3 months from the date when the number of members is incomplete in order to keep continuity of Audit Committee's performance. In this regard, the new Audit Director who takes the position by other reasons than retiring by rotation shall stay in position for the remaining term of the Audit Director he replaces.

Vacation of Office

1. The office of Audit Director can become vacant when:
 - (1) A director retires from the Company Director position.
 - (2) The term of office is ended.
 - (3) A director dies.
 - (4) A director resigns.
 - (5) A director is disqualified or has a prohibited characteristics defined by law.
 - (6) The shareholders' meeting or Board of Directors has a resolution for a director to leave.
 - (7) The court issues an order for a director to leave.
2. Any director who wants to resign can submit resignation to the Company. The resignation is effective from the date it arrives the Company.

9.3 Nomination and Remuneration Committee

Composition of Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee consists

of not less than 3 executive directors. At least half of total Nomination and Remuneration Directors must be independent directors. The Nomination and Remuneration Committee must not be the Chairman of the Board or Managing Director.

2. The Nomination and Remuneration Committee selects one Nomination and Remuneration Director, who is independent director, to be the Chairman of the Nomination and Remuneration Committee and appoints a Secretary of Nomination and Remuneration Committee to help their work in meeting appointment, preparing meeting agenda, sending meeting documents and taking minutes of meeting.

Qualification of Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee must have qualification as required by Limited Company Law, Public Limited Companies Law, Securities and Exchange Law, and announcement, regulations and/or regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
2. The Nomination and Remuneration Committee must have knowledge and experiences that contribute to the performance of Nomination and Remuneration Director, understanding in duties and responsibilities of the Nomination and Remuneration Committee and can dedicate sufficient time to perform their duties.
3. The Nomination and Remuneration Committee has neutrality and independence, according to the Company's good corporate governance, in recruiting and selecting individuals qualified to be nominated for the position

of company Directors and Managing Director.

Appointment and Term of Office

1. The Nomination and Remuneration Committee is appointed by the Board of Directors.
2. Nomination and Remuneration Director's term of office is 3 years, in line with the term of office of company Director.

Vacation of Office

1. The office of Nomination and Remuneration Director can become vacant when:
 - (1) The term of office is ended.
 - (2) A director dies.
 - (3) A director resigns.
 - (4) A director is disqualified or has a prohibited characteristics defined by law.
 - (5) The Board of Directors meeting has a resolution for a director to leave.
2. Any Nomination and Remuneration Director who wants to resign can submit resignation to the Chairman of the Board of Directors.

9.4 Risk Management Committee

Composition of the Risk Management Committee

1. The Risk Management Committee consists of not less than 5 directors and/or executives.
2. The Risk Management Committee selects one independent director to be the Chairman of the Risk Management Committee.
3. The Risk Management Committee appoints a Secretary of Risk Management Committee to help their work in meeting appointment, preparing meeting agenda, sending meeting documents and taking minutes of meeting.

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Qualification of Risk Management Committee

1. The Risk Management Committee must have qualification and no prohibited characteristics according to the Limited Companies and Public Limited Companies Laws, the Securities and Exchange Law, and regulations set by the Securities and Exchange Commission and the Stock Exchange of Thailand, and other relevant laws.
2. The Risk management Committee must be individuals who have knowledge and experiences that can contribute to business operation and have integrity, honesty, ethics and sufficient time to fully dedicate their knowledge and competency to perform duties for the Company.

Appointment and Term of Office

1. The Nomination and Remuneration Committee recruit and nominate qualified individuals as identified in the Risk Management Directors' qualifications to hold a Risk Management Director position and nominate such individual to the Board of Directors meeting considering his educational profile and professional experiences.
2. The Risk Management Committee's term of office is 3 years. The Risk Management Committee who retires by rotation may be re-elected to the position for another term by the Board of Directors.
3. In the case that the Risk Management Director position is vacant, the Nomination and Remuneration Committee shall select and nominate an individual with complete qualification to the Board of Directors for consideration in taking the vacant position in order for

the committee to have the full members of directors as defined in the charter by the Board of Directors. The individual taking the position shall be in the position for the remaining term of office only.

Vacation of Office

1. The office of Risk Management Director can become vacant when:
 - (1) The term of office is ended.
 - (2) A director dies
 - (3) A director resigns
 - (4) A director is disqualified or has a prohibited characteristics defined by relevant laws.
 - (5) The Board of Directors meeting has a resolution for a director to leave.
2. Any director who wants to resign can submit resignation to the Company. The resignation is effective from the date it arrives the Company.

9.5 Executive Committee

Composition of Executive Committee

1. The Executive Committee consists of not less than 3 persons of directors, executives and/or employees. Members of the Executive Committee do not have to hold the Company Director position.
2. The Board of Directors or the Executive Committee selects one Executive Director to be the Chairman of Executive Committee. When the Board of Directors or Executive Committee deems appropriate, they may select one or many Executive Directors to be the Vice Chairman of Executive Committee and may appoint an Executive Committee Secretary to help their work in meeting appointment, preparing meeting agenda, sending meeting documents and taking minutes of meeting.

Qualification of Executive Committee

1. The Executive Committee must have qualification and does not have any prohibited characteristics according to the Public Limited Companies Law, the Securities and Exchange Law, and regulations set by the Securities and Exchange Commission and the Stock Exchange, and other relevant laws.
2. The Executive Committee must be individuals who have knowledge and experiences that can contribute to business operation and has integrity, honesty, ethics and sufficient time to fully dedicate his knowledge and competency to perform duty for the Company.

Appointment and Term of Office

1. The Executive Committee is appointed by the Board of Directors and must have full qualifications as stated in the executive director's qualification.
2. If an Executive Director position is vacant, the Board of Directors shall select a qualified individual to take the position.

Vacation of Office

1. The office of Executive Director can become vacant when:
 - (1) The term of office is ended.
 - (2) A director dies.
 - (3) A director resigns.
 - (4) A director is disqualified or has a prohibited characteristics defined by law.
 - (5) The Board of Directors meeting has a resolution for a director to leave.
 - (6) A director becomes bankrupt, quasi-incompetent or incompetent person.
 - (7) A director gets imprisoned or gets a final

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sentence of imprisonment, except for petty offence or offence committed by negligence.

2. Any Executive Director who wants to resign can submit resignation to the Chairman of the Executive Committee.

9.6 Managing Director

In selecting personnel to be appointed as the Managing Director, the Nomination and Remuneration Committee shall consider the qualification and competency of such person based on the criteria and recruiting methods of the Company. The person who can be nominated for the Managing Director position can be an external or internal person of the company and must hold the position in the level of assistant managing director up. Such person can apply for the selection.



Assets for Business Operations



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1 MAIN ASSETS

As of 31st December 2021, the main assets for the Company's business operation consisted of hire purchase contracts, land, buildings and equipments, and foreclosed assets. The net accounting value after deducting accumulated depreciation and allowance for impairment as stated in financial statement was 3,741.4 million Baht with the following detail:

List	Ownership	Obligation	Net accounting value (mil. Baht)
1. Hire purchase receivables	Company	Some were collaterals for loans.	3,633.8
2. Land, building and equipment	Company	Some were mortgaged with financial institutions.	96.3
3. Foreclosed assets	Company	None	11.3
Total			3,741.4

1.1 Hire purchase receivables and allowance for expected credit loss

Hire purchase receivables was shown as the value of hire purchase contracts deducted by deferred interest on hire purchase contracts, which was the net value from fee income, commission, and direct expenses occurred from the beginning of hire purchase activity.

Hire purchase receivables classified by the outstanding period of loans:

Hire purchase receivables	31 st December 2020 ^{/1}		31 st December 2021 ^{/1}	
	Mil. Baht	%	Mil. Baht	%
Not due yet	1,553.3	61.1	2,246.1	59.2
Not more than 30 days outstanding	439.3	17.3	800.2	21.1
31-90 days outstanding	452.2	17.8	617.6	16.3
91-180 days outstanding	40.0	1.6	64.4	1.7
181- 365 days outstanding	39.0	1.5	43.6	1.1
More than 365 days outstanding	18.0	0.7	23.9	0.6
Total	2,542.0	100.0	3,795.8	100.0
Deducted by Allowance for doubtful accounts	(97.9)		(162.0)	
Hire purchase receivables - net	2,444.1		3,633.8	

^{/1} Information of receivable classification by the Company's management.

Micro Leasing Public Company Limited

POLICY OF RESERVED ALLOWANCE FOR DOUBTFUL ACCOUNTS

Nevertheless, from 1 January 2020 onwards, the Company has classified its receivables according to the classification standard and the reserve setting by new criteria according to the TFRS9 principles. The Company's hire purchase receivables were reclassified into 3 levels as follows:

- Level 1 - Receivables that do not have significant increase in credit risks, such as receivables without outstanding debt or with not more than 30 days outstanding according to the old criteria. The value of allowance for credit loss shall be measured by the

expected credit loss in the next 12 months.

- Level 2 - Receivables which have significant increase in credit risks, such as receivables with 31-90 days outstanding according to the old criteria. The allowance for credit loss shall be measured by the Lifetime Expected Credit Loss.
- Level 3 - Receivables with credit impairment or, if considered by old criteria, receivables with more than 90 days outstanding and debtors under the process of prosecution and have not yet been written off from accounting. The allowance for credit loss shall be measured

by the Lifetime Expected Credit Loss.

In consideration of allowance for impairment according to TFRS9 principles, the Company will set the allowance for the Expected Credit Loss (ECL), which is calculated by referring to the current value of total expected loss cash flow which is estimated by referring to information and experience in the past of the loss of receivable group considered to have the same characteristics of credit risk and will consider the risk from the Macroeconomic Assumption factor. (Please see further details in section 2.4.16 Discussion and analysis of financial status and operating results.)

Hire purchase receivables classified by credit risk are as follows:

Hire purchase receivables	31st December 2020 ¹		31st December 2021 ¹	
	Mil. Baht	Mil. Baht	Mil. Baht	%
Hire purchase receivables where there has not been a significant increase in credit risk	1,992.8	78.4	3,046.4	80.2
Hire purchase receivables where there has been a significant increase in credit risk	452.2	17.8	617.6	16.3
Hire purchase receivables that are credit - impaired	97.0	3.8	131.8	3.5
Total	2,542.0	100.0	3,795.8	100.0
Less: Allowance for expected credit loss	(97.9)		(162.0)	
Hire purchase receivables - net	2,444.1		3,633.8	

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WRITE-OFF POLICY

The Company defined the direction to consider to write-off bad debts on taxes in accordance with the Ministerial Regulation No. 374 (B.E. 2564) issued under the Revenue Code on the disposal of bad debts from accounts receivables in the following cases:

- In the case that the debt value is not over 200,000 Baht, the Company has tracked and/or sent letter of cancellation to debtor. If the Company does not get any contact back from debtor, the Company can consider to write-off the bad debt.
- In the case that the debt value is in between 200,000 - 2,000,000 Baht, in addition to tracking debtor as in the above case, the Company must prosecute debtor in a civil case. When the civil court has issued an order to accept the complaint or the court has issued an order to accept the debt average request, the Company can write off such debt as a bad debt.

- In the case that the debt value is 2,000,000 Baht and over, the Company has processed on debt collection and has prosecuted debtors in a civil case or has submitted a debt average request if debtor has been sued by other creditors in a civil case and the court has issued a decree or order but debtor does not have any asset to repay debts or has prosecuted debtor in a bankruptcy case or has submitted an application for debt repayment if debtor has been sued by other creditors in a bankruptcy case and has composition with debtor with the court's order agreeing with such composition or debtor has been sentenced to bankruptcy and debtor's first assets have been divided.

If the case that debtor falls into any of the cases mentioned above, the Company can take the remaining debt value of debtor as deduction for tax expenses.

As for the accounting write-off policy, the Company can consider the accounting write-off if the

debtor falls into any of following cases:

1. In case there is a loss from payment under judgment or payment under the compromise agreement whereas the court had a consent judgment and debtor has paid under such judgment.
2. In case debtor is a legal debtor who has processed to the end of the case and there is a difference in receiving payment under the judgment.
3. In case the debt collection has been processed to the end but cannot reach debtor, the management shall propose to the authorized person as per authority table for write-off bad debt consideration. The supportive evidence for such consideration includes evident documents of debt collection showing the continuous tracking and collecting actions, etc.

1.2 Foreclosed Assets

The foreclosed assets are assets confiscated from debtors according to hire purchase contracts, showing the costing prices deducting allowance for impairment. The foreclosed assets as of 31 December 2020 and 31 December 2021 classified by type and age since the effective date of Company's ownership are as follows:

Foreclosed assets	As of 31 st Dec. 2020		As of 31 st Dec. 2021	
	Mil. Baht	%	Mil. Baht	%
6-wheel truck	0.7	10.4	2.6	23.0
10-wheel or 12-wheel trucks	5.9	88.1	7.9	69.9
Trailer or semi-trailer	0.1	1.5	0.8	7.1
Foreclosed assets - net	6.7	100.0	11.3	100.0

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The Company revised the strategy in foreclosed asset management by selling assets fast. As a result, the foreclosed asset balance as of 31 December 2021 was 11.3 million Baht. Most of them were 10-wheel trucks or 12-wheel trucks with less than 1 month age. (Further detail of foreclosed assets were shown in section Discussion and analysis of financial status and operating results.)

Age of foreclosed assets (from the collateral confiscation date)	As of 31 st Dec. 2020		As of 31 st Dec. 2021	
	Mil. Baht	%	Mil. Baht	%
Less than 1 months	6.0	89.6	9.8	86.7
1-3 months	0.7	10.4	0.6	5.3
4-6 months	-	-	0.9	8.0
Foreclosed assets	6.7	100.0	11.3	100.0

The Company recognized property foreclosed based on fair value of truck's price as at the date of confiscation. The Company will assess the fair value of such assets compared to the outstanding debt value. If the fair

value is lower than the outstanding debt value, the Company will recognize the difference as a bad debt in the income statement at once. At the end of every period, the Company will test for impairment of foreclosed

assets. If it is found that the expected value is lower than the accounting value, the Company will recognize the difference as the loss on impairment of foreclosed assets in each period of income statement.

1.3 Land, buildings and equipments

As of 31 December 2021, the Company owned the land, buildings and equipments as follows:

Asset type	Ownership	The consoli- dated financial statement	The separated financial statement	Obligation
		Net value (Mil. Baht)		
Land	Company owned	54.1	54.1	Mortgaged to financial institutions
Building and renovation	Company owned	17.1	17.1	Mortgaged to financial institutions
Decoration and office supplies	Company owned	4.9	4.9	None
Computer	Company owned	19.6	19.6	None
Vehicles	Company owned	0.6	0.6	None
Total		96.3	96.3	

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2 INTANGIBLE ASSETS

As of 31 December 2021, the Group's intangible assets' net accounting value was 6.3 million Baht (Company only: 6.1 million Baht) as follows:



Asset type	The consolidated financial statement			The separated financial statement		
	Ownership	Value (Mil. Baht)	Obligation	Ownership	Value (Mil. Baht)	Obligation
Finished program	Company	6.3	None	Company	6.1	None
On process program	Company	-	None	Company	-	None
Total		6.3			6.1	

3 TRADEMARK

As of 31st December 2021, the Company had one trademark as follows:

Trademark / service	Registration date	Item	Protection period
	10 th April 2012	Hire purchase vehicle service	10 th April 2012 – 10 th April 2022

As of 31st December 2021, the Company was in the process of applying for trademark/service registration of 2 items as follows:

Trademark / service	Date of registration submission	Item	Status
	18 th Nov. 2019	For rent and leasing vehicles	In the process of consideration of the Appeal committee Trademark as of 30 December 2020
	18 th Nov. 2019	For rent and leasing vehicles	In the process of consideration of the Appeal committee Trademark as of 30 December 2020

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4 INVESTMENT POLICY

At present, the Company invest in a subsidiary company, Mico Insured Broker Co., Ltd., which are registered at Department of Business Development on 8 October 2020. The Company is principally engaged in the providing non-life and life insurance broker. Therefore, the Company has defined the investment and corporate governance policy of its subsidiary and associate companies as follows:

Investment and control policy for subsidiary and associate companies

The Company has a policy to invest in subsidiary and associate companies that are consistent with the Company in terms of goal, vision, and strategic growth plan, which will contribute to the Company's better performance or higher profits. The Company also has a policy to invest in the business that contribute benefits to the Company to increase its competency and to achieve the goal of being the leader in the Company's main business. In this regard, the Company may consider investing in other businesses further should they have potential of growth and business expansion and are beneficial to the Company's business by generating good return of investment. In consideration of investment, the Company shall do analysis on investment possibility and consider potentiality and risk factors of investment with the appropriate investment analysis process which shall be agreed and/or approved by the Board of Directors' meeting and/or shareholders' meeting. In this regard, the investment approval of such subsidiary and/or associate company must be in accordance with the announcement of the Securities and Exchange Commission and related announcement of the Securities Exchange of Thailand.

The Corporate Governance Policy for subsidiary and associate companies

The Company defined the corporate governance policy for its subsidiary and associate companies (if any) with the objectives to define, both direct and indirect, measures and mechanisms for the Company to govern and manage business of subsidiary and associate companies, supervise subsidiary and associate companies to implement measures and mechanisms according to the Company's policy and relevant laws, in order to protect the interests of the company investment in such subsidiary and associate companies, with the following actions:

- The Company shall send a representative to be a director in its subsidiary and/or associate companies based on its shareholding in each company to govern the subsidiary and/or associate companies' operations in compliance with the Company's policy and laws. Nevertheless, sending a representative to be a director in the subsidiary and/or associate companies needs to be considered and approved by the Board of Directors, taking into consideration the appropriateness of each company.
- If the entering to any transaction or operation of subsidiary company is deemed as or is an acquisition or disposal of assets according to the Notification of Acquisition and Disposal of Assets or a connected transaction according to the Notification of Connected Transactions, which result in the Company's duty to request for approval from the Board of Directors' meeting and/or from shareholders' meeting or from the related legal agencies before entering the transaction, the subsidiary company will be able to enter such transaction only after it has been approved by the Board of Directors' meeting

and/or shareholders' meeting and/or related legal agencies (as the case may be.)

Moreover, if the entering to transaction or the occurrence of some situations of the subsidiary company requires the Company's duty to disclose information to the Securities Exchange of Thailand, the representative director of such subsidiary company has duty to inform the Company's management as soon as he is aware of the Company's plan to enter such transaction or situation.

- The committee and executives of each subsidiary and/or associate company shall have scope of authority, significant duty, and responsibility according to relevant laws, such as the disclosure of information about financial position and operation performance, to the Company, according to the enforcement of the notification of the Securities and Exchange Commission and the notification of the Board of Governors of the Stock Exchange of Thailand, relatively. They shall disclose and submit the information of personal interest and related persons' interest to the Board of Directors to acknowledge their relationship and a transaction with the Company, subsidiary and/or associate company, in the aspects that may lead to the conflict of interests. They shall also avoid any transaction that may lead to the conflict of interests.
- The Company shall set plans and operations as necessary to ensure that the subsidiary and/or associate company shall disclose information about operation performance and financial position. The Company shall take actions as necessary and follow up with the subsidiary and/or associate company to ensure their implementation of information disclosure system and internal control system as to be sufficient and appropriate for business conduct.

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SUMMARY OF SIGNIFICANT CONTENT OF AGREEMENT RELATING TO OPERATION

1) Loan agreement

As of 31st December 2021, the Company has entered the agreement of loan application with 3 financial institutions and with individuals who may have conflict of interests as following details:

1st Financial Institution

Borrower	Company
Credit type	Short-term loan
Credit limit	650.00 million Baht
Interest rate	MLR - 1.0% per year
Debt burden as of 31st Dec. 2021	70.00 million Baht
Collaterals and surety	<ul style="list-style-type: none"> • Mortgage the land and buildings owned by Company as collaterals. • Company fixed deposits as collaterals. • Claims under hire purchase agreement as non-specific debtor of rights
Other conditions	<ul style="list-style-type: none"> • Maintain debt to equity ratio at not over 2.5. • When the loans from financial institutions is higher than 70% of total receivables, the Company needs to reduce debt burden at once. • Set NPL ratio not higher than 5.0%

Borrower	Company
Credit type	Long-term loan
Credit limit	100.00 million Baht
Interest rate	Fixed deposit interest rates used as collateral +0.75% per year
Agreement period	3 years
Debt burden as of 31st Dec. 2021	15.62 million Baht
Collateral and surety	<ul style="list-style-type: none"> • Fixed deposit of 1 shareholders as full amount collaterals
Repayment condition	Monthly installment of 2.9 million Baht/ month
Other conditions	<ul style="list-style-type: none"> • None

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2nd Financial Institution

Borrower	Company
Credit type	Bank overdraft loan
Credit limit	10.00 million Baht
Interest rate	MOR
Debt burden as of 31st Dec. 2021	None

Borrower	Company
Credit type	Short-term loan
Credit limit	340.00 million Baht
Interest rate	MLR – 1.0% per year
Debt burden as of 31st Dec. 2021	None

Borrower	Company
Credit type	Long-term loan
Credit limit	200.00 million Baht
Interest rate	MLR – 1.0% per year
Debt burden as of 31st Dec. 2021	196.62 million Baht
Repayment conditions	Monthly installment of 4.52 million Baht/month

Within the budget that the Company received from the second financial institution, here are conditions and criteria:

Collaterals	<ul style="list-style-type: none"> • Mortgage the land and buildings owned by Company as collaterals. • Company fixed deposits as collaterals. • Claims under hire purchase agreement as non-specific debtor of rights.
Other conditions	<ul style="list-style-type: none"> • Maintain debt to equity ratio at not higher than 2.5. • Require the ratio of total current credit limit from financial institutions to the principal loans and interests under the hire purchase contract to be not higher than 40%. • Require the ratio of total current credit limit from financial institutions to the principal loans of not more than 3 installments outstanding to be not higher than 60%. • Require the ratio of NPL including confiscated truck every quarter end to be not higher than 7.5% for Q.2 of 2020 to Q.1 of 2022 and not higher than 5.0% from Q.2 of 2022 onwards. • Total debt of financial institutions and related persons (with obligations) including debentures must not exceed 70% of the debtor's portfolio.

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3rd Financial Institution

Borrower	Company
Credit type	Long-term loan
Credit limit	200.00 million Baht
Interest rate	Fixed rate of 2.0% per year
Debt burden as of 31st Dec. 2021	81.34 million Baht
Repayment condition	Monthly installment of 8.70 million Baht/ month
Collaterals and surety	<ul style="list-style-type: none"> • Claims under hire purchase agreement as non-specific debtor of rights. • Guarantee by using credit limit of major shareholders, directors, and executives.
Other conditions	<ul style="list-style-type: none"> • Maintain debt to equity ratio at not over 10:1. • Set NPL ratio not higher than 5%. • Maintain major shareholders ratio at not lower than 50% of total shares.

Borrower	Company
Credit type	Bank overdraft loan
Credit limit	10 million Baht
Interest rate	MOR-0.50%
Debt burden as of 31st Dec. 2021	None

Borrower	Company
Credit type	Long-term loan
Credit limit	240.00 million Baht
Interest rate	MLR – 0.50% per year
Debt burden as of 31st Dec. 2021	240.00 million Baht
Repayment condition	<ul style="list-style-type: none"> • No principal payment for 3 months from the date of signing the contract • Principal repayment at the end of each month by equal installments, not less than 2.635% of the loan amount drawn

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Within the budget that the Company received from the third financial institution, here are conditions and criteria:

Collaterals and surety	<ul style="list-style-type: none"> • Claims under hire purchase agreement as non-specific debtor of rights. • Guarantee by using credit limit of major shareholders, directors, and executives.
Other conditions	<ul style="list-style-type: none"> • Maintain debt to equity ratio at not over 3. • Set NPL ratio not higher than 5%. • Maintain major shareholders ratio at not lower than 50% of total shares.

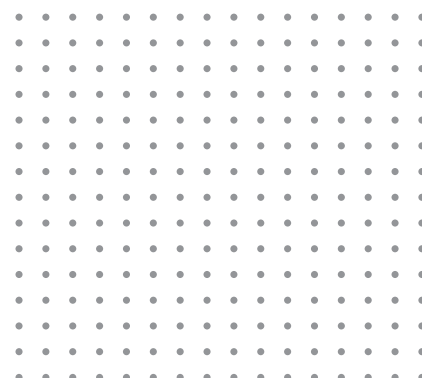
4th Financial Institution

Borrower	Company
Credit type	Long-term loan
Credit limit	300.00 million Baht
Interest rate	MLR – 2.275% per year
Debt burden as of 31st Dec. 2021	None
Repayment condition	<ul style="list-style-type: none"> • The principal repayment must be completed within 6,12,18,24 and 36 installments according to the weighted average of the repayment period for Portfolio receivable in each withdrawal by paying every month.
Collaterals and surety	<ul style="list-style-type: none"> • Mortgage the land and buildings owned by Company as collaterals. • Fixed deposit of 1 shareholders as full amount collaterals. • Company fixed deposits as collaterals. • Claims under hire purchase agreement as non-specific debtor of rights Guarantee by using credit limit of major shareholders, directors, and executives. • Guarantee by using credit limit of major shareholders, directors, and executives.
Other conditions	<ul style="list-style-type: none"> • Maintain debt to equity ratio at not over 2.0. • When the loans from financial institutions is higher than 70% of total receivables, the Company needs to reduce debt burden at once. • Set NPL ratio not higher than 5%. • Require the ratio of total loan from financial institutions to be not higher than 60%.

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5th Financial Institution

Borrower	Company
Credit type	Long-term loan
Credit limit	200.00 million Baht
Interest rate	MLR – 2.375% per year
Debt burden as of 31st Dec. 2021	86.87 million Baht
Repayment condition	<ul style="list-style-type: none"> • Interest is paid at the end of every month. • Principal repayment for each loan drawdown By dividing the payment in equal installments, choose to pay back in 36 and 48 installments.
Collaterals and surety	<ul style="list-style-type: none"> • Company fixed deposits as collaterals. • Claims under hire purchase agreement as non-specific debtor of rights Guarantee by using credit limit of major shareholders, directors, and executives.
Other conditions	<ul style="list-style-type: none"> • Maintain debt to equity ratio at not over 200. • Set NPL ratio not higher than 5%. • Require the ratio of total loan from financial institutions to be not higher than 60%. • Maintain major shareholders ratio at not lower than 50% of total shares..



Micro Leasing Public Company Limited

2) Lease

Since 1st January 2021, the Company has applied the Thai Financial Reporting Standard No. 16 Re: Lease (TFRS 16) to replace the Accounting Standard No. 17 Re: Lease. The TFRS 16 requires the Company, as a tenant, to recognize assets and liabilities of leases with longer than 12 month leasing period. As a result of such change, the Company has recorded such item as “Rights of use assets” and “Lease liabilities”.

The Company shall recognize the Rights of use assets on the effective date of the lease with the costs deducted by the accumulated depreciation and the loss from accumulated impairment and adjusted by the debt value measure under new lease contract. As for the Lease liabilities, the Company recognizes lease liabilities with the current value of payment amount under lease contract deducted by the

interest rate implicit in the lease or the interest rate of additional loans of the Company after the effective date of the lease. The lease liability will increase by reflecting from the lease liability and will be decreases when reflecting payment under the lease. (Please see further details in section Discussion and analysis of financial status and operating results.)

Details of lease classified by type of assets as of 31st December 2021

Type of assets	Details of lease	Lease payment condition	Net rights of use assets	Lease liabilities
Land	Parking spot for confiscated vehicles to be sold and parking spot for employees	Monthly	0.3	0.3
Building	7 branches of business operations Office supply	Monthly	8.8	8.7
Equipment	Office supply	Monthly	0.8	0.8
Vehicles	26 vehicles used in operations in each branch and 6 cars for Company's business.	Monthly	18.4	18.3
Total			28.3	28.1



Top 10 Ranking

Most Active Value

Most Active Vol

Top Gainer		Top Loser		Volume(K)
Last	Chg	%Chg	Top Sw	
492.00	+4.00	+0.82		2.94 M
143.50	+1.00	+0.70		9.52 M
194.50	+3.50	+1.83		5.84 M
74.75	+0.75	+1.01		14.93 M
392.00	-1.00	-0.25		2.61 M
38.25	+0.25	+0.66		25.10 M
5.25	+0.15	+2.94		183.18 M
117.50	+5.00	+4.44		8.11 M
19.20	-0.30	-1.54		47.51 M
183.50	+2.50	+1.38		4.88 M

Report of the Audit Committee

Micro Leasing PCL's Audit Committee is comprised of 3 independent directors; Mr. Chalong Luengprasit, Chairman of the Audit Committee, Dr. Pijak Chantaviroj and Mr. Weidt Nuchjalearn as the Audit Committee members. The three executives possess all of the required qualifications stated in the Audit Committee's charter, which was compiled in accordance with the direction and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Audit Committee has been performing duties independently, whereby 1 committee member has an accounting knowledge and experience to perform the audit activity to ensure the reliability of the statement of financial position.

In 2021, the Audit Committee held a total of 5 meetings, with full attendance of the Audit Committee members. The meeting attendance details are shown below.

Name of Audit Committee Members	The Number of Meetings Attended/ The Number of Meetings Held
1. Mr. Chalong Luengprasit	5/5
2. Dr. Pijak Chantaviroj	5/5
3. Mr. Weidt Nuchjalearn	5/5

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Key Takeaways of the Audit Committee's Performance

• **Verification of Financial Reports**

The Audit Committee had verified the preparation of the quarterly and annual statements of financial position of Micro Leasing PCL, in collaboration with the management, Internal Audit Division and the auditor, as well as other financial reports; Internal Audit Division's report, Risk Management report, etc. The Committee also had a session with the auditor without the management's involvement at least once a year to independently discuss the accounting audit plan, independence in performing duties and significant information for the preparation of the financial statements.

• **Verification of the Internal Control System**

The Audit Committee had verified the report and discussed with the Internal Audit Division and the management on the observations made. The Committee also ensured that the suggestions arising from the Internal Audit Division's report were actioned upon, with the focus on making corrections on identified issues effectively. Furthermore, the management had been consulted with regarding the appropriateness of the internal control operations related to electronics e.g. data access, storage, etc., as well as risk factors in several aspects, and the whistle blowing protocols. The Committee hereby provided suggestions on improving the procedures to enhance efficiency and effectiveness that cohere with the principles of corporate governance.

• **Supervision of the Internal Audit Division**

The Audit Committee had verified and evaluated the level of independence of

the Internal Audit Division, approving the appointment, transfer and termination of the Internal Audit Division Head and attended meetings with the Internal Audit Division Head without the involvement of the management at least once a year in order to independently discuss several matters; the appropriateness and sufficiency of the resources for conducting audit activities, independence in getting access to the essential information for the internal audit, etc. The Committee also signed off the annual audit plan and the Internal Audit Division's charter, as well as supervised the Internal Audit Division's operations to perform duties and comply with the standards.

• **Verification of Legal Compliance, Regulations, Policies and Relevant Rules**

The Audit Committee ensured that the Company complies with the laws related to securities and the Stock Exchange, as well as laws relevant to the Company's business, and any obligations that may arise from the agreement made with external parties. In this regard, the management had been consulted with regarding business operations, following-up of issues and obstacles in order to ensure that all parties execute their duties correctly, completely and in a way that complies with the principles of good governance.

• **Consideration of Inter-Related Transactions or Transactions that may Involve Conflicts of Interests**

The Audit Committee had verified inter-related transactions, considering the value of transactions, reasons, necessities of making such transactions, the rationality, disclosure of information and other significant information to ensure that the transactions comply with the laws

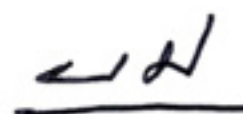
and the Stock Exchange of Thailand's regulations, and contribute to the Company's and stakeholders' utmost benefits.

• **Consideration of the Appointment of the Auditor and Remuneration**

The Audit Committee had considered the qualifications, level of independence, performance and remuneration of the auditor, and attended meetings with the auditor on a quarterly basis to discuss issues or observations arising from verifying the statement of financial position.

In 2022, the Audit Committee had agreed to appoint EY Office Company Limited as the auditor, which will be proposed to the Board of Directors to obtain an approval from the annual general meeting of shareholders in due course.

In conclusion, the Audit Committee had been performing duties as stated in the Audit Committee's charter, sufficiently exercising knowledge, competencies, prudence, cautiousness and independence in proposing opinions and suggestions for the benefits of the Company and all stakeholders. The Audit Committee is of the view that the Company's statement of financial position had been prepared in accordance with the generally accepted accounting standard, with sufficient internal control system, and proper compliance with the laws, regulations of the Stock Exchange of Thailand or other laws relevant to the Company's business that align with the good governance principle, for the Company's ultimate benefits and sustainable growth.



Mr. Chalongsak Luengprasit
Chairman of
the Audit Committee

Nomination and Remuneration Committee Report



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The Board of Directors (the Board) appointed the Nomination and Remuneration Committee (NRC), which consists of these three following directors.

Name of the Nomination and Remuneration Committee Members		The Number of Meetings Attended/ The Number of Meetings Held
1. Mr. Chalong Luengprasit	Chairman	5/5
2. Mr. Thammasak Auchyawat	Member	5/5
3. Dr. Pijak Chantaviroj	Member	5/5

The NRC took full responsibility corresponding to the NRC's Charter, which was considered and assigned by the Board.

In 2021, the NRC organized five meetings with fully attended by all incumbent members to follow up the progress and considers the Board's assignments set by the NRC's Charter as followed.

1. Nominated the directors with appropriate qualification to substitute the complete term directors. These directors would be appointed by the Board with the requirements in terms of quantity of directors and the growth of company.

2. Considered and proposed the remuneration for the Board and sub-committee. The reasonable remuneration was considered by comparing to other companies in the same industrial sector, as well as company's overall performance. The proposed

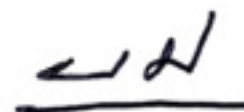
remuneration was considered by the Board and approved by shareholders in general meeting.

3. Set the criteria and guideline to evaluate the performance of Managing Director (MD) for appropriate annual remuneration.

4. Reviewed the company's structure with appropriate responsibility and correspond to the market conditions. Reviewed the Succession Plan for Managing Director and Executive Officers for continual operation.

5. Evaluated the performance of the NRC and considered the remuneration in 2020. The evaluation's result has been using to improve the efficiency of the operation toward the company's objectives. The report was presented to the Board and published annually.

The NRC has fully executed for the assignment with caution and independence. In addition, they have held the approach of Good Governance (GC) with honest, equity, fairness, and transparency for ultimate benefit of the company and all stakeholders.



Mr. Chalong Luengprasit
Chairman of the Nomination
and Remuneration Committee



Report of the Risk Management Committee

Micro Leasing PCL is well aware of and places great emphasis on risk management under the principle of good governance, with consideration of vision, mission, objectives and organizational strategies, which all form the basis of risk management protocols according to the international standard that are applicable organization-wide. It is encouraged that risk management activities are part of everyday operations, leading to the creation of value-added

features for the Company. There are protocols to monitor the systems and risk management procedures that prevent potential impact on the financial position and the Company's operating performance, as well as competitive ability on the long run in order to build trust in stakeholders in achieving the objectives aspired by the Board of Directors, and in preventing and minimizing potential impact caused by the environment and uncertainty in operating the business.

In order for the operation to align with the mentioned objectives, the Board of Directors have appointed the Risk Management Committee, comprising of 7 top executives and department heads who have knowledge and experiences in risk management. In 2021, the Risk Management Committee had arranged seven meetings to supervise and monitoring the performance of risk management, with key operational highlights as follows:

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Name of Risk Management Committee Members		The Number of Meetings Attended / The Number of Meetings Held
1. Dr. Pijak Chantaviroj*	Ex-Chairman	1/1
2. Mr. Keittipong Toemkunanon*	Ex-Member	1/1
3. Mrs. Rotsanan Yingthaweesak*	EX-Member	1/1
4. Mr. Weidt Nuchjalearn*	Chairman	6/6
5. Mr. Wisarn Booranasuntikoon*	Member	6/6
6. Mr. Preeda Iramaneerat	Member	7/7
7. Mr. Jedsada Auchyawat	Member	7/7
8. Mr. Kandanai Chonsuwat	Member	7/7
9. Mr. Tanyakon Autchayawat	Member	7/7
10. Mr. Wisan Wethayanukool*	Member	6/6

Remark: The 1st to 3rd Member resigned and then appointed the 4th, 5th and 10th Member on April 2, 2021.

Key Takeaways of the Risk Management Committee's Performance

1. Consider and comment on the draft policies and organizational risk management framework prior to proposing to the Board of Directors for approval, while also assigning the management team to execute the policies as prescribed.
2. Consider and comment on the analyses and identify organizational risks and stakeholders' needs, prescribe the acceptable risk level and risk management plan that is in accordance with the strategies and objectives of the organization.
3. Consider and give opinion on Business Continuity Management(BCM) by following up on business continuity management and supporting the Company. In addition, there is preparation for review and testing of the Business Continuity Plan(BCP) to

ensure that if any crisis occurs, the Company will be able to effectively resume business within an acceptable time period.

4. Continuously review and improve the effectiveness and efficiency of the risk management system, with constant follow-up of risk management activities on a quarterly basis.
5. Systematically review recently-incurred risks to ensure they are aligned with the current situation on a continuous basis, as well as verify the risk management report to monitor risks that can have significant impact on the organization.
6. Continually reporting to the Board of Directors on significant risks and risk management solutions.

The Risk Management Committee is fully committed to ensure that the Company has good corporate governance and risk

management at an acceptable level, and are aligned with the current business scenarios, by way of constant and continuous reviews to ensure that the risk management is incorporated as part of the strategic and business plans, which will have direct impact on the organizational competency to operate effectively and to be able to achieve the targets put forth by the Board of Directors.



Mr. Weidt Nuchjalearn
Chairman of the Risk Management Committee

Responsibilities of the Board of Directors for Financial Report

The Board of Directors of Micro leasing Public Company Limited is responsible for financial statements of the Company including financial information disclosure in Annual Report of 2021. Such financial statements were prepared according to general accepted accounting principles and such financial statements were regularly prepared according to the financial reporting standard and appropriate accounting policy. The discretion and estimates were used carefully and reasonably as needed. The information disclosure in the financial statement appendix was sufficient. Such financial statements passed the check and comment from the independent Certified Public Accountants of the Company with no condition.

The Board of Directors realized the importance of the duties and responsibilities that must continuously be in accordance with the good corporate governance policy in order to conduct the business with efficiency, transparency and credibility and established proper and effective control system, risk management system in order to rationally assure that the accounting information was correctly and completely recorded and adequate to sustain the Company's assets as well as to prevent any frauds or significantly irregular operations. The Board of Directors has appointed the Audit Committee comprising qualified independent directors to review the quality of financial report and internal control system. The opinion of the Audit Committee is reported in the Audit Committee's Report in this annual report.

The Board of Directors has viewed that the overall internal control system that is adequate and appropriate could ensure that the financial statements of the year ending 31 December 2021 was reliable along with the financial reporting standards and was conducted precisely according to the related laws and regulations.



(Mr. Wisarn Booranasuntikoon)
Chairman of Executive Committee
/ Managing Directors



(Asst. Prof. Krit Umpote)
Chairman of
the Board of Directors

บริษัท ไมโครลิสซิ่ง จำกัด
รับจัดไฟแบบบุษย์
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Internal Control and Connected Transaction



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1. Comments from the Company's Board of Directors about the Company's internal control

The Company's Board of Directors gives importance to and is aware of the implementation of good internal control system to ensure that the Company will achieve the internal control appropriate to and sufficient for supervising and overseeing the operations of the Company to meet its goal with effectiveness at work, resources utilization, overseeing and maintain assets, prevention or reduction of errors, controlling damage that may arise including preparation of accounting reports and financial statements in a correct and reliable manner in conjunction with following laws, rules, and regulations associated with the company's operations. The Company's Board of Directors assigned the Audit Committee to audit and verify the Company's internal control system to ensure that the Company's internal control system is appropriate and sufficient and pursuant to COSO internal control framework (The Committee of Sponsoring Organization of the Treadway Commission), covering management control, operational control, accounting and finance control and compliance control.

In this regard, the assessment of sufficiency of the Company's internal control system was presented to the Company's Board of Directors while the Company's Independent Directors and Audit Committee participated in the meeting by questioning information from the management and relevant agencies and the Company's Internal Audit Office assessed

and considered sufficiency of the Company internal control system with reference to the Internal Control Sufficiency Evaluation Form of the Securities and Exchange Commission, having 5 components as follow:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The Company's Board of Directors viewed that the Company's internal control system is sufficient and appropriate to the operations of the Company. The Company has sufficient number of personnel to implement the system in an efficient manner for being able to prevent asset exploitation by a group of companies. In this regard, the assessment details of the sufficiency of the Company's internal control system are disclosed in the sufficiency assessment of the Company's internal control system.

2. Observation from internal auditor

The internal audit division has assess and verify sufficiency of the Company's internal control system at organizational and procedural levels covering significant business aspects of the Company, including giving suggestion for improvement and monitoring progress of the correction and improvement of the Company's internal control system for reporting to the Audit Committee. The scopes of the auditing and monitoring that cover the organizational and procedural levels are as follow:

1. Organizational level internal control assessment.
2. Procedural level internal control assessment:
 - 2.1 Branch management and marketing processes;
 - 2.2 Revenue cycle, debtor, loan giving and receiving payment;
 - 2.3 Debt collection processes;
 - 2.4 Compliance Process;
 - 2.5 Purchasing process, creditor, and making payment;
 - 2.6 Asset management process;
 - 2.7 Generation control of information technology;

In 2021, The internal audit division conducted an audit in accordance with the annual audit plan in the process of revenue cycle, debtor, loan giving and receiving payment, covering minor processes from consideration and approval of loan, making contract of hire-purchase, paying loan to loan applicants, control and storage of hire-purchase contracts and car registration books, asking for installment payment and receiving payment through bill payment and banks, debt collection, vehicle seizure management and auction, debtor database management (hire-purchasers), opening brokerage accounts, paying commission including preparation of executive reports, process of closing accounts and preparation of financial reports that cover the approval of accounting documents, adjusting entries, preparation of supplementary statements and approval of lists seeking executives' opinions, general control of information technology that covers safety of information



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system, management in system development and system change, computer operating system and information system recovery plans.

3. Observation from auditor

Auditor from EY Company Limited conducted an audit in accordance with the generally accepted auditing standards by studying and assessing efficiency

of the Company's internal control system for the accounting year ended 31 December 2021. The efficiency assessment of the Company's internal control system covered specifically the parts related to the correct preparation and presentation of financial statements considered proper by the Company which may not cover the auditing of errors in the whole system of the internal control. Audit ob-

servation and recommendation reports (Management letter) including monitoring results of the improvement did not detect any errors of the internal control in the preparation and presenting the financial statements that have an impact on materiality. Nonetheless, the Company implemented the improvement and correction according to the observation given by the auditor completely

DETAILS OF CONNECTED

1. TRANSACTIONS IN 2020 AND 2021

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2020	2021	
1. Mr. Kitsada Auchyawat ("Mr. Kitsada") <u>Relationship with Company</u> <ul style="list-style-type: none"> Major shareholder of Company holding 13.77% of total paid-up shares. Hold the positions of Director. Child of Mr. Thammasak who is the major shareholder and director of the Company. Brother of Mr. Tanyakon and Mr. Jedsada who are shareholders, directors, and executives of the Company. 	<u>Long-term loans</u> The Company borrowed money from Mr. Kitsada to enhance financial liquidity. Long-term loans Long-term loans at beginning period <u>Add</u> additional loans in between period. <u>Deduct</u> repayment in between period. Long-term loans at ending period.	50.0 - (6.0) <u>44.0</u>	44.0 - (13.2) <u>30.8</u>	The Company borrowed long-term loans from Mr. Kitsada to grant loans to customers and to use as cash flow for the continuous business operation. The interest rate paid was closed to the loan interest rate from commercial banks. Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties. <u>Audit Committee's comment</u> Long-term loan transaction was to support the Company's normal business operation. The interest paid rate was closed to the loans from commercial banks. Such transaction, thus, was necessary, justifiable, and beneficial to the Company.
	Interest paid	2.5	2.19	
	<u>Credit guarantee</u> Mr. Kitsada is the credit guarantor of the company. Short-term loans Long-term loans	- 200.0	10.0 440.0	The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mr. Kitsada under the conditions of the banks. The Company did not pay any expenses for such guarantee. <u>Audit Committee's comment</u> Such transaction was for the interest of the Company and the Company did not have any expenses on the guarantee.

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Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2020	2021	
2. Mrs. Rotsanan Yingthaweesak ("Mrs. Rotsanan") <u>Relationship with Company</u> <ul style="list-style-type: none"> Hold the positions of Director and Senior Deputy Managing Director The Company's shareholders holding 1.56% of total paid-up shares. 	<u>Long-term loans</u>			The Company borrowed long-term loans from Mrs. Rotsanan to grant loans to customers and to use as cash flow for continuous business operation. The interest rate paid was closed to the interest rate of the loans from commercial banks.
	The Company borrowed money from Mrs. Rotsanan to enhance financial liquidity.			
	Long-term loans			
	Long-term loans at beginning period	200.0	141.6	Such transaction was for normal business operation of the Company and was charged at the price and condition comparable to a transaction with third parties.
	<u>Add</u> additional loans in between period.	-	-	
	<u>Deduct</u> repayment in between period.	(58.4)	(141.6)	<u>Audit Committee's comment</u>
	Long-term loans at ending period.	<u>141.6</u>	<u>0.0</u>	The long-term loan transaction was to support the Company's normal business operation. The interest rate paid was closed to the interest rate of the loans from commercial banks. Such transaction, thus, was necessary, justifiable, and beneficial to the Company.
	Interest paid	9.6	4.43	
	<u>Credit guarantee</u>			The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mrs. Rotsanan under the conditions of the banks. The Company did not pay any expenses for such guarantee.
	Mrs. Rotsanan is the credit guarantor of the Company.			
	Short-term loans	-	10.0	
	Long-term loans	200.0	440.0	<u>Audit Committee's comment</u>
				Such transaction was for the interest of the Company and the Company did not have any expenses on the guarantee.

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Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2020	2021	
3. Mr. Keittipong Toemkunanon ("Mr. Keittipong") <u>Relationship with Company</u> <ul style="list-style-type: none"> Hold the positions of Director. The Company's shareholder holding 3.21% of total paid-up shares. 	Short-term loans			The Company borrowed short-term loans from Mr. Keittipong to grant loans for customers and to use as cash flow for continuous business operation. The interest rate was paid at the same rate as the interest rate of the loans from commercial banks.
	The Company borrowed money from Mr. Keittipong to enhance financial liquidity.			
	Short-term loans	20.0	20.0	
	Short-term loans at beginning period			Such transaction was for normal business operation of the Company and was charged at the price and condition comparable to a transaction with third parties.
	Add additional loans in between period.	-	-	
	Deduct repayment in between period.	—	—	
	Short-term loans at ending period.	<u>20.0</u>	<u>20.0</u>	<u>Audit Committee's comment</u>
	Interest paid	1.0	0.86	The short-term loan transaction was to support the Company's normal business operation. The interest rate paid was closed to the interest rate of the loans from commercial banks. Such transaction, thus, was necessary, justifiable, and beneficial to the Company.
	<u>Lease of land and buildings</u>			
	The Company has leased the land and buildings on Pholdamri Street, Don Koi sub-district, Kampangsan district, Nakorn Pathom, for 3 years from June 2019 – May 2022. The total area of the land was 5 Rais and the area of buildings was 42 square metres.			The Company rented a place from Mr. Keittipong to be a parking spot for confiscated trucks for sale at the rental rate appraised by Prospect Appraisal Co., Ltd. ("Independent Appraiser") for public purpose. The appraised rental fee according to current market price is 30,000 Baht per month.
	Lease rental	0.36	0.36	<u>Audit Committee's comment</u>
	<u>Credit guarantee</u>			
	Mr. Keittipong is the credit guarantor of the Company.			The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mr. Keittipong under the conditions of the banks. The Company did not pay any expenses for such guarantee.
	Short-term loans	-	-	
	Long-term loans	200.0	200.0	<u>Audit Committee's comment</u>
				Such transaction was for the interest of the Company and the Company did not have any expenses on the guarantee.

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Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2020	2021	
4. Miss Korawan Anusasanee ("Miss Korawan") <u>Relationship with Company</u> • Spouse of Mr. Keittipong who holds the positions of Director.	<u>Short-term loans</u> The Company borrowed money from Miss Korawan to enhance financial liquidity. Short-term loans			The Company borrowed short-term loans from Miss Korawan to grant loans for customers and to use as cash flow for continuous business operation. The interest rate was paid at the same rate as the interest rate of the loans from commercial banks.
	Short-term loans at beginning period	15.0	15.0	Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties.
	<u>Add</u> additional loans in between period.	-	-	
	<u>Deduct</u> repayment in between period.	-	-	The short-term loan transaction was to support the Company's normal business operation. The interest paid rate was closed to the interest rate of the loans from commercial banks. Such transaction, thus, was necessary, justifiable, and beneficial to the Company.
	Short-term loans at ending period.	<u>15.0</u>	<u>15.0</u>	
	Interest paid	0.8	0.65	
5. Miss Jintana Phadungphol ("Miss Jintana") <u>Relationship with the Company</u> • Spouse of the father of Mr. Keittipong who holds the positions of Director. • The Company's shareholder holding 0.37% of total paid-up shares.	<u>Short-term loans</u> The Company borrowed money from Miss Jintana to enhance financial liquidity.			The Company borrowed short-term loans from Miss Jintana to grant loans for customers and to use as cash flow for continuous business operation. The interest rate was paid at the same rate as the interest rate of the loans from commercial banks.
	<u>Short-term loans</u>			Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties.
	Short-term loans at beginning period	70.0	70.0	
	<u>Add</u> additional loans in between period.	-	-	<u>Audit Committee's comment</u> The short-term loan transaction was to support the Company's normal business operation. The interest paid rate was closed to the interest rate of the loans from commercial banks. Such transaction, thus, was necessary, justifiable, and beneficial to the Company.
	<u>Deduct</u> repayment in between period.	-	-	
	Short-term loans at ending period.	<u>70.0</u>	<u>70.0</u>	
	Interest paid	3.6	3.06	

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Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2020	2021	
6. Mrs. Raksina Raksakulchon ("Mrs. Raksina") <u>Relationship with Company</u> <ul style="list-style-type: none"> Sister of Mr. Thammasak The Company's shareholder holding 0.3% of total paid-up shares. 	<u>Short-term loans</u> The Company borrowed money from Mrs. Raksina to enhance financial liquidity.			The Company borrowed short-term loans from Mrs. Raksina to grant loans for customers and to use as cash flow for continuous business operation. The interest rate was paid at the same rate as the interest rate of the loans from commercial banks.
	Short-term loans			
	Short-term loans at beginning period	15.0	15.0	Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties.
	<u>Add</u> additional loans in between period.	-	-	
	<u>Deduct</u> repayment in between period.	-	-	<u>Audit Committee's comment</u> The short-term loan transaction was to support the Company's normal business operation. The interest paid rate was closed to the interest rate of the loans from commercial banks. Such transaction, thus, was necessary, justifiable, and beneficial to the Company.
	Short-term loans at ending period.	<u>15.0</u>	<u>15.0</u>	
	Interest paid	0.8	0.65	
7. Mr. Thammasak Auchyawat ("Mr. Thammasak") <u>Relationship with Company</u> <ul style="list-style-type: none"> Major shareholder holding 23.35% of total paid-up shares. Hold the Director position. Father of Mr. Tanyakorn, Mr. Jedsada, and Mr. Kidsada who are shareholders, directors, and executives of the Company. 	<u>Credit guarantee</u> Mr. Thammasak took his fixed deposit with value of 100 million Baht as collateral and was the co-guarantor for the Company's credit.	100.0	100.0	The Company received credit from commercial banks as cash flow for business operation, with the fixed deposit of Mr. Thammasak as collaterals and Mr. Thammasak as co-guarantor, under the conditions of the banks. The Company did not pay any expenses for such guarantee.
	Short-term loans	-	10.0	<u>Audit Committee's comment</u> Such transaction was for the interest of the Company and the Company did not have any expenses on the guarantee.
	Long-term loans	200.0	740.0	

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Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2020	2021	
8. Mr. Surachai Toemkunanon ("Mr. Surachai") <u>Relationship with Company</u> <ul style="list-style-type: none"> - Father of Mr. Keittipong who is the Director. - The Company's shareholder holding 0.8% of total paid-up shares. 	<u>Credit guarantee</u> Mr. Surachai took his fixed deposit of 50 million Baht value as a collateral for the Company's credit. Long-term loans	50.0	50.0	The Company received credit from commercial banks with the fixed deposit of Mr. Surachai as a collateral. The Company did not pay any expenses for using the deposit as credit collateral. <u>Audit Committee's comment</u> Such transaction was for the interest of the Company and the Company did not pay any expenses for such guarantee.
9. Mr. Tanyakorn Autchayawat ("Mr. Tanyakorn") <u>Relationship with Company</u> <ul style="list-style-type: none"> • The Company's shareholder holding 5.57% of total paid-up shares. • Hold the positions of Director and Assistant Managing Director of Credit Operations • Child of Mr. Thammasak who is major shareholder and director. • Brother of Mr. Jedsada and Mr. Kitsada who are shareholders, directors, and executives of the Company. 	<u>Credit guarantee</u> Mr. Tanyakorn was the co-guarantor of the Company's credit. Short-term loans Long-term loans	- 200.0	10.0 740.0	The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mr. Thanyakorn under the conditions of the banks. The Company did not pay any expenses for such guarantee. <u>Audit Committee's comment</u> Such transaction was for the interest of the Company and the Company did not pay any expenses for such guarantee.

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Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2020	2021	
10. Mr. Jedsada Auchyawat (Mr. Jedsada") <u>Relationship with Company</u> <ul style="list-style-type: none"> The Company's major shareholder holding 13.17% of total paid-up shares. Hold the positions of Director and Deputy Managing Director of Credit Operations Child of Mr. Thammasak who is major shareholder and director. Brother of Mr. Tanyakorn and Mr. Kitsada who are shareholders, directors, and executives of the Company. 	<u>Credit guarantee</u> Mr. Jedsada was the co-guarantor of the Company's credit.			The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mr. Jedsada under the conditions of the banks. The Company did not pay any expenses for such guarantee.
	Short-term loans	-	10.0	
	Long-term loans	200.0	440.0	<u>Audit Committee's comment</u> Such transaction was for the interest of the Company and the Company did not pay any expenses for such guarantee.
11. Mr. Weidt Nuchjalearn ("Mr. Weidt") <u>Relationship with Company</u> <ul style="list-style-type: none"> Hold the positions of Independent Director and Audit Committee. 	<u>Advisor to the Executive Committee</u> Mr. Weidt Nuchjalearn of Advisor to the Executive Committee the Board of Directors meeting no.8 held on 16th October 2020.	0.10	0.60	The company appointment Mr. Weidt Nuchjalearn of Independent Director and Audit Committee together with Advisor to the Executive Committee by monthly remuneration of THB 50,000 to provide advice and advice to the company Because he is a knowledgeable person Financial expertise and leasing business. <u>Audit Committee's comment</u> Such transaction was necessary and justifiable, to support the Company's normal business operation and did not make the Company lose any interest.

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Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2020	2021	
12. Mr. Chackarin Umpote ("Mr. Chackarin") <u>Relationship with Company</u> <ul style="list-style-type: none"> Son of Mr. Krit Umpote Hold the positions of Chairman and Independent Director. 	<u>Legal Counsellor</u> Mr. Chackarin Umpote of Legel Counsellor company the Board of Directors meeting no.9 held on 13th November 2020	0.08	0.96	The company appointed Mr. Chackarin Umpote as a Legal Counsellor with monthly remuneration of THB 80,000 to support legal matters including various contracts works which the company may have in the future. <u>Audit Committee's comment</u> Such transaction was necessary and justifiable, to support the Company's normal business operation and did not make the Company lose any interest.
13. Micro Insure Broker Co.,Ltd. <u>Relationship with Company</u> <ul style="list-style-type: none"> Subsidiary 	<u>Investment in Subsidiary and Rental Agreement</u> Space rental company for setting up an office The lease term is 3 years from December 2021 - November 2024, area 39.15 square meters and annual common area service fee for a period of 3 years, starting from December 2021 - November 2024. Investment in Subsidiary Rental fee Service charge	- - -	2,999 0.01 0.01	The Company has established a subsidiary to expand its Insurance broker and Life insurance broker business. by holding 99.99% of the shares in the subsidiary, amount to 2,998,000 baht and to rent the area to be used as the office location. The rental fee is 13,500 baht per month and the common area service fee is 14,094 baht per year.

Micro Leasing Public Company Limited

2 NECESSITY AND JUSTIFICATION OF CONNECTED TRANSACTIONS

The Audit Committee has considered the above connected transactions and has opinion that such transactions were necessary, justifiable, and beneficial to the Company.

3 MEASURE OR PROCESS OF APPROVAL FOR CONNECTED RANSCTIONS

The Company gives importance to the consideration of transactions with transparency and for the interests of the Company based on the principles that any decision making for business activities must be for the best interests of the Company only. Any action that leads to conflict of interest should be avoided. Thus, the Company has set the measure of connected transaction with the following key principles:

- (1) The Board of Directors and executives must inform the

Company for the relationship or connected transaction in business that could lead to conflict of interest and must not participate in consideration, decision making and authority to approve such transaction.

- (2) Avoid any transaction relating to connected persons or juristic persons or the persons or juristic persons that may have conflict of interest or have a stake. If the case is necessary, such connected transaction must be presented to the Audit Committee for consideration and comments before proposing to the Board of Directors or shareholders' meeting for approval (as the case may be) according to the regulations of making connected transaction required by the Stock Exchange of Thailand and the Securities and Exchange Commission and the good corporate governance principles. In this regard, directors or executives who

are stakeholders cannot participate in the transaction approval.

- (3) Executives and employees must comply with the Company's regulations and business ethics which shall be held important and strictly abided by to contribute to the Company's creditability and reliability for all stakeholders. The information and understanding of compliance have been publicized for employees throughout the Company.

4 PROCESS OF MAKING CONNECTED TRANSACTION

In making any connected transaction, the Company shall comply with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission in all respects. The Company set the process of making connected transactions as follows:

- (1) The Company shall use the same pricing criteria and trade terms



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and conditions as the ones used with general customers. Any giving or receiving of financial support must be necessary and justifiable and must have fair agreement and condition for the best interests of the Company.

(2) In the case there is no pricing criteria for reference, the Company shall consider comparing the price of product or service to the price from external source under the same or similar conditions. The Company may utilize the report of independent appraiser to compare the prices for significant connected transactions.

(3) The Audit Committee shall be the commentator for the entering to transaction, its necessity, justification, and suitability of the price of such transaction and shall present to the Board of Directors and/or shareholders' meeting, depending on the case. Such comments shall be used as information for consideration on such transaction approval. In the case that the Audit Committee does not have expertise in considering any potential connected transactions, the Company shall assign any persons who have knowledge and specialization and are independent from the Company and persons with conflict of interest, such as auditor, independent appraiser, or legal offices, etc., to be the commentator on such transactions. Comments of experts shall be used in the consideration of the Audit Committee and/or Board of Directors or shareholders, depending on the case, to ensure that such transaction entering shall not be the manipulation or transfer of interests between companies or subsidiary or persons with conflict of interest of the Company or subsidiary but shall be the transaction that the Company has considered

for the best interest of shareholders.

(4) Directors, executives or connected persons can do any transaction with the Company or subsidiary only when such transaction is approved by the Board of Directors or the shareholders' meeting in accordance with the requirement of the Stock Exchange of Thailand or the Securities and Exchange Commission depending on the case.

(5) The Company must disclose the information of any transactions with potential conflict of interest or connected transactions according to the requirement of the Stock Exchange of Thailand and the Securities and Exchange Commission and disclose related transactions with the Company in accordance with the accounting standards.

(6) Connected transactions shall be reviewed by the internal audit and reported to the Audit Committee. The measure was implemented to control, check, and review the random transactions every quarter to assure that they occur really, correctly, and truly according to the contract or policy or condition.

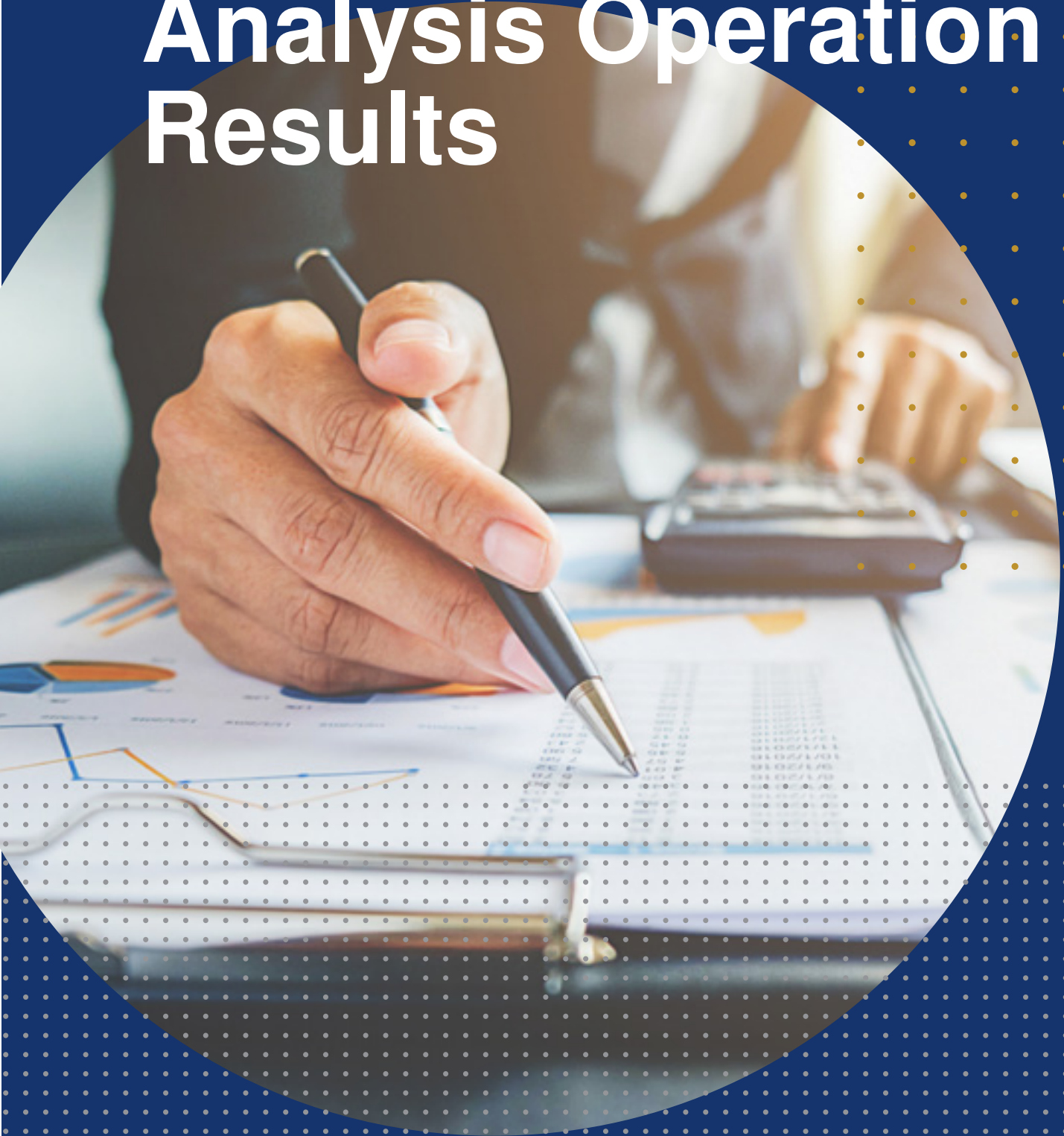
In addition, the Board of Directors' resolution (after becoming a public company) no. 1/2019 on 19th September 2019 approved the principles of trade terms and conditions in general for the transaction between the Company or subsidiary and its director, executive, or related person. The management can approve the connected transactions between the Company and/or subsidiary and director, executive, or related person (whether it be the ongoing transactions at present or the potential transactions in the future) without any approval from the Board of Directors' meeting

and shareholders' meeting should such transaction be a trade agreement in the same manner as a person would do with a general counterpart in the same situation with trade bargaining power without influence in their presence as a director, executive or related person. The management shall prepare the report summarizing the connected transaction between director, executive, or related person to present in the Audit Committee meeting and the Board of Directors meeting every quarter or as demanded by the Audit Committee.

5 POLICY AND TREND OF CONNECTED TRANSACTION IN THE FUTURE

The Board of Directors' resolution (after becoming a public company) no. 1/2019 on 19th September 2019 defined the policy of connected transaction in the future that connected transaction must be in accordance with the nature of the Company's general business operations, have prices and payment terms comparable to the terms made with third parties. The Company's interests shall not be transferred unfairly to persons who may have a conflict of interest, have a stake, or have potential conflict of interest in the future with the Company. The Audit Committee and the Board of Directors shall supervise any potential connected transactions to be as deemed necessary and justifiable, to provide fair return, and to be approved according to the correct process and relevant regulations in compliance with the Securities and Exchange Law, the regulations, announcements, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including Compliance with the Regulations on Disclosure of Connected Transactions according to the accounting standards set by the Federation of Accounting Professions under the royal patronage.

Financial Summary Discussion and Financial Position Analysis Operation Results



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Auditor's report summary

The auditor has provided opinions in the auditor's report on the Company's consolidated financial statements for the year 2019 - 2021 as follows:

Financial Statement	Auditor's report summary
Financial statements for the year ended 31 December 2019	<p>The auditors are Ms. Somjai Khunapasut, certified public accountant (Thailand) No. 4499 from EY Office Limited, an auditor approved by the Office of the SEC.</p> <p>The auditor unqualified in the auditor's report that the financial statements show the Company's financial position as of December 31, 2019 and their operating results for the year ended the same day are fairly accurate, in essence, in accordance with the Financial Reporting Standards for Non-Public Entities.</p>
Financial statements for the year ended 31 December 2020	<p>The auditors are Ms. Somjai Khunapasut, certified public accountant (Thailand) No. 4499 from EY Office Limited, an auditor approved by the Office of the SEC.</p> <p>The auditor unqualified in the auditor's report that the financial statements show the Company's financial position as of December 31, 2020 and their operating results for the year ended the same day are fairly accurate, in essence, in accordance with the Financial Reporting Standards for Non-Public Entities.</p>
Financial statements for the year ended 31 December 2021	<p>The auditors are Ms. Somjai Khunapasut, certified public accountant (Thailand) No. 4499 from EY Office Limited, an auditor approved by the Office of the SEC.</p> <p>The auditor unqualified in the auditor's report that the financial statements show the Company's financial position as of December 31, 2021 and their operating results for the year ended the same day are fairly accurate, in essence, in accordance with the Financial Reporting Standards for Non-Public Entities.</p>



Micro Leasing Public Company Limited

Summary of the Group's financial statements

Statements of financial position as at 31 December 2019 - 2021

The consolidated statement of financial position as of December 31, 2021 and the separated financial statements as of December 31, 2019, 2020 and 2021 prepared in accordance with the Thai Financial Reporting Standards (TFRS) are as follow;

Balance Sheet	The consolidated financial statement		The separated financial statements					
	2021		2019		2020		2021	
	MB	%	MB	%	MB	%	MB	%
Assets								
<u>Current assets</u>								
Cash and cash equivalents	141.6	3.5	46.5	2.2	128.4	4.7	139.0	3.4
Current portion of hire purchase receivables - net	1,126.9	27.9	563.8	26.6	795.4	28.9	1,126.9	27.9
Assets foreclosed net	11.3	0.3	3.9	0.2	6.7	0.3	11.3	0.3
Other receivables	14.6	0.4	6.7	0.3	12.6	0.5	14.6	0.4
Other current assets	7.2	0.2	2.4	0.1	4.7	0.2	7.2	0.2
Total current assets	1,301.6	32.3	623.3	29.4	947.8	34.4	1,299.0	32.2
<u>Non - current assets</u>								
Hire purchase receivables – net of current portion	2,506.9	62.1	1,360.8	64.2	1,648.7	59.9	2,506.9	62.1
Restricted bank deposits	63.0	1.5	38.0	1.8	38.0	1.4	63.0	1.5
Investment in subsidiary	-	-	-	-	-	-	3.0	-
Land, buildings and equipment - net	96.2	2.4	68.8	3.2	70.9	2.6	96.1	2.4
Right-of-use assets - net	28.3	0.7	-	-	20.3	0.7	28.3	0.7
Intangible assets - net	6.3	0.2	5.4	0.3	5.2	0.2	6.2	0.2
Deferred tax asset	30.4	0.7	20.9	1.0	23.2	0.8	30.4	0.8
Other non-current assets	1.8	0.1	1.10	0.1	1.1	0.04	1.8	0.1
Total non-current assets	2,732.9	67.7	1,495.0	70.6	1,807.4	65.6	2,735.6	67.8
Total assets	4,034.5	100.0	2,118.3	100.0	2,755.1	100.0	4,034.6	100.0
Liabilities								
<u>Current liabilities</u>								
Short-term loans from a financial institution	70.0	1.7	503.3	23.8	255.2	9.3	70.0	1.7
Short-term loans from related persons	120.0	3.0	120.0	5.7	120.0	4.4	120.0	3.0
Short-term loans from others	16.0	0.4	29.2	1.4	9.2	0.3	16.0	0.4
Trade and other payables	90.0	2.2	11.8	0.5	59.5	2.2	89.9	2.2
Current portion of long-term loans from financial institutions	230.2	5.7	33.2	1.6	144.6	5.2	230.2	5.7

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Balance Sheet	The consolidated financial statement		The separated financial statements					
	2021		2019		2020		2021	
	MB	%	MB	%	MB	%	MB	%
Current portion of long-term loans from related persons	30.8	0.8	-	-	141.6	5.1	30.8	0.8
Current portion of lease liabilities due within 1 year, net	10.1	0.3	-	-	7.5	0.3	10.1	0.3
Current portion of liabilities under hire purchase agreements due within 1 year, net	-	-	0.7	-	-	-	-	-
Income tax payable	29.6	0.7	16.6	0.8	24.7	0.9	29.6	0.7
Other current liabilities	17.4	0.4	17.6	0.8	18.6	0.7	17.4	0.4
Total current liabilities	614.1	15.2	732.4	34.6	781.0	28.3	614.0	15.2
<u>Non - current liabilities</u>								
Long-term loans from financial institutions - net of current portion	390.2	9.7	50.6	2.4	88.3	3.2	390.2	9.7
Long-term loans from related persons - net of current portion	1,044.0	25.9	250.0	11.8	44.0	1.6	1,044.0	25.9
Lease liabilities - net of current portion	18.0	0.4	-	-	12.4	0.5	18.0	0.4
Liabilities under hire purchase agreements - net of current portion	-	-	0.8	-	-	-	-	-
Provision for long-term employee benefits	9.8	0.2	4.8	0.2	6.4	0.2	9.8	0.2
Total non-current liabilities	1,462.0	36.2	306.2	14.4	151.1	5.5	1,462.0	36.2
Total liabilities	2,076.1	51.5	1,038.6	49.0	932.1	33.8	2,076.0	51.4
<u>Shareholders' equity</u>								
Issued and fully paid up	935.0	23.2	700.0	33.0	935.0	33.9	935.0	23.2
Share premium	372.8	9.2			372.8	13.5	372.8	9.2
Appropriated - statutory reserve	21.8	0.5	5.6	0.3	12.4	0.5	21.8	0.6
Unappropriated	628.8	15.6	374.1	17.7	502.8	18.3	629.0	15.6
Total shareholders' equity	1,958.4	48.5	1,079.7	51.0	1,823.0	66.2	1,958.6	48.6
Total liabilities and shareholders' equity	4,037.5	100.0	2,118.3	100.0	2,755.1	100.0	4,034.6	100.0

Micro Leasing Public Company Limited

Statement of comprehensive income for the years ended 31 December 2019 - 2021

The consolidated financial statement of comprehensive income for the year ended 31 December 2021 and the separated financial statement of comprehensive income for the year ended 31 December 2019, 2020 and 2021 prepared in accordance with Thai Financial Reporting Standards (TFRS).

Statements of comprehensive income	The consolidated financial statement		The separated financial statements					
	2021		2019		2020		2021	
	MB	%	MB	%	MB	%	MB	%
Revenues								
Interest income from hire purchase	503.9	79.7	282.2	85.8	355.6	80.0	503.9	79.7
Fee and service income	119.9	19.0	40.6	12.3	77.9	17.5	119.9	19.0
Other income	8.6	1.3	6.1	1.9	11.0	2.5	8.6	1.3
Total revenues	632.4	100.0	328.9	100.0	444.5	100.0	632.4	100.0
Expenses								
Selling and administrative expenses	186.2	29.4	129.4	39.3	152.7	34.4	186.0	29.4
Expected credit loss	112.0	17.7	-	-	26.8	6.0	112.0	17.7
Bad debts and doubtful accounts and losses on confiscation assets	-	-	28.3	8.6	-	-	-	-
Gain on disposals of assets foreclosed	43.6	6.9	(6.6)	(2.0)	40.9	9.2	43.6	6.9
Total expenses	341.8	54.0	151.1	45.9	220.4	49.6	341.6	54.0
Profit from operating activities	290.6	46.0	177.8	54.0	224.1	50.4	290.8	46.0
Finance cost	(63.2)	(10.0)	(39.0)	(11.8)	(47.9)	(10.7)	(63.2)	(10.0)
Profit before income tax expenses	227.4	36.0	138.8	42.2	176.2	39.6	227.6	36.0
Income tax expenses	(40.0)	(6.3)	(28.0)	(8.5)	(41.1)	(9.2)	(40.0)	(6.3)
Profit for the year	187.4	29.7	110.8	33.7	135.1	30.3	187.6	29.7
Other comprehensive income:								
Items not to be recognized in profit or loss in subsequent periods								
Actuarial gain	(0.7)	0.1	0.0	-	0.4	0.1	(0.7)	0.1
Total comprehensive income for the year	186.7	29.6	110.8	33.7	135.5	30.5	186.9	29.6
Earnings per share								
Earnings per share (Baht/ Shares)	0.20		0.16		0.18		0.20	
Weighted average number of ordinary shares (Shares)	935,000,000		700,000,000		763,565,574		935,000,000	

Note: The shareholders' meeting of the Company on September 9, 2019 passed a resolution to change the par value from 100.00 baht to 1.00 baht, which resulted in the weighted average number of ordinary shares used in calculating earnings per share. So change for proper comparison The Company therefore presented the above weighted average earnings per share and number of ordinary shares as if the change in the par value of such shares occurred from the beginning.

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Cash flow statements for the year ended 31 December 2019 - 2021

Cash flow statements	The consolidated financial statement	The separated financial statements		
	2021	2019	2020	2021
	MB	MB	MB	MB
Cash flows from operating activities				
Profit before income tax	227.4	138.8	176.2	227.6
<i>Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities</i>				
Depreciation and amortization	20.1	8.6	16.9	20.1
Expected credit loss	128.5	-	36.3	128.5
Bad debts and doubtful accounts and losses on confiscation assets	69.1	29.6	58.5	69.1
Gain (loss) on disposals and write off of equipment and intangible assets	(0.5)	(3.9)	(0.1)	(0.5)
Reversal of impairment losses on assets foreclosed	-	(6.5)	-	-
Gain on disposals of assets foreclosed	(25.5)	-	(17.6)	(25.5)
Provision for long-term employee benefits	2.5	2.3	2.0	2.5
Interest income from hire purchase	(503.9)	(282.2)	(355.6)	(503.9)
Finance cost - interest expenses on borrowing	62.2	39.0	47.1	62.2
Finance cost - interest expenses on lease liabilities	0.9	-	0.8	0.9
Loss from operating activities before changes in operating assets and liabilities	(19.2)	(74.3)	(35.2)	(19.0)
<i>Decrease (increase) in operating assets</i>				
Hire purchase receivables	(1,337.7)	(542.5)	(595.3)	(1,337.7)
Assets foreclosed	21.0	36.7	14.7	21.0
Other receivable	(2.6)	(5.9)	(5.4)	(2.6)
Other current assets	(2.5)	(1.0)	(2.4)	(2.5)
Other non-current assets	(0.6)	(1.0)	(0.1)	(0.6)
<i>Increase (decrease) in operating liabilities</i>				
Trade and other payables	22.9	(6.3)	45.9	22.9
Other current liabilities	(1.3)	3.1	1.1	(1.3)
Long-term employee benefits	-	(0.3)	-	-

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Cash flow statements for the year ended 31 December 2019 - 2021

Cash flow statements	The consolidated financial statement	The separated financial statements		
	2021	2019	2020	2021
	MB	MB	MB	MB
Cash flows used in operating activities	(1,320.0)	(589.5)	(576.6)	(1,319.8)
Cash received from interest income from hire purchase	454.2	261.4	336.7	454.2
Cash paid for income tax	(42.0)	(22.1)	(31.7)	(42.0)
Net cash flows used in operating activities	(907.8)	(350.2)	(271.6)	(907.6)
Cash flows from investing activities				
Increase in restricted bank deposits	(25.0)	(38.0)	-	(25.0)
Cash paid for acquisitions of land, buildings and equipment	(34.5)	(43.3)	(11.0)	(34.4)
Cash paid for acquisitions of intangible assets	(3.1)	(3.7)	(1.2)	(2.9)
Cash received from disposals of equipment	0.9	4.0	-	0.9
Investment in a subsidiary	-	-	-	(3.0)
Net cash flows used in investing activities	(61.7)	(81.0)	(12.2)	(64.4)
cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(185.2)	413.3	(248.1)	(185.2)
Increase in short-term loans from related persons	6.8	120.0	-	6.8
Increase (decrease) in short-term loans from others	-	29.2	(20.0)	-
Cash received from long-term loans from financial institutions	740.0	100.0	200.0	740.0
Repayment of long-term loans from financial institutions	(352.5)	(16.3)	(50.7)	(352.5)
Repayment of long-terms loans from related persons	(154.8)	(180.0)	(64.4)	(154.8)
Repayment of liabilities under lease and hire purchase agreements	(9.5)	(1.8)	(7.5)	(9.5)
Cash received from issuance of debentures	1,052.9	-	-	1,052.9
Cash paid for expenses of issuance from debentures	(10.7)			(10.7)
Interest expense	(51.4)	(38.8)	(47.6)	(51.4)
Cash received from capital increase	-	-	604.1	-
Dividend paid	(52.8)			(52.8)

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Cash flow statements	The consolidated financial statement	The separated financial statements		
	2021	2019	2020	2021
	MB	MB	MB	MB
Net cash flows from financing activities	982.6	425.6	365.7	982.6
Net increase (decrease) in cash and cash equivalents	13.1	(5.6)	81.9	10.6
Cash and cash equivalents at beginning of year	128.4	52.1	46.5	128.4
Cash and cash equivalents at the end of year	141.5	46.5	128.4	139.0



Micro Leasing Public Company Limited

Financial Highlights

Ratio	Unit	The consolidated financial statement	The separated financial statement		
		2021	2019	2020	2021
Profitability Ratio					
Interest rate received	(%)	15.90	15.95	15.53	15.90
Interest rate paid	(%)	4.59	5.16	5.29	4.59
Interest Rate Spread	(%)	11.31	10.79	10.24	11.31
Net Interest Margin	(%)	13.91	13.75	13.44	13.91
Net Profit Margin	(%)	29.63	33.55	30.39	29.66
Return on equity	(%)	9.92	10.82	9.31	9.92
Efficiency Ratio					
Return on assets	(%)	5.53	6.06	5.54	5.53
Total assets turnover	(Time)	0.19	0.18	0.19	0.19
Financial Ratio					
Debt to equity ratio	(Time)	1.06	0.96	0.51	1.06
Lend to Borrowing ratio	(Time)	1.97	2.06	3.09	1.97
Lending to loan ratio	(Time)	0.98	0.99	0.96	0.98
Dividend payout ratio	(%)	-	-	-	-
Loan Asset Quality Ratio					
Non Accrued Receivables over Total Receivables	(%)	3.47	4.47	3.82	3.47
NPL ratio and assets foreclosed to total assets	(%)	3.77	4.48	4.08	3.77
Coverage Ratio	(%)	122.87	123.02	100.89	122.87
Provision for Doubtful Debt over total Receivables	(%)	4.27	5.50	3.85	4.27





Discussion and Financial Position Analysis Operation Results





Micro Leasing (Public) Company Limited was established on 7th November 1994 to operate the business of providing hire purchase loan service for used trucks, such as 6-wheel, 10-wheel, and 12-wheel trucks, etc. The main target group was individual or juristic person who wanted to purchase used trucks for business operation, such as transporting goods hiring services or transporting products within business. The Company aims to provide hire purchase loan service for used trucks because the demand for trucks in transportation business has been increasing continuously according to the economic expansion of the country. Most hire purchase trucks are used for operation in commercial businesses which can generate

The Company's main incomes come from income interests and fees from hire purchase loan services. The interest rate in hire purchase loan contracts depends mainly on the age of trucks. The Company gives importance to the objectives of the hire purchase and the ability to pay debt of customer. Customer's profile and record shall be reviewed in various aspects carefully and concisely before the loan approval. Moreover, the Company provides other kinds of loans such as liquidity enhancing loan which has the registration book transfer as collateral and refinancing loan to existing customers who have good installment payment records. Other services relevant to hire purchase business include coordination service for arrange-

During the year 2021, the Company invested in a subsidiary company, Micro Insured Broker Co., Ltd., which are principally engaged in the providing non-life and life insurance broker. On 8 October 2020, the subsidiary was registered at Department of Business Development and will start operating in year 2022. However, The Company were first prepared the consolidated financial statement in year 2021.

Operating results in 2019 - 2021

Micro Leasing Public Company Limited

Income Statement (million Baht)	The consolidated financial statement	The separated financial statements		
	2021	2019	2020	2021
Income interest from hire purchase contract ^{/1}	503.9	282.2	355.6	503.9
Fee and service incomes ^{/2}	119.9	40.6	77.9	119.9
Other incomes ^{/3}	8.6	7.4	11.0	8.6
Total incomes	632.4	330.2	444.5	632.4
Sales and administrative expenses	186.2	129.4	152.7	186.0
Expected credit loss	112.0	-	26.8	112.0
Bad debts and doubtful accounts	-	28.3	-	-
Loss (profit) from impairment and disposal of foreclosed assets	43.6	(6.6)	40.9	43.6
Profits before financial costs and income taxes	290.6	177.8	224.1	290.8
Financial costs	(63.2)	(39.0)	(47.9)	(63.2)
Income tax expenses	(40.0)	(28.0)	(41.1)	(40.0)
Net profits	187.4	110.8	135.1	187.6
<i>Income interest rates (%)</i>	<i>15.9</i>	<i>16.0</i>	<i>15.5</i>	<i>15.9</i>
<i>Expense interest rates (%)</i>	<i>4.6</i>	<i>5.2</i>	<i>5.3</i>	<i>4.6</i>
<i>Interest spread (%)</i>	<i>11.3</i>	<i>10.8</i>	<i>10.2</i>	<i>11.3</i>
<i>Net interest margin (%)</i>	<i>13.9</i>	<i>13.7</i>	<i>13.4</i>	<i>13.9</i>
<i>Interest income rates including fees (%)</i>	<i>19.7</i>	<i>18.2</i>	<i>18.9</i>	<i>19.7</i>
<i>Net profit margin (%)</i>	<i>29.6</i>	<i>33.5</i>	<i>30.4</i>	<i>29.7</i>

^{/1} Interest income under hire purchase contracts included fee income from contract review and arrangement and was presented as net of direct expenses incurred initially from the hire purchase.

^{/2} Fee and service incomes included late interest fines, debt collection fees, and income from insurance commission, etc.

^{/3} Other incomes included profits from disposal of assets and income interests, etc.

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Changes in Financial Reporting Standards

Financial status and operating results of the Company from 1st January 2020 onwards were prepared under the Thai Financial Reporting Standards no.9 (TFRS9) and TFRS16 Re: Leasing Contracts effective on 1st January 2020. In this regard, the Company's financial status and operating results of 2019 comparison in the above table were prepared according to the former financial reporting standards and were restated comparison financial information for year 2019, which were considered acceptable

according to such financial reporting standards requirement.

To apply the financial reporting standards for the first time resulted in the significant changes in accounting principles with the following key issues:

- TFRS9 – The impairment of financial assets calculation, including hire purchase receivables, was changed to the principle of the Expected Credit Loss or “ECL”. The new hire purchase receivables were classified in 3 levels: 1) Receivables without significant increase of credit risk of which

impairment was measured against the 12-month expected credit loss, 2) Receivables with significant increase in credit risk, and 3) Receivables with credit impairment. The impairment of Level 2 and 3 was measured by the Lifetime Expected Credit Loss.

- TFRS16 – Regarding the leasing contracts, the rights of use assets and the leases liabilities shall be recognized for leasing contracts of which leasing period was longer than 12 months, including leasing contract of land, buildings, and vehicles.

Revenue

The Group's income structure in year 2021 and the Company's income structure in 2019 - 2021 is as follows:

Incomes	The consolidated financial statements		The separated financial statements					
	2021		2019		2020		2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Interest income under hire purchase contracts	503.9	79.7	282.2	85.8	355.6	80.0	503.9	79.7
Fee and service incomes	119.9	19.0	40.6	12.3	77.9	17.5	119.9	19.0
Other incomes ^{/1}	8.6	1.3	6.1	1.9	11.0	2.5	8.6	1.3
Total incomes	632.4	100.0	328.9	100.0	444.5	100.0	632.4	100.0

^{/1} Other incomes included profits from sales of assets and income interests, etc.

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The Group's total income in year 2021 were 632.4 million Baht, which was equal to the Company's total income because a subsidiary was not operating in year 2021. The Company's total incomes in 2019 - 2021 were 328.9 million Baht, 444.5 million Baht, and 632.4 million Baht. The Company's main incomes were interest income under hire purchase contracts. In addition, the Company had fee and service incomes from hire purchase loan providing services. The Company's incomes are categorized as following summary:

Hire purchase interest income

Hire purchase interest income was the interest income from hire purchase loan services for various kinds of used trucks. Hire purchase interest income was recognized as income in financial statement according to the installment payment with the Effective Interest Method over the term of the contract. The hire purchase

interest income presented in the financial statement included the fee income from contract review and arrangement, net of direct expenses incurred initially from the hire purchase, such as the commission paid to a person introducing hire purchase loan customer to the Company. Such expenses shall gradually be recognized in accounting by the Effective Interest Method over the term of the contract, the same as the recognition of hire purchase interest income as mentioned above. In this regard, as for the accounting period before 1st January 2020, the Company had a policy to stop recognizing the interest income when receivables made defaulted payment for over 4 installments.

Since 1st January 2020, the Company has applied the Financial Reporting Standards no.9 (TFRS9) regarding Financial Tools into practices. As a result, the Company recognized the interest income from the expected recovery from hire

purchase receivables with credit impairment (or receivables with more than 90 days installment overdue) which was calculated by using the accounting net balance (after deducting the allowance for expected credit loss) whereas when using the old criteria, the Company would stop recognizing interest income when receivables had over 4 installments outstanding.

As a result, the Company recognized the interest income from the expected recovery from hire purchase receivables with credit impairment (or receivables with more than 90 days installment overdue) which was calculated by using the accounting net balance (after deducting the allowance for expected credit loss) whereas when using the old criteria, the Company would stop recognizing interest income when receivables had over 4 installments outstanding.

The Company's hire purchase interest incomes are categorized by type of collaterals as follows:

Hire purchase interest incomes	2019		2020		2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
10-wheel and 12-wheel trucks	140.4	49.7	168.7	47.4	225.6	44.8
6-wheel truck	91.1	32.3	110.6	31.1	151.1	30.0
Tractor	34.3	12.2	51.8	14.6	87.2	17.3
Trailers/ semi-trailer	11.9	4.2	17.5	4.9	32.0	6.3
4-wheel truck	0.8	0.3	0.7	0.2	0.8	0.2
Others	3.7	1.3	6.4	1.8	7.2	1.4
Total interest income	282.2	100.0	355.6	100.0	503.9	100
Income interest rates	16.0		15.5		15.9	

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Most of Company's hire purchase interest incomes came from hire purchase loans for used 10-wheel and 12-wheel trucks, accounted for 45% of total interest incomes. Second to it was interest income from 6-wheel trucks, accounted for 30%, and the rest were interest incomes from hire purchase loans for other types of trucks, such as tractors and trailers.

In 2019 - 2021, the Company's hire purchase interest incomes were 282.2 million Baht, 355.6 million Baht, and 503.9 million Baht, accounted for 85.8%, 80.0% and 79.7% of total incomes. The hire purchase interest income increased each year with the growing hire purchase portfolio in consistent with the expansion of transportation industry supported by the government investment to develop infrastructure and the Company's competency to increase market shares.

In 2019 - 2021, the Company's income interest rates were 16.0%, 15.5%, and 15.9%, respectively. The Company's income interest rates tended to decrease due to the proportion of the loans for used trucks which had less years of use was higher. Usually, used trucks with less years of use gave

lower income interest rate than older trucks

Stop recognizing interest income

As for the accounting period from 1st January 2020 onwards, when the Company applied the Financial Reporting Standards no.9 (TFRS9) into practices, the Company still recognized the interest income from all hire purchase receivables (including receivables with over 4 installments outstanding of which the Company stopped recognizing incomes under the previous accounting policy.) With the calculation of the expected recovery of such receivables, the Company would recognize incomes, according to the Effective Interest Rates method, from the accounting value – net of receivables after deducting the allowance for expected credit loss which can be high or low depending on each hire purchase receivable's credit status.

As for the accounting period before 1st January 2020, the Company had a policy to stop recognizing hire purchase interest income when receivables had defaulted payment of more than 4 installments which was following the debt collection

practice of the Company. That is, when the receivables had defaulted payment of 3 consecutive installments, the Company would send the letter of notice to cancel the contract which would be effective within 30 days which was the due date of the 4th installment. If the receivable did not pay within the due date, the Company would follow to collect debt and confiscate the collateral truck.

The policy to stop recognizing the interest income of the Company for the accounting period before 1st January 2020 was different from the direction of the announcement of Certified Accountants and Auditors Association of Thailand with the agreement of the Securities and Exchange Commission which requires the credit business for Consumer Finance to stop recognizing income when debtors had defaulted payment for over 3 installments from the due date. However, such practice has provided options for the Company in case that the company found this direction inappropriate. The Company was also required to disclose the reason why it used other directions as deemed more appropriate.



Micro Leasing Public Company Limited

Fee and service incomes

Fee and service incomes of the Company generally came from 2 parts: 1) Fees and service charges before hire purchase contracts

including contract review fee and contract arrangement fee which would be presented in hire purchase interest incomes, and 2) Fees and service charges after contracts including late penalty

income, income from introducing insurance to customer, fees from debt tracking and collection, and litigation fees, etc. All were presented as Fee and service incomes.

Fee and service incomes	2019		2020		2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Late interest penalty income	13.3	32.7	17.5	22.4	27.2	22.6
Insurance introduction commission income and life insurance	14.8	36.6	39.4	50.6	71.1	59.3
Tracking operating income	10.7	26.4	17.3	22.3	17.5	14.6
Others	1.8	4.3	3.7	4.7	4.1	3.5
Total fee and service incomes	40.6	100.0	77.9	100.0	119.9	100.0
% to average hire purchase loans	2.3		3.4		3.8	

In 2019, the Company's fee and service incomes were 40.6 million Baht, increased 11.2 million Baht or by 38.1% from the previous year, which was the result of the increase in incomes from insurance introduction to customer in consistent of increasing new loans. Moreover, the Company had more allied insurance partners which contributed more insurance products to introduce to customers. In 2019, the Company's fee incomes to average hire purchase loans ratio was 2.3%, slightly increased from the year 2018.

In 2020, the Company's fee and service incomes were 77.9 million Baht, increased 37.4 million Baht or by 92.1% from the same period of previous year. The increase mainly came from the increasing incomes from insurance introduction which was consistent with the increasing new loans compared to the same period of the previous year. In addition,

since Quarter 4/ 2019, the Company had a policy to promote the 1st class insurance and credit limit protection insurance to customer to reduce risks for the Company. Customer could include insurance values with the hire purchase truck value to apply for hire purchase loan at LTV of not over 90%. Thus, more customers applied for the 1st class insurance with higher values and the Company also received higher commissions from insurance introduction. In the first 6 months of 2020, the Company's income from insurance introduction was 50.6% of total fee and service incomes, increased from 36.6% in 2019. The fee and service incomes to average hire purchase loans ratio was 3.4%, increased from 2.3% in year 2019

In 2021, the Company's fee and service incomes were 119.9 million Baht, increased 42 million Baht or by 53.9% from the same period

of previous year. The increase mainly came from the increasing incomes from insurance introduction were 31.7 million Baht or by 80.4%, which was consistent with the increasing new loans compared to the same period of the previous year. In addition, the Company had a policy to promote the 1st class insurance and credit limit protection insurance to customer to reduce risks for the Company. Customer could include insurance values with the hire purchase truck value to apply for hire purchase loan at LTV of not over 90%. Thus, more customers applied for the 1st class insurance with higher values and the Company also received higher commissions from insurance introduction. As the result, in year 2021, the Company's income from insurance introduction was 59.3% of total fee and service incomes. The fee and service incomes to average hire purchase loans ratio was 3.8%, increased 3.4% from prior year.

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OTHER INCOMES

The Company's other incomes included profits from sales of assets and interest income, etc. Other incomes of the Company in 2019 - 2021 were 6.1 million Baht, 11.0 million, and 8.6 million Baht, respectively. In the accounted for 1.9%, 2.5% and 1.3% of total incomes of the Company.

Expenses

The Group's expenses structure in year 2021 and the Company's expense structure in 2019 - 2021 is as follows:

Total expenses	The consolidated financial statement		The separate financial statements					
	2021		2019		2020		2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Sales and administrative expenses	186.2	54.4	129.4	84.9	152.7	69.3	186.0	54.4
Expected credit loss	112.0	32.8	-	-	26.8	12.2	112.0	32.8
Bad debt and doubtful accounts and loss on vehicle confiscation	-	-	29.6	19.4	-	-	-	-
Loss on impairment and sales of foreclosed assets (reversal)	43.6	12.8	(6.6)	(4.3)	40.9	17.9	43.6	12.8
Total expenses	341.8	100.0	152.4	100.0	220.4	100.0	341.6	100.0



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Total expenses of the Group company in year 2021 were 341.8 and total expenses of the Company in 2019 - 2021 were 151.4 million Baht, 220.4 million Baht, and 341.6 million Baht, respectively. The Company's expenses included sales and administrative expenses, expected credit loss, bad debt and doubtful accounts, loss on vehicle confiscation, and loss on impairment and sales of foreclosed assets, with the following details:

SALES AND ADMINISTRATIVE EXPENSES

Sales and administrative expenses included salary and employee expenses, expenses on debt collection, consultant fee, space rental fee, depreciation, and amortization, etc.

Sales and administrative expenses of the Group in 2021 were 186.2 million Baht and sales

and administrative expenses of the Company only in 2019 - 2021 were 129.4 million Baht, 152.7 million Baht, and 186.0 million Baht, respectively. The details were as follows:

Sales and administrative expenses	The consolidated financial statement		The separate financial statements					
	2021		2019		2020		2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Salary and employee expenses	106.8	57.4	58.0	54.1	87.6	57.4	106.7	57.4
Depreciation and amortization	20.1	10.8	6.7	8.5	17.0	11.1	20.1	10.8
Consultant fee	9.6	5.1	6.6	10.8	14.6	9.6	9.6	5.1
Rental fee	0.3	0.2	4.3	3.3	0.2	0.1	0.3	0.2
Travel and communication expenses	11.1	6.0	6.7	6.1	7.7	5.1	11.1	6.0
Debt collection expense	13.8	7.4	7.2	4.1	5.3	3.5	13.8	7.4
Others ^{/1}	24.5	13.1	10.5	13.1	20.3	13.3	24.4	13.1
Total sales and administrative expenses	186.2	100.0	129.4	100.0	152.7	100.0	186.0	100.0
Expenses to total incomes ratio	29.6		44.4		38.5		29.6	

^{/1} Other administrative expenses included sales promotion expenses, maintenance expenses, and insurance premiums, etc

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Sales and administrative expenses in 2019 were 129.4 million Baht, increased for 34.8 million Baht or by 36.8% from the previous year. The main cause came from the adjustment of employee's salary base and the increasing number of personnel in various departments, such as Marketing Department, Credit Department, Debt Collection Department, and Information Technology Department, since the end of 2018 to support business growth. As of 31st December 2019, the Company had total employees of 183 persons. In addition, the Company had other expenses, such as the increasing compensation for directors, that contributed to the increase in the sales and administrative expenses to total incomes ratio from 41.0% in 2018 to 44.4% in 2019.

Sales and administrative expenses in 2020 were 152.7 million Baht, increase for 23.3 million Baht or by 18.0% from the same period of the previous year. The main cause came from the increasing number of employees. Moreover, in the first 6 months of 2020, the Company had the increasing

depreciation and amortization expenses after the purchase of the buildings of Khon Kaen and Saraburi branches in 2019. In addition, the Thai Financial Reporting Standards no.16 (TFRS 16) regarding Leasing Contracts was applied in 2020. As a result, the operating leases with a term of more than 12 months was recognized as the Right of Use assets and gradual depreciation instead of rental fees. In 2020, the Company's sales and administrative expenses to total incomes ratio was 35.7%, decreased from 37.6% decreased from 44.4% in 2019. The Company predicted that the sales and administrative expenses to total incomes ratio would continue to drop in the future because most of sales and administrative expenses were fixed expenses, such as salary and employee expenses, depreciation, and consultant fees, etc. Thus, such ratio shall go down when the Company is able to utilize the fixed expenses to generate incomes from more hire purchase loans.

Sales and administrative expenses in 2021 were 186.0 million Baht,

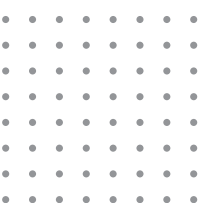
increase for 33.3 million Baht or by 21.8% from the same period of the previous year. The main cause came from the increasing number of employees as result to salary and employee expenses increased 25.6 million Baht or by 29.2%. Moreover, during the year 2021, the Company had debt correction fee 13.5 million baht, increased 8.2 million Baht or by 154.7% as consistent with the growth of the hire purchase account receivable portfolio and the efficient debt tracking and collection. In 2021, the Company's sales and administrative expenses to total incomes ratio was 29.6%, decreased from 38.5% in year 2019. The Company predicted that the sales and administrative expenses to total incomes ratio would continue to drop in the future because most of sales and administrative expenses were fixed expenses, such as salary and employee expenses, depreciation, and consultant fees, etc. Thus, such ratio shall go down when the Company is able to utilize the fixed expenses to generate incomes from more hire purchase loans.

Credit Cost

Credit Cost included the sum of Expected Credit Loss, doubtful accounts, bad debts, loss on vehicle confiscation, loss on impairment of foreclosed assets, loss on disposal of foreclosed assets and bad debt recovery. The details were as follows:

Credit Cost	2019		2020		2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Expected credit loss	-	-	26.8	47.0	112.0	7.2
Bad debts and doubtful accounts and loss on vehicle confiscation	3.9	18.0	-	-	-	-
Loss on impairment and disposal of foreclosed assets	17.8	82.0	40.9	53.0	43.6	28.0
Total	21.7	100.0	67.7	100.0	155.6	100.0

Note: The number of negative values indicated the reversal of such item.



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The significant accounting changes in 2019 and 2020 which had impact on the credit cost statement:

- 1) Since 1st January 2020, the Company has applied the Thai Financial Reporting Standards no. 9 regarding Financial Tools (TFRS 9) into practices. From Quarter 1/ 2020 onwards, the Company has changed the consideration method of the credit impairment of hire purchase receivables and the accounting record from "Doubtful accounts" to "Expected Credit Loss". The application of such new financial reporting standards did not update the comparison data of the 2018 - 2019 periods which was acceptable according to the requirement of such financial reporting standards.

Summary of changes in reserve setting to support the expected credit loss

Previous standards	New standards (Effective 1 st January 2020 onwards)
The Company set the allowance for doubtful accounts according to the estimated loss on uncollectible debts by considering the current rating status of receivables, their ability to pay debts, and the data of actual damage experience, less the collateral value of receivables with no more than 6-months overdue, using different reserve setting rates (1-100%) depending on the overdue period of receivables. The changes in the allowance for doubtful accounts would be recognized as "Doubtful accounts" in the income statement.	The Company estimated the expected credit loss from hire purchase receivables by referring to TFRS 9 which classified receivables into 3 stages according to Three-Stage Model. Stage 1 was the reserve setting for the 12-month expected credit loss while Stage 2 and 3 were the reserve setting for the lifetime expected credit loss. Moreover, the Company shall consider the trend of future economy and adjust the credit loss in consistent with the expected impact. In this regard, the changes in the credit impairment of receivables will be recorded as "Expected Credit Loss" in income statement instead of "Doubtful Accounts."
The Company can set additional General Reserve to cover the expected future damages which can be caused by uncontrollable external factors to comply with the caution principles.	In addition to the allowance setting for impairment of hire purchase receivables according to the above principles, the Company can also set the additional reserve as Management Overlay which does not fit in the model output with the clear reason.

- 2) Since Quarter 2/ 2019, the Company has changed the accounting policy about the record of the costs of foreclosed assets from recording the outstanding hire purchase debt value of receivables on the confiscation date to the fair value referring to the vehicle assessment price on the confiscation date. If the fair value on the date was lower than the outstanding hire purchase debt value, the Company will record the difference as bad debts or "Loss on vehicle confiscation" in income statements immediately. Thus, the Company's expenses on bad debts and doubtful accounts have increased since Quarter 2/ 2019. On the contrary, the loss on the impairment and disposal of foreclosed assets were decreased. The changes in accounting of foreclosed assets were the changes in reclassification of loss between the doubtful accounts and the loss on impairment of foreclosed assets only. Such changes did not have any effect on the Company's net profits.

Summary of accounting changes in recording foreclosed assets:

Previous standards	New standards (Effective 1 st January 2020 onwards)
On the confiscation date, the Company shall record the foreclosed assets with the outstanding debt value of receivables on the confiscation date.	On the confiscation date, the Company shall record the foreclosed assets with the fair value on the confiscation date. If the fair value is lower than the outstanding debt value, it will be recorded as the bad debts or "Loss on vehicle confiscation" immediately.
At the end of every quarter, the Company will test the impairment of foreclosed assets and record the loss on impairment of foreclosed assets (if any.)	

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In addition, according to the accounting practices of the Company in 2017 until before Quarter 2/ 2019, when there were any assets foreclosed, the Company would reverse the impairment of such confiscated vehicles first. Then, the loss on disposal of foreclosed assets was recorded in the whole amount, compared against the outstanding debt value. Consequently, the loss on impairment of foreclosed assets (as presented in the note of financial statement) may be presented in the negative values

(meaning the reversal of the impairment allowance) if the number of confiscated vehicles sold was higher than the number of vehicles confiscated during the year and the allowance for impairment of remaining confiscated vehicles at the end of the year had lower value than the previous year.

However, for the purpose of financial information analysis and for the appropriate comparison of information, the Company presented the information of 2019

in the way that was consistent with the previous accounting policy as if the Company has not changed the accounting policy about foreclosed assets until present. The Company reclassified financial statement in year 2019 so that the amount of additional loss on the disposal of foreclosed assets was presented only after the allowance for impairment. Such presentation did not have any effect on the overall credit costs and the Company's net profits.

Credit costs (new way of presentation)	2019		2020		2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Bad debts and doubtful accounts	3.7	17.1	26.2 ^{/2}	38.7	127.1 ^{/2}	81.7
Loss from changing new conditions	-	-	10.1 ^{/2}	14.9	1.4 ^{/2}	0.9
Loss on impairment of foreclosed assets at the end of period	1.5 ^{/1}	95.4	5.2	86.7	7.5	4.8
Loss (profit) on disposal of foreclosed assets	17.8	(6.5)	35.7	(26.3)	36.1	23.2
Bad debt recovery	(1.3)	(6.0)	(9.5) ^{/2}	(14.0)	(16.5) ^{/2}	(10.6)
Total	21.7	100.0	67.7	100.0	155.6	100.0
% of average hire purchase receivables (full year)	1.3		3.4		4.9	

^{/1} In the financial statement, this item was presented in "Bad debts and doubtful accounts and gain/loss from assets foreclosed"

^{/2} In the income statement, this item was presented in "Expected Credit Loss." which included expected credit loss, loss from changing new conditions and bad debt recovery.

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Bad debts and doubtful accounts

In 2019, the Company's bad debts and doubtful accounts were 3.7 million Baht, decreased for 5.0 million Baht or by 57.5% from the previous year. This was the result of the improving quality of hire purchase receivables which were continued from the previous year. The proportion of the receivables that were not overdue and receivables that were overdue for not more than 90 days at the end of 2019 were 95.5 %, compared to 94.3 % at the end of 2018.

In 2020, the Company's bad debts and doubtful accounts or expected credit loss were 3.6 million Baht, which were the consistent amount compared to the same period of the previous year. This was considered improving on the contrary of the growth of Company's hire purchase portfolio since the quality of hire purchase receivables continued to improve. The proportion of the receivables that were not overdue and receivables that were overdue for not more

than 90 days at the end of Quarter 2/ 2020 were 97.3%, compared to 95.5 % at the end of 2019.

In 2021, the Company's bad debts and doubtful accounts or expected credit loss were 127.1 million Baht, decreased for 100.9 million Baht from the previous year. This was the result from the Company write off account receivable in accordance with the ministerial regulations, no. 374 (2564 BE), is totaling 63 million Baht. In addition, the Company set up allowance for expected credit loss of new loans were 64.1 million Baht as result from the growth of Company's hire purchase portfolio and the quality of hire purchase receivable continued slightly improve. The proportion of the receivables that were not overdue and receivables that were overdue for not more than 90 days at the end of Quarter 2/ 2020 were 96.5%, compared to 96.2 % at the end of 2019.

As a result, the Company set lower amount of the additional allowance for doubtful accounts.

Since year 2021, the Company has a policy of bad debt amortization in accordance with the ministerial regulations, no. 374 (2564 BE), issued under the revenue code on the disposal of bad debts from account receivables. The Company can write off bad debts from account after having done the appropriate debt collection or having filed a civil action and the court has accepted the lawsuit in such case, depending on the outstanding debt of each debtor. In most cases, the outstanding debts were during 200,000 - 2,000,000 Baht per contract. And from Quarter 2/ 2020 onwards, the Company has implemented the policy of additional bad debt disposal for debtors whose vehicles could not be confiscated and were under legal proceedings.

Loss from changes in new condition

In 2020, the Company's loss from changes in new condition was 10.1 million Baht. Participating in the project to help support customers affected by

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COVID-19. The Company provided the moratorium for principles and interests for 3-4 months. As a result, the difference in the present value from the expected future cash flows has changed and was recorded as a loss from changes in new condition. This difference was occurred only once at the transaction moment.

In 2021, the Company's loss from changes in new condition was 1.4 million Baht because the Company was issued debt restructuring policy in Q2'2021. And the Company continued to participate in the project to help support customers affected by COVID-19. The Company provided the moratorium for principles and interests for 3-4 months. As a result, the difference in the present value from the expected future cash flows has changed and was recorded as a loss from changes in new condition. This difference was occurred only once at the transaction moment. However, if the receivables first time to joined to those the project in year 2021, the Company has used this Accounting Guidance that is in accordance with relief measures of BOT such as

the Company applies a newly calculated effective interest rate to determine the present value of loans that have been restructured and recognizes interest income on the basis of this new effective interest rate.

Loss on impairment of foreclosed assets

The loss on impairment of foreclosed assets was the expected loss on disposal of confiscated trucks which have not yet been sold at the end of that year. The balance of foreclosed assets stated in the financial statement at the end of the year reflected the appropriate value that the Company expected to receive.

In 2019 - 2021, the Company's loss on the impairment of foreclosed assets were 1.5 million Baht, 5.2 million Baht, and 7.4 million Baht, respectively, which consistent with the increasing number of confiscated trucks. The balance of foreclosed assets at the end of 2019 and 2021 were 10, 13 and 25, respectively. This was the result of the change in policy that accelerated the sales of confiscated trucks since the end of 2018.

Loss (profit) on disposal of foreclosed assets

The loss on the disposal of foreclosed assets was the loss really incurred from the disposal of confiscated trucks during the period. The loss on the disposal of confiscated trucks was related to the speed of the disposal and the number of trucks confiscated during the period, that is, if in any period, the number of trucks confiscated and sold was high, the loss on the disposal of foreclosed assets would be high as well. The loss on disposal of confiscated trucks was calculated by directly comparing sale price with the outstanding debt. Moreover, in the case that the Company had a policy to sell confiscated trucks more slowly by waiting for the good selling prices, the Company's loss would be decreased. On the contrary, if the Company sold the confiscated trucks faster, the loss might be increased but the Company would receive cash to be used in further loan approval to generate incomes faster.

Number of confiscated trucks within the period	2019	2020	2021
• Confiscated during previous period	59	10	13
• Confiscated within the same period	139	209	241
Total confiscated trucks sold within the period	198	219	254
Number of trucks confiscated and sold within the same period (%)	70%	95%	95%

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In 2018 - 2021, the Company's loss (profit) on the disposal of foreclosed assets were 17.8 million Baht, 35.7 million Baht, and 36.1 million Baht, respectively.

In 2019, the Company's loss on the disposal of foreclosed assets was 17.8 million Baht, increased from the previous year for 13.1 million Baht or by 267.3%. During the year 2019, the Company sold 198 confiscated trucks which were closed to the previous year. However, the Company had higher loss on confiscated trucks because the proportion of trucks confiscated and trucks sold within the same period was higher. The number of confiscated trucks sold was 198 trucks, of which 59 trucks were confiscated during the previous period, and 139 trucks were confiscated during the period, representing 70% of total confiscated trucks sold. This was the result of the policy to accelerate the disposal of confiscated trucks continued from the previous year. The Company emphasized on selling confiscated trucks through the used truck tent operators to whom the Company provided higher sales discount than to general consumers or end users. By this way, the Company could turn foreclosed assets into cash faster and used it as funding for further credit approval.

In 2020, the Company's loss on the disposal of foreclosed assets was 35.7 million Baht, increased for 17.9 million Baht or by 100.0% compared to the same period of the previous year. The main cause was the increase in the number of confiscated trucks sold within the period. In the year 2020, the Company sold 219 confiscated trucks compared to 198 trucks in the year 2019, as a result of the increasing number of confiscated trucks from debtors. In the year 2020 when the economy slowed down due to the COVID-19 pandemic situation, some hire purchase receivables began to make defaulted payments, but the Company could track and confiscate their collaterals quickly. Such confiscated collat-

erals were sold for cash flow to be used in further credit approval. Moreover, in 2020, the Company sold confiscated trucks that were confiscated and sold in the same period at 95% of total confiscated trucks sold, compared to 70% of the same period of 2019. Consequently, the Company's loss on confiscated truck disposal was higher.

In 2021, the Company's loss on the disposal of foreclosed assets was 36.1 million Baht, slightly increased for 0.4 million Baht or by 1.1% compared to the same period of the previous year. In the year 2020, the Company sold 266 confiscated trucks compared to 219 trucks in the year 2019, as a result of the increasing number of confiscated trucks from debtors because the Company could track and confiscate their collaterals quickly and confiscated collaterals were sold for cash flow to be used in further credit approval. Moreover, in 2021, the Company sold confiscated trucks that were confiscated and sold in the same period at 95% of total confiscated trucks sold, which are same percentage in prior period.

Credit Cost

Considering the Credit Cost including the sum of expected credit loss, doubtful accounts, bad debts, loss on vehicle confiscation, loss on impairment of foreclosed assets, and loss on disposal of foreclosed assets, it was found that in 2017 -2019, the Company had credit costs of 59.7 million Baht, 20.1 million Baht, and 23.0 million Baht, respectively. When considering the credit cost to average hire purchase receivables ratio, it was found that the Company's credit costs were decreasing respectively from 5.0% in 2017 to 1.5% in 2018, and 1.3% in 2019. The decrease in the credit cost ratio went on the opposite direction of the growth of hire purchase credit portfolio which was the result of the Company's policy of careful credit approval and the efficient debt tracking and collection, implemented through the setting

of policy and regulations to endorse the strict debt tracking and collection. Moreover, the Company hired outsourcing debt collection teams who were local people to increase the efficiency of tracking and collecting debt. Consequently, the quality of hire purchase debtors of the Company continuously improved and the overall credit cost, compared to the number of hire purchase receivables, decreased, respectively.

In 2020, the Company's credit cost was 3.0% of the average hire purchase receivables, increased from 1.3% in 2019, which was the result of the economic slowdown during the COVID-19 pandemic situation that caused some hire purchase receivables to make defaulted debt payment. The Company, thus, began to track for collateral confiscation. Consequently, the loss on disposal of collaterals or foreclosed assets increased.

In 2021, the Company's credit cost was 4.9% of the average hire purchase receivables, increased from 3.0% in 2020, which was the result of the Company set up allowance for expected credit loss for new loan because of the growth of hire purchase portfolio. In addition, the economic slowdown during the COVID-19 pandemic situation that caused some hire purchase receivables to make defaulted debt payment. The Company, thus, began to track for collateral confiscation. Consequently, the loss on disposal of collaterals or foreclosed assets increased.

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FINANCIAL EXPENSES

Financial expenses were one of main costs of the Company's business which consisted of cost of interest expense of various types of borrowings. In 2018 - 2021, the Company's financial expenses were 39.0 million Baht, 47.9 million Baht, and 36.2 million Baht, respectively. The increase in financial cost was consistent with the increase in the interest-bearing debt of the Company which mainly consisted of loans from financial institutions and loans from relating persons.

In 2018 - 2021, the Company's interest rate paid were 5.2%, 5.3%, and 4.6%, respectively. The

interest rate paid of the Company in year 2020 increased from year 2019 due to the Company paid shot-term loan from financial institution as result the interest rate paid in year 2020 more than the reality rate. If the Company calculate interest rate paid based on average borrow by quarterly. In year 2019 and 2020, the interest rate paid as 5.0% and 4.9%, respectively.

The Company's interest rate paid decreased from year 2020 mainly result from the Company has the decreasing of interest expenses rate as result from the Company participant in the project to help support customers affected by COVID-19. In addition, Q3'2021,

the Company had borrowed by issue the debenture as interest rate is 5.25 – 5.55, maturity in 2 -3 years as result to the interest rate paid of the Company tended to increase in the future.

Table of comparison of interest rates of loans from financial institutions and interest rates of loans from related persons as of 31st December 2021.

Source of fund	Interest rate range (% per year)		
	Short term	Long term	Weighted average ^{/1}
Loans from financial institutions	4.250	1.250 - 5.650	4.404 ^{/2}
Loans from related persons	4.250	5.000	4.403
Debenture	-	5.25 - 5.55	5.392

Note: Interest rates of loans from financial institutions were all floating rates, referring to MLR and MOR interest rates of relevant banks. The interest rates range shown in the above table were referred from the interest rates in the announcement of the bank in December 2021.

^{/1} The weighted average was calculated by using the borrowing balance as of 31st December 2021 in weighting.

^{/2} If the calculation did not include the interest rates of long-term loans from the financial institutions at 1.375% per year which was lower than the average of loans from general financial institutions, the average interest rates would be equal to 4.816% per year.



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At present, the average interest rate of loans from financial institutions was 4.816% per year which was higher than the average interest rates of loans from related persons which was 4.403% per year, as a result of the increase in interest rates of financial institutions in the past period. However, the above table showed that the long-term loans from a financial institution where the Company received in July 2019 with the balance on 31 December 2021 of 15.0 million Baht had the interest rate reference from the fixed deposit interest rate plus 0.75% or about 1.250% per year which was lower than the loan interest rates from general financial institutions which were floating interest rates, referred to the Loan Rate of lending bank plus Credit Spread of borrowing company, which were in the range of 4.250 - 5.650% per year since such loans had the fixed deposits of a shareholder as full amount collaterals. Those a shareholder held the Company's shares, as of 31 December 2021,

of 0.01% of total issued and sold shares, respectively.

In this regard, the financial leasing contract with such bank stated that in the case that the deposits ceased to be collaterals for whatever reason, the interest rate would be increased to the highest interest rate as in normal case that the bank generally announced which was equal to MLR plus 7.00% or about 12.25% per year.

However, in practice, the shareholder would not be able to redeem such collaterals since the fixed deposits were the collaterals of loan repayment under the loan agreement and the consent of the bank must be obtained prior to the full or partial redemption of the collateral. Furthermore, the shareholders gave the testimonial to the Company that they would provide funding support to the Company by using fixed deposits as collaterals for the period of 3 years according to the remaining

period of the loans. The Company would use the cash received from receivables' installment payment to repay such loans further.

In the case that the Company needed to cancel such credit limit and find other funding replacement, the Company has assessed the expected effect on financial statements under the assumption that the interest rates of such loans were adjusted to be in accordance with the interest rates of loans from general financial institutions of which average was 4.816% per year. Then, the Company's financial cost for 2020 would increase for 2.0 million Baht and net profit would be decreased for 1.6 million Baht. In 2021, the financial cost of the Company would be increased for 1.0 million Baht and net profit would slightly be decreased for 0.8 million Baht from 187.6 million Baht to 186.8 million Baht as follows:

Income statement for the period	2020		2021	
	Before adjustment	After adjustment	Before adjustment	After adjustment
Total incomes	444.5	444.5	632.4	632.4
Profits before financial costs and income taxes	224.1	224.1	290.8	290.8
Financial costs	(47.9)	(49.9)	(63.2)	(64.2)
Income taxes	(41.1)	(40.7)	(40.0)	(39.8)
Net profits	135.1	133.5	187.6	186.8

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INCOME TAX EXPENSES

In 2019 - 2021, the Company's tax expenses were 28.0 million Baht, 41.1 million Baht, and 63.2 million Baht, representing 8.5%, 9.2%, and 6.3% of total incomes.

Net Profits

The Company's net profits in 2018 - 2021 were 110.8 million Baht, 135.1 million Baht, and 187.6 million Baht, accounted for 35.5%, 30.39%, and 29.66%, respectively. The increasing net profits were consistent with the increasing hire purchase interest incomes.

In 2019, the Company's net profit was 110.8 million Baht, increased for 20.9 million Baht or by 23.2% from the previous year. The net profit margin was 33.5%, slightly decreased from 2018. The Company's income interest rate decreased from 16.3% in 2018 to 16.0% in 2019 as a result of the increase in hire purchase loans for used trucks with less years of use. The Net Interest Margin of the Company decreased. However, the improving quality of collaterals in overall resulted in the decreasing credit cost (consisting of the sum of bad debts and doubtful accounts, the loss on impairment and disposal of foreclosed assets) compared against the total debtor values.

However, in 2019 the Company's expenses for sales promotion were increased to stimulate the loan amount. The employee expenses were also increased due to the employee salary base adjustments and the increasing number of employees in various departments since the end of 2018 to support the business growth. Consequently, the Company's net profit margin in overall was slightly decreased from the previous year.

In 2020, the Company's net profit was 135.1 million Baht, increased for 24.3 million Baht or by 21.9% from the same period of the previous year. The net profit margin was 29.8%, decreased from 33.5% in 2019. The main cause came from the increase in the loss on disposal of foreclosed assets which was the result of the increasing number of confiscated trucks during the economic slowdown from COVID-19 pandemic situation. Some hire purchase loan receivables began to make defaulted debt payment; however, the Company could track them and confiscated their collaterals fast. The collaterals were sold for cash flow to be used in further credit business. In addition, the Company had higher financial costs due to the increasing loans from financial institutions.

In 2021, the Company's net profit was 187.6 million Baht, increased for 52.5 million Baht or by 38.9% from the same period of the previous year. The net profit margin was 29.7%, decreased from 30.39% in 2020. The main cause came from the increase in the expected credit loss which was the result of the growth of hire purchase receivable portfolio. Including, the economic slowdown from COVID-19 pandemic situation as result to some hire purchase loan receivables began to make defaulted debt payment. As a result, the Company could track them and confiscated their collaterals and the increasing in loss from sale foreclose assets.

FINANCIAL STATUS ANALYSIS

ASSETS

Total asset of the Group at the end of 2021 were 4,034.5 million Baht. And total assets of the Company at the end of 2018 - 2021 were 2,118.3 million Baht, 2,755.1 million Baht, and 4,034.6 million Baht, respectively. The continuously increasing total assets were resulted from the growth of the hire purchase account receivable portfolio, which was the significant asset of the Company.



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Main Assets	The consolidate financial statement		The separated financial statements					
	31 st Dec. 2021		31 st Dec. 2019		31 st Dec. 2020		31 st Dec. 2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Cash and cash equivalents	141.6	3.5	46.5	2.2	128.4	4.7	139.0	3.4
Hire purchase receivables - net	3,633.8	90.0	1,924.6	90.9	2,444.0	88.7	3,633.8	90.1
Land, building and equipment - net	96.2	2.4	68.8	3.2	70.9	2.6	96.1	2.4
Rights of use assets - net	28.3	0.7	-	-	20.3	0.7	28.3	0.7
Foreclosed assets - net	11.3	0.3	3.9	0.2	6.7	0.2	11.3	0.3
Other assets ^{/1}	123.3	3.1	74.5	3.5	84.8	3.1	125.1	3.1
Total assets	4,034.5	100.0	2,118.3	100.0	2,755.1	100.0	4,034.6	100.0

^{/1} Other assets included deferred income tax assets and bank deposits with collateral obligations, etc.

Hire purchase receivables

Net hire purchase receivables (less allowance for doubtful accounts or allowance for expected credit loss) at the end of 2018 - 2021 were 1,924.6 million Baht, 2,444.0 million Baht, and 3,633.8 million Baht, accounted for 90.9%, 88.7%, and 90.0% of total assets, respectively. The details were as follows:

Hire purchase receivables - net (million Baht)	31 st Dec. 2019	31 st Dec. 2020	31 st Dec. 2021
Hire purchase receivables	2,036.6	2,542.0	3,795.8
Less Allowance for doubtful accounts or allowance for expected credit loss	(112.0)	(98.0)	(162.0)
Hire purchase receivables - net	1,924.6	2,444.0	3,633.8

At the end of 2019, the Company's net hire purchase receivables were 1,924.6 million Baht, increased for 533.7 million Baht or by 38.4% from the end of previous year. In 2019, the Company's loan amount was 1,160.2 million Baht which was higher than the loan amount in 2018 by 47.2%. This was a result of the transportation industry expansion which

increased the demand for trucks and the ability to increase market shares of the Company. In the past year, the Company did a lot of marketing activities, public relations, and sales promotions to stimulate the loan amount. The network of agents and used truck tent operators also continuously expanded. The Company also received more funding support

for loans from financial institutions. Thus, the Company could grow its hire purchase portfolio to meet the target and gained higher market shares. In 2019, the Company's approved more hire purchase loans for tractors which had high values and most of them had less years of services, resulting in the better quality of collaterals in overall.

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At the end of 2020, the Company's net hire purchase receivables were 2,444.0 million Baht, increased for 519.4 million Baht or by 27.0% from the previous year. In 2020, the Company's new loan amount was 1,304.5 million Baht, increased for 144.3 million Baht or 12.4% from the same period of previous year. However, the new loan amount was still lower than the Company's target because the loan amount since March 2020 was affected COVID-19 pandemic situation. During such period, the Company increased the strictness of loan approval consideration according to the higher risk condition of debtors.

Consequently, the loan amount during March – May 2020 did not achieve the target but still grew in overall compared to the same period of previous year.

At the end of 2021, the Company's net hire purchase receivables were 3,633.8 million Baht, increased for 1,189.8 million Baht or by 48.7% from the previous year. In 2021, the Company's new loan amount was 2,287.8 million Baht, increased for 983.3 million Baht or 75.4% from the same period of previous year. However, the Company increased the strictness of loan approval consideration according to the

higher risk condition of debtors, which was affected COVID-19 pandemic situation.

RECEIVABLE QUALITY

At the end of period, the Company classified the rating of receivables based on their defaulted payment status to assess receivable quality. The receivables were classified based on their overdue payment in the same manner as other companies in the same industry did. The Company's receivables as of 31 December 2018 – 2021 were classified by receivable quality as follows:

Classification	31 st Dec. 2019		31 st Dec. 2020		31 st Dec. 2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Not due yet	1,221.0	59.9	1,553.3	61.1	2,246.1	59.2
Not more than 30 days overdue	358.4	17.6	439.3	17.3	800.2	21.1
31-90 days overdue	366.2	18.0	452.3	17.8	617.6	16.3
91-180 days overdue	24.1	1.2	40.0	1.6	64.4	1.7
181-365 days overdue	17.8	0.9	39.0	1.5	43.6	1.1
More than 365 days overdue	49.1	2.4	18.0	0.7	23.9	0.6
Total hire purchase receivables	2,036.6	100.0	2,541.0	100.0	3,795.8	100.0
Performing Loan ratio		95.5		96.2		96.5
NPL ratio		4.5		3.8		3.5
NPL including confiscated trucks ratio		4.6		4.1		3.7

At the end of 2019, the Company's quality of hire purchase receivables continued to improve. The Company's most hire purchase receivables were no overdue receivables and receivables with not more than 90 days overdue, which were in total of 1,945.6 million Baht or 95.5%. The NPL ratio decreased to 4.5% of total hire purchase receivables (or 4.7% if including confiscated truck value.) Over 80% of them were hire purchase receivables of the Company during 2018–2019 when the Company implemented the concise and discreet credit policy.

At the end of 2020, the Company's hire purchase debtor quality continuously improved. The amount of receivables with no overdue and receivables with not more than 90 days overdue were 2,444.9 million Baht, accounted for 96.2% whereas the proportion of NPL or receivables with credit impairment was 3.8% of total hire purchase receivables. The significant decrease of NPL proportion at the 2020 was partly due to the amortization of legal debtors with overdue from the Company's hire purchase portfolio for the first time. The allowance for

doubtful accounts was set at full amount for those receivables in the previous periods. Thus, such amortization did not have any effect on the Company's income statement in the period of amortization.

At the end of 2021, the Company's hire purchase debtor quality continuously improved. The amount of receivables with no overdue and receivables with not more than 90 days overdue were 3,663.9 million Baht, accounted for 96.5% whereas the proportion of NPL or receivables with credit

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impairment was 3.5% of total hire purchase receivables. The continuously decreasing of NPL proportion was partly due to the debtor quality control system and the efficient debt collection, including the Company write off account receivable in accordance with the ministerial regulations, no. 374 (2564 BE).

Rights of use assets

Since 1st January 2020, the Company applied the Thai Financial Reporting Standards no. 16 Re: Leasing Contracts (TFRS16), replacing the Thai Accounting Standards no. 17 Re: Leasing Contracts (TAS17.) The Company had to separate assets under the old financial lease contracts included in "Land, building and equipment" item to "Rights of use assets" and move "Hire purchase liabilities" to "Lease liabilities". In addition, the operating leases which were recorded as expenses in "Rental" but were not recorded

as the items in assets or liabilities would be recorded in "Right of use assets" or "Lease liabilities" with the values that were calculated according to the principle of TFRS16.

In this regard, from 1st January 2020 onwards, the Company shall recognize the leasing contracts with the leasing period of more than 12 months as "Rights of use assets" and "Lease liabilities" which included Leasing contracts of land and building of branches, office supplies, and vehicles. They shall be recognized in the financial statements as follows:

- Lease liabilities shall be recognized with the present value of the amount payable under the lease over the term of the lease discounted by the interest rate on the lease. The accounting value of lease liabilities will decrease when the payment under the lease is made.

- The rights of use assets shall be recognized with the amount of lease liabilities by measuring the initial value less Deferred Interest Expense. The right of use assets will be depreciated over the term of the lease on a straight-line method.

When the Company applied TFRS16 for the first time on 1st January 2020, the Company recorded "Rights of use assets – net" for 24.1 million Baht, divided into rights of use assets under previous operating leases (consisting of leasing land, building, equipment, and vehicles) for 21.6 million Baht and vehicles under previous finance lease liabilities for 2.5 million Baht.

Transactions	31 st Dec. 2020		31 st Dec. 2021	
	Mil. Baht	%	Mil. Baht	%
Land	1.2	4.3	1.2	2.6
Budling	4.2	15.1	13.9	30.4
Equipment	0.5	1.8	1.1	2.4
Vehicle	22.0	78.8	29.5	64.5
Total right of use	27.9	100.0	45.7	100.0
Less: depreciation	(7.6)		(17.4)	
Right of use	20.3		28.3	

As of 31 December 2020, and 2021, the value of the right of use assets was 20.3 million Baht, and 28.3 million Baht, respectively. In year 2021, the right of use assets

was net increased for 8.0 million Baht from prior year due to the Company had expand number of branches, so, the Company had increased in office lease

agreements. As a result, the right of use for office lease was increased from 15.1% of total right of use in year 2020 to 30.4% of total right of use in year 2021.



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Land, building, and equipment

Land, building, and equipment of the Company mostly consisted of the land and buildings which were the head office in Nakorn Pathom, vehicles, and computer equipment relating to hire purchase loan business. At the end of 2019 - 2021 the Company had land, buildings, and equipment of 68.8 million Baht, 70.9 million Baht, and 96.1 million Baht,

Net accounting value (million Baht)	The consolidated financial statement		The separated financial statements					
	31 st Dec. 2021		31 st Dec. 2019		31 st Dec. 2020		31 st Dec. 2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Land	54.1	56.3	35.6	51.7	35.6	50.2	54.1	56.3
Building and renovation	17.1	17.8	14.6	21.3	14.3	20.2	17.1	17.8
Vehicles	0.6	0.6	5.7	8.2	1.6	2.3	0.6	0.6
Office supplies, computer equipment	24.3	25.3	12.9	18.8	19.4	27.4	24.3	25.3
Total land, buildings, and equipment - net	96.1	100	68.8	100.0	70.9	100.0	96.1	100

In 2019, the Company had land, buildings, and equipment of 68.8 million Baht, increased for 36.2 million Baht or by 111.0% from the end of previous year. The main cause was the increase in the land and buildings during such period. The Company bought more land to expand the area of its head office in Nakorn Pathom and bought the land and buildings which were the office of Khon Kaen and Saraburi provinces instead of long-term rental.

In 2020, the Company had land, buildings, and equipment of 70.9 million Baht, slightly increase for 2.1 million Baht. In 2020, the Company bought computer equipment to improve server

system and network system security for 8.1 million Baht. In the meantime, the vehicles under hire purchase contracts were transferred to be recorded as "Right of use assets" as a result of the application of Thai Financial Reporting Standards no. 16.

In 2021, the Company had land, buildings, and equipment of 96.1 million Baht, increase for 25.2 million Baht or by 35.5% from prior year. The main cause was the increase in the land and buildings during such period. The Company bought more land to expand the area of its head office in Nakorn Pathom and improve head office, including purchased office supply for head office.



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Foreclosed Assets

Foreclosed assets were the trucks that the Company confiscated from receivables who made defaulted payment for over 4 installments. The foreclosed assets were presented in the financial statements with the costs less the impairment allowance (if any.) At the end of 2019 – 2021, the Company had foreclosed assets – net from impairment allowance for 3.9 million Baht, 6.8 million and 11.3 million Baht, respectively. The details were as follows:

Life of assets foreclosed (from the date of confiscation)	31 st Dec. 2019		31 st Dec. 2020		31 st Dec. 2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Less than 1 month	3.9	100.0	6.1	89.7	9.8	86.7
1-3 months	-	-	0.7	10.3	0.6	5.3
4-6 months	-	-	-	-	0.9	8.9
7-12 months	-	-	-	-	-	-
12 months up	-	-	-	-	-	-
Total	3.9	100.0	6.8	100.0	11.3	100
Less Allowance for impairment	-	-	-	-	-	-
Foreclosed assets - net	3.9	-	6.8	-	11.3	-

At the end of 2019, the Company's foreclosed assets were 3.9 million Baht, decreased for 30.1 million Baht or by 88.5% from the end of previous year. The Company's foreclosed assets were continuously decreasing to 0.2.% of total assets as a result of the faster sales of confiscated trucks policy and the debtor quality control system and the efficient debt collection. The policy to approve hire purchase loans for only trucks with high market liquidity supported the fast sales of collateral's auction. With all mentioned factors, as of 31st December 2019, the Company had only 10 confiscated trucks or foreclosed assets with the total accounting values of 3.9 million Baht. No allowance for impairment was set because all confiscated trucks were less than 3 months old from the date of confiscation when they had been re-assessed as new collaterals on confiscation date. And the loss on such confiscated trucks (if any) had already been recorded.

At the end of 2020, the Company's remaining foreclosed assets or confiscated trucks were 13 trucks with the accounting values of 6.8 million Baht without any allowance for impairment since all of them were less than 3 months old from the confiscation date. Although in the first 6 months of the year 2020, the Company was able to confiscate more vehicle collaterals from the defaulted receivables during COVID-19 pandemic situation, the Company was also able to sell such confiscated trucks within a short time to get cash flow for the funding of further loans. The remaining confiscated trucks at the end of Quarter 2/ 2020 increased for 1 truck net from the end of previous year.

At the end of 2021, the Company's remaining foreclosed assets or confiscated trucks were 25 trucks with the accounting values of 11.3 million Baht without any allowance for impairment since all of them were less than 6 months old from the confis-

cation date. In year 2021, the Company was able to confiscate more vehicle collaterals from the defaulted receivables during COVID-19 pandemic situation, the Company was also able to sell such confiscated trucks within a short time to get cash flow for the funding of further loans. As a result, the remaining confiscated trucks at the end of year increased for 12 truck net from the end of previous year.

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LIABILITIES

The Group Company's total liabilities at the end of 2021 were 2,076.1 million Baht. The Company's total liabilities at the end of 2019 - 2021 were 1,038.5 million Baht, 932.1 million Baht, and 2,076.0 million Baht, respectively. The details were as follows:

Total liabilities	The Consolidated financial statement		The separate financial statements					
	31 st Dec. 2021		31 st Dec. 2019		31 st Dec. 2020		31 st Dec. 2021	
	Mil. Baht	Mil. Baht	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Loans from financial institutions	690.4	33.2	587.1	56.5	488.2	52.4	690.4	33.2
Debenture	1,044.0	50.3	-	-	-	-	1,044.0	50.3
Loans from related persons	150.8	7.3	370.0	35.6	305.6	32.8	150.8	7.3
Loans from other persons	16.0	0.8	29.2	2.8	9.2	1.0	16.0	0.8
Total Loans	1,901.2	91.6	986.3	94.9	803.0	86.2	1,901.2	91.6
Other Liabilities ^{/1}	174.9	8.4	52.3	5.1	129.0	13.8	179.9	8.4
Total Liabilities	2,076.1	100	1,038.6	100.0	932.0	100.0	2,076.0	100

^{/1} Other liabilities included trade payables and other payables, hire purchase receivables or leasing liabilities, income tax payables, and employee benefit reserves, etc.

Loans from financial institutions

At present, loans from financial institutions were one of the main funding that the Company used to expand hire purchase loan business. The Company received credit line from financial institutions firstly in 2018. At the end of 2018 - 2019, the Company's balance of short-term and long-term loans from financial institutions were in total of 587.1million Baht, 488.2 million Baht, and 690.4 million Baht, respectively. The types of short-term and long-term loans are as follows:

Loans from financial institutions	31 st Dec. 2019		31 st Dec. 2020		31 st Dec. 2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Short-term loans	503.3	85.7	255.2	52.3	70.0	10.1
Long-term loans ^{/1}	83.8	14.3	233.0	47.7	620.4	89.9
Total	587.1	100.0	488.2	100.0	690.4	100.0

^{/1} Total long-term loans from financial institutions due within 1 year.

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In 2018, The company received the first credit line from financial institutions. In 2019, The Company received one more credit line from a financial institution. As a result, as of 31st December 2019, the Company's loans from financial institutions increased from 497.1 million Baht to 587.1 million Baht or increased by 552.3% from prior year. The increasing of loans from financial institution were consisted with the growth of hire purchase portfolio of the Company.

As of 31st December 2020, the Company's loans from financial institutions decreased to 488.2

million Baht, most of which were short-term loans which were accounted for 52.4% of total loans from financial institutions. As a result, the Company has brought some capital to pay off short-term revolving loans. To reduce financial costs temporarily and will revolving back to be used to expand the Company's credit portfolio.

As of 31st December 2021, the Company's loans from financial institutions increased to 690.4 million Baht, most of which were short-term loans which were accounted for 89.9% of total loans from financial institutions. The increasing of long-term

loans from financial institution were consisted with the growth of hire purchase portfolio of the Company.

Loans from related persons

Loans from related persons were borrowed from directors, shareholders, and related persons with them. At the end of 2018 - 2021, the Company's balance of loans from related persons were 370.0 million Baht, 305.6 million Baht, and 150.8 million Baht, respectively. They were divided into short-term loans and long-term loans as follows:

Loans from related persons	31 st Dec. 2019		31 st Dec. 2020		31 st Dec. 2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Short-term loans	120.0	32.4	120.0	39.3	120.0	79.6
Long-term loans ^{/1}	250.0	67.6	185.6	60.7	30.8	20.4
Total	370.0	100.0	305.6	100.0	150.80	100.0

^{/1} Total long-term loans from related persons due within 1 year.

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In the past, the Company used long-term loans from related persons as one of the funding for business expansion. Thus, the loans from related persons increased along with the growth of credit business.

At the end of 2019, the amount of Company's loans from related persons was 370.0 million Baht, decreased for 60.0 million Baht or by 13.9% from the previous year. The cash flow gained from operation was used to repay the long-term loans from related persons which were due within such year for the amount of 180.0 million Baht. Meanwhile, the Company borrowed additional

short-term loans from 4 related persons for the amount of 120.0 million Baht. Consequently, the loans from related person decreased to the net amount of 60.0 million Baht. The balance at the end of 2019 was 370.0 million Baht or 35.6% of total liabilities.

At the end of 2020, the Company's balance of loans from related persons was 305.6 million Baht, decreased for 64.4 million Baht, or by 17.4%, consisting of 261.6 million Baht of the loans due within the year 2021 and 44.0 million Baht for the loans due within the year 2022, respectively. The Company had plan to use such cash flow received from

business operation to gradually repay the loans from related persons and use more loans from financial institutions as the main funding for expanding credit portfolio. At the end of 2021, the Company's balance of loans from related persons was 150.8 million Baht, decreased for 154.8 million Baht, or by 102.7%. The Company had plan to use such cash flow received from business operation to gradually repay the loans from related persons and use more loans from financial institutions as the main funding for expanding credit portfolio.

Debenture

As at the end of year 2021, the Company's balance of debenture was 1,044.0 million Baht or by 50.3 % of total liabilities. The Company first issued debenture during the year 2021, as detail below.

Debenture	31 st Dec. 2021			
	Issue date	Interest rate	Maturity	Mil. Baht
No 1/2021	28 May 2021	5.55	2 years	500
No 2/2021	29 Oct 2021	5.25	2 years	349.3
No 2/2021	29 Oct 2021	5.50	3 years	203.6
Total				1,052.9
Less: Deferred issuing costs				(8.9)
Long - term debenture				1,044.0

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Other Liabilities

Other liabilities mainly consisted of trade payables and other payables, income tax payables, and lease liabilities. At the end of 2019 - 2021, the Company had other liabilities in total of 52.3 million Baht, 129.1 million Baht, and 179.9 million Baht, respectively. Other liabilities of the Company at the end of 2019 did not change significantly from the previous year.

As of the end of 2020, the Company's other liabilities including trade payables and other payables were 59.5 million Baht, increased from 2019 for 47.7 million Baht. The Company had the amount of credit that had not yet been transferred at the Department of Land Transport and, thus, had not yet paid the truck value to the owners and had them recorded as account

payables under hire purchase agreement. The Company also had increasing insurance expenses and credit limit protection insurance expenses. Resulted from the policy to support customer's first - class insurance and credit protection insurance in this year. As of the end of 2021, the Company's other liabilities including trade payables and other payables were 89.9 million Baht, increased from 2019 for 30.4 million Baht. The Company had the amount of credit that had not yet been transferred at the Department of Land Transport and, thus, had not yet paid the truck value to the owners and had them recorded as account payables under under hire purchase agreement. The Company also had increasing insurance expenses and credit limit protection insurance expenses. Resulted from the policy to support customer's

first - class insurance and credit protection insurance in this year.

Shareholders' equity

At the end of 2019 - 2021, the Company's shareholders' equity were 1,079.7 million Baht, 1,823.0 million Baht, and 1,958.6 million Baht, respectively. The increase in the shareholders' equity in 2019 was 110.8 million Baht as a result of total comprehensive income of the company. The increase in shareholders' equity in 2020 was 743.28 million Baht as a result of the capital increase, 235.0 million Baht and share premium increased 372.8 million Baht, and operating profit during the period was 135.1 million Baht. The increase in shareholders' equity in 2021 was 135.6 million Baht as a result of the operating profit during the period was 186.9 million Baht. However, the Company paid dividend was 51.4 million Baht.

CASH FLOW AND LIQUIDITY ANALYSIS

Cash flow

The change in cash flow of the Group during 2021 and the change in cash flow of the Company during 2019 - 2021 was summarized as follows:

Cash flow (unit: million Baht)	The consolidated financial statement	The Separate financial statements		
	2021	2019	2020	2021
Net cash received from (used in) operating activities	(907.8)	(350.2)	(271.6)	(907.6)
Net cash flow received from (used in) investing activities	(61.7)	(81.0)	(12.2)	(64.4)
Net cash flow received from (used in) financing activities	982.6	425.6	365.7	982.6
Net cash and cash equivalent increase (decrease)	13.1	(5.6)	81.9	10.6
Cash and cash equivalents at beginning period	128.4	52.1	46.5	128.4
Cash and cash equivalents at ending period	141.6	46.5	128.4	139.0

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In 2019, the Company's net profit was 110.8 million Baht. When including non-cash expenses and changes in other current assets, the Company, thus, had net cash to be used in operating activities, mainly in expanding hire purchase portfolio, for 350.2 million Baht. Consequently, the amount of hire purchase receivables increased from the previous year for 535.7 million Baht. Moreover, the Company used net cash in investing activities for 81.0 million Baht. The cash of 38.0 million Baht was used as collateral assets for the loan from a financial institution. The Company also invested in the land, buildings, and equipment for 40.5 million Baht by purchasing more land for the head office expansion and purchasing office buildings of 2 branches instead of long-term rental. However, the Company received net cash from financing activities for 425.6 million Baht. Most were the increasing short-term and long-term loans from financial institutions in total of 497.1 million Baht to be used in loan business expansion. In addition, during the year, the Company received short-term loans from 6 outsiders for 29.2 million Baht. At the same time, the Company repaid the loans from related persons for 60 million Baht. As a result, the Company's net cash flow decreased for 5.6 million Baht

and the balance of cash and cash equivalents on 31st December 2019 was 46.5 million Baht.

In 2020, the Company still used most of cash in hire purchase portfolio expansion. Although the Company approved loan application carefully to prevent risk from debtor quality due to the COVID-19 pandemic situation, the new hire purchase loan amount of the Company still had higher growth than the same period of previous year by 12.4%. However, due to the COVID-19 situation, some hire purchase receivables began to have low quality performance and the Company could confiscate more collaterals from receivables with defaulted payment and gained cash back from disposal on such collaterals. In 2020, the Company received net cash from operating activities for 271.6 million Baht. The cash of 12.2 million Baht was used in investing activities to purchase computer equipment to improve the operational efficiency. However, the Company has cash received from financial activities 365.7 million baht, which is a result of cash received from capital increase 604.1 million baht which was the cash withdrawal from short-term loans from financial institutions to be the additional cash reserve during the COVID-19 pandemic situation. Consequently, the Company's cash flow increased

for 200.0 million Baht net and the balance of cash and cash equivalents on 31 December 2020 was 128.4 million Baht.

In 2021, the Company still used most of cash in hire purchase portfolio expansion. Although the Company approved loan application carefully to prevent risk from debtor quality due to the COVID-19 pandemic situation, the new hire purchase loan amount of the Company still had higher growth than the same period of previous year by 75.4%. However, the Company could confiscate more collaterals from receivables with defaulted payment and gained cash back from disposal on such collaterals. As a result, the Company received net cash from operating activities for 970.6 million Baht in 2021. The cash of 64.4 million Baht was used in investing activities to purchase land, improve building, purchase computer equipment and invested in a subsidiary company. However, the Company received cash from financing activities for 982.6 million Baht which was the cash from issue debenture totaling 1,052.9 million Baht. Consequently, the Company's cash flow increased for 10.6 million Baht and the balance of cash and cash equivalents on 31 December 2020 was 139.0 million Baht.

Micro Leasing Public Company Limited

Liquidity

The assessment of current liquidity condition of the Company can be considered from the comparison of the repayment schedule for loans from financial institutions and loans from related persons as of 31 December 2021 and the installment payment due from receivables over different periods as follows:

Period	Loan repayment due (million Baht)	Installments to be received from receivables (million Baht)
Withing 1 year	467.0 ¹	1,093.0
• Over 1 year but not over 2 years	997.1	841.4
• Over 2 years but not over 3 years	353.5	790.9
• Over 3 years	92.6	938.7
• Receivables with credit impairment ²	-	131.8
Total	1,910.2	3,795.8

¹ Loans due within 1 year consisted of short-term loans from financial institutions and related persons, short-term loans from other persons, and long-term loans from financial institutions due within 1 year.

² Receivable with credit impairment in the above table meant receivables with over 3 months overdue and receivables under legal action.

On 31 December 2021, the Company had loans with payment due within 1 year of 467.0 million Baht which included loans from financial institutions of 300.29 million Baht, loans from related persons of 150.8 million Baht, and loans from other persons of 16.0 million Baht, which were higher than the installment payment of receivables within 1 year for 1,934.4 million Baht. However, the short-term loans from a financial institution had a balance on with the term of loan agreement of 4 years. However, since the bank considered the agreement renewal on the annual basis, the Company classified the whole

amount as the short-term loans. Such loans had due payment on the monthly. The Company did not have to repay such loans for the whole amount within 1 year.

The short-term loan from another financial institution had a balance which was the Revolving Credit which could be borrowed up to the credit limit once the loan was fully repaid. The short-term loan from related persons due within 1 year for the amount of 150.8 million Baht was the short-term loan from directors and/or shareholders or related persons to such persons who have been the good supporters

on funding to the Company. In the past, the Company had never been recalled for repaying debt prematurely and the Company was able to continue to renew the loan agreement.

Moreover, as of 31 December 2021, the Company had credit limit from financial institutions which has not yet been withdrawn for 1,340.0 million Baht. This amount could be used as the reserve of fund for the Company. These factors reflected the credibility and sufficiency of the Company's current financial position.



Micro Leasing Public Company Limited



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Independent Auditor's Report

To the Shareholders of Micro Leasing Public Company Limited

Opinion

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

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

Basis for Opinion

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

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Emphasis of Matters

I draw attention to Note 1.2 and Note 7.2 to the financial statements regarding the COVID-19 pandemic which is impacting various businesses and industries. This situation could bring uncertainties and may be impacting the Group's operating results and cash flows in the future; and due to the impact of the COVID-19 situation, the Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as issued by the Federation of Accounting Professions in preparing the financial statements. My opinion is not modified in respect of this matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Allowance for expected credit loss of hire purchase receivables

As discussed in Note 7 to the financial statements, as at 31 December 2021, the Company had hire purchase receivables of Baht 3,796 million (accounting for 94% of total assets) and allowances for expected credit loss amounting to Baht 162 million, which are amounts substantially material to the financial statements. The calculation of allowance for expected credit loss requires complex calculation modeling, which involves the use of significant management judgements and estimates in the model development, the calculation of probability of default, the loss given default, the exposure at default, the selection of the future economic variables to be incorporated in the models, and the management overlay adjustment to the allowance for expected credit loss due to the limitations of the model. Because of the materiality and the use of management's significant judgement and estimates, I addressed the adequacy of allowances for expected credit loss of hire purchase receivables as a key audit matter.

Micro Leasing Public Company Limited



I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relating to loan origination, loan repayment, the assessment of probability of default and loss given default, exposure at default as well as the calculation of allowance for expected credit loss of hire purchase receivables, and tested, on a sampling basis, the relevant controls over the information technology systems. Moreover, I assessed and tested the reasonableness of the expected credit loss model, the rules and criterias applied by the Company in the assessment of significant increase in credit risk, including data used in the model design, the effectiveness of model for significant group of receivables, the governance process over the model development by reviewing model documentation, testing, on a sampling basis, the accuracy and completeness of the data used in model development, and assessing the methods and assumptions applied in the calculation. I assessed the reasonableness of macroeconomic factors and probability-weighted in each scenario. Moreover, I examined the allowances for expected credit loss by testing, on a sampling basis, the classification of hire purchase receivables based on the change in credit risk since initial recognition and recalculating the allowance for expected credit loss as at the end of the accounting period, including testing the completeness of the data used in the calculation of the allowance for expected credit loss.

Recognition of interest income from hire purchase

For the year 2021, the Company recognised interest income from hire purchase amounting to Baht 504 million (accounting for 80 percent of total income), which is considered main income of the Company. The Company recognised interest income using the effective interest rate method, and the income is generated from loans provided to a large number of customers and high volume of transactions. I therefore focused my audit on whether interest income from hire purchase receivables is recognised correctly, appropriately in a timely manner.

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I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relevant to the process of loan origination, interest income recognition, loan repayment, including related internal controls over information systems, by inquiring of management to gain an understanding, assessing the methods applied by the management including testing, on a sampling basis, the accuracy of the data and the calculation. In addition, I applied a sampling method in selecting hire purchase agreements to consider whether the recording loans transactions and the recognition of income complied with the conditions stipulated in the relevant agreement and is adjusted in line with the effective interest rate according to the income recognition policy. I also performed analytical procedures on interest income and tested, on a sampling basis, significant adjustments made through journal vouchers.

Other Information

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

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

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

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

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

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

Micro Leasing Public Company Limited



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Somjai Khunapasut
Certified Public Accountant (Thailand) No. 4499

EY Office Limited
Bangkok: 25 February 2022

Micro Leasing Public Company Limited

Micro Leasing Public Company Limited and its subsidiary

Statements of financial position

As at 31 December 2021

(Unit: Baht)

		Consolidated financial	Separate financial	
		statements	statements	
	Note	2021	2021	2020
Assets				
Current assets				
Cash and cash equivalents	6	141,528,780	138,949,580	128,382,356
Current portion of hire purchase receivables - net	7	1,126,939,900	1,126,939,900	795,370,376
Assets foreclosed - net	8	11,308,567	11,308,567	6,749,366
Other receivables		14,606,735	14,585,806	12,577,812
Other current assets		7,182,295	7,176,053	4,690,552
Total current assets		1,301,566,277	1,298,959,906	947,770,462
Non-current assets				
Hire purchase receivables - net of current portion	7	2,506,916,763	2,506,916,763	1,648,678,614
Restricted bank deposits	9	63,001,000	63,001,000	38,000,000
Investment in subsidiary	10	-	2,999,800	-
Land, buildings and equipment - net	11	96,147,288	96,073,609	70,871,225
Right-of-use assets - net	12.1	28,298,276	28,298,276	20,346,320
Intangible assets - net	13	6,340,300	6,145,300	5,172,592
Deferred tax assets	14.1	30,400,113	30,400,113	23,172,249
Other non-current assets		1,810,892	1,810,892	1,109,721
Total non-current assets		2,732,914,632	2,735,645,753	1,807,350,721
Total assets		4,034,480,909	4,034,605,659	2,755,121,183

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

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Micro Leasing Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 December 2021

(Unit: Baht)				
	Note	Consolidated financial	Separate financial	
		statements	statements	
		2021	2021	2020
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans from financial institutions	15	70,000,000	70,000,000	255,229,165
Short-term loans from related persons	16	120,000,000	120,000,000	120,000,000
Short-term loans from others	17	16,000,000	16,000,000	9,200,000
Trade and other payables	18	89,963,500	89,911,432	59,527,571
Current portion of long-term loans from financial institutions	19	230,246,933	230,246,933	144,635,258
Current portion of long-term loans from related persons	20	30,800,000	30,800,000	141,600,000
Current portion of lease liabilities	12.2	10,077,317	10,077,317	7,471,595
Income tax payable		29,639,775	29,639,775	24,679,682
Other current liabilities		17,355,443	17,348,008	18,641,685
Total current liabilities		614,082,968	614,023,465	780,984,955
Non-current liabilities				
Long-term loans from financial institutions				
- net of current portion	19	390,214,325	390,214,325	88,343,089
Long-term loans from related persons - net of current portion	20	-	-	44,000,000
Long-term debentures - net	21	1,043,976,129	1,043,976,129	-
Lease liabilities - net of current portion	12.2	18,058,939	18,058,939	12,375,127
Provision for long-term employee benefits	22	9,788,601	9,788,601	6,369,397
Total non-current liabilities		1,462,037,994	1,462,037,994	151,087,613
Total liabilities		2,076,120,962	2,076,061,459	932,072,569

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

Micro Leasing Public Company Limited

Micro Leasing Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements	Separate financial statements	
	Note	2021	2021	2020
Shareholders' equity				
Share capital				
Registered				
935,000,000 ordinary shares of Baht 1 each	23	935,000,000	935,000,000	935,000,000
Issued and fully paid up				
935,000,000 ordinary shares of Baht 1 each	23	935,000,000	935,000,000	935,000,000
Share premium	23	372,804,000	372,804,000	372,804,000
Retained earnings				
Appropriated - statutory reserve	24	21,800,000	21,800,000	12,400,000
Unappropriated		628,755,947	628,940,200	502,844,614
Equity attributable to the Company		1,958,359,947	1,958,544,200	1,823,048,614
Non-controlling interests of the subsidiary		-	-	-
Total shareholders equity		1,958,359,947	1,958,544,200	1,823,048,614
Total liabilities and shareholders' equity		4,034,480,909	4,034,605,659	2,755,121,183

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

Directors

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Micro Leasing Public Company Limited and its subsidiary

Statements of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

		Consolidated financial statements	Separate financial statements	
	Note	2021	2021	2020
Profit or loss:				
Revenues				
Interest income from hire purchase		503,928,250	503,928,250	355,621,296
Fee and service income		119,878,700	119,878,700	77,936,105
Other income		8,554,420	8,569,497	10,916,421
Total revenues		632,361,370	632,376,447	444,473,822
Expenses				
Selling and administrative expenses		186,140,922	185,971,746	152,723,737
Expected credit loss	26	112,038,453	112,038,453	26,727,268
Loss from assets foreclosed	27	43,581,026	43,581,026	40,919,123
Total expenses		341,760,401	341,591,225	220,370,128
Profit from operating activities		290,600,969	290,785,222	224,103,694
Finance cost	28	(63,157,856)	(63,157,856)	(47,903,560)
Profit before income tax expenses		227,443,113	227,627,366	176,200,134
Income tax expenses	14.2	(39,978,700)	(39,978,700)	(41,107,941)
Profit for the year		187,464,413	187,648,666	135,092,193
Other comprehensive income:				
<i>Items not to be recognised in profit or loss in subsequent periods</i>				
Actuarial gain (loss)		(911,270)	(911,270)	480,804
Less: Income tax	14.2	182,254	182,254	(96,161)
Other comprehensive income for the year (loss)		(729,016)	(729,016)	384,643
Total comprehensive income for the year		186,735,397	186,919,650	135,476,835
Earning per share	30			
Basic earning per share		0.20	0.20	0.18
Weighted average number of ordinary shares (Shares)		935,000,000	935,000,000	763,565,574

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

Micro Leasing Public Company Limited

Micro Leasing Public Company Limited and its subsidiary
Statements of changes in shareholders' equity
For the year ended 31 December 2021

Consolidated financial statements							(Unit: Baht)
	Issued and paid-up capital	Share premium	Retained earnings		Equity attributable to the Company	Non-controlling interests of the subsidiary	Total
			Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2020	700,000,000	-	5,600,000	374,167,778	1,079,767,778	-	1,079,767,778
Increase share capital (Note 23)	235,000,000	372,804,000	-	-	607,804,000	-	607,804,000
Appropriated profit to statutory reserve (Note 24)	-	-	6,800,000	(6,800,000)	-	-	-
Profit for the year	-	-	-	135,092,193	135,092,193	-	135,092,193
Other comprehensive income for the year	-	-	-	384,643	384,643	-	384,643
Total comprehensive income for the year	-	-	-	135,476,836	135,476,836	-	135,476,836
Balance as at 31 December 2020	935,000,000	372,804,000	12,400,000	502,844,614	1,823,048,614	-	1,823,048,614
Balance as at 1 January 2021	935,000,000	372,804,000	12,400,000	502,844,614	1,823,048,614	-	1,823,048,614
Appropriated profit to statutory reserve (Note 24)	-	-	9,400,000	(9,400,000)	-	-	-
Profit for the year	-	-	-	187,464,413	187,464,413	-	187,464,413
Other comprehensive income for the year	-	-	-	(729,016)	(729,016)	-	(729,016)
Total comprehensive income for the year	-	-	-	186,735,397	186,735,397	-	186,735,397
Dividend paid (Note 31)	-	-	-	(51,424,054)	(51,424,054)	-	(51,424,054)
Balance as at 31 December 2021	935,000,000	372,804,000	21,800,000	628,755,947	1,958,359,947	-	1,958,359,947

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

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Micro Leasing Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the year ended 31 December 2021

	Separate financial statements				(Unit: Baht)
	Issued and paid-up capital	Share premium	Retained earnings		
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2020	700,000,000	-	5,600,000	374,167,778	1,079,767,778
Increase share capital (Note 23)	235,000,000	372,804,000	-	-	607,804,000
Appropriated profit to statutory reserve	-	-	6,800,000	(6,800,000)	-
(Note 24)	-	-	-	-	-
Profit for the year	-	-	-	135,092,193	135,092,193
Other comprehensive income for the year	-	-	-	384,643	384,643
Total comprehensive income for the year	-	-	-	135,476,836	135,476,836
Balance as at 31 December 2020	935,000,000	372,804,000	12,400,000	502,844,614	1,823,048,614
Balance as at 1 January 2021	935,000,000	372,804,000	12,400,000	502,844,614	1,823,048,614
Appropriated profit to statutory reserve	-	-	9,400,000	(9,400,000)	-
(Note 24)	-	-	-	-	-
Profit for the year	-	-	-	187,648,666	187,648,666
Other comprehensive income for the year (loss)	-	-	-	(729,016)	(729,016)
Total comprehensive income for the year	-	-	-	186,919,650	186,919,650
Dividend paid (Note 31)	-	-	-	(51,424,064)	(51,424,064)
Balance as at 31 December 2021	935,000,000	372,804,000	21,800,000	628,940,200	1,958,544,200

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

Micro Leasing Public Company Limited

Micro Leasing Public Company Limited and its subsidiary

Cash flow statements

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Cash flows from operating activities			
Profit before income tax	227,443,113	227,627,366	176,200,134
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities			
Depreciation and amortisation	20,078,667	20,077,125	16,998,876
Expected credit loss	128,489,042	128,489,042	36,306,858
Loss on confiscation assets	69,123,816	69,123,816	58,500,352
Gain on disposals of assets foreclosed	(25,542,790)	(25,542,790)	(17,581,229)
Loss (gain) on disposals of equipment	(484,110)	(484,110)	81,741
Provision for long-term employee benefits	2,507,934	2,507,934	2,049,643
Interest income from hire purchase	(503,928,250)	(503,928,250)	(355,621,296)
Finance cost	63,157,856	63,157,856	47,903,560
Loss from operating activities before changes in operating assets and liabilities	(19,154,722)	(18,972,011)	(35,161,361)
Decrease (increase) in operating assets			
Hire purchase receivables	(1,337,720,370)	(1,337,720,370)	(595,337,751)
Assets foreclosed	20,983,589	20,983,589	14,736,333
Other receivables	(2,576,154)	(2,555,225)	(5,383,260)
Other current assets	(2,491,743)	(2,485,600)	(2,435,473)
Other non-current assets	(614,765)	(614,765)	(74,396)
Increase (decrease) in operating liabilities			
Trade and other payables	22,896,373	22,844,305	45,992,549
Other current liabilities	(1,286,241)	(1,293,677)	1,110,232
Cash flows used in operating activities	(1,319,964,033)	(1,319,813,654)	(576,553,127)
Cash received from interest income from hire purchase	454,228,913	454,228,913	336,710,456
Cash paid for income tax	(42,064,218)	(42,064,218)	(31,709,432)
Net cash flows used in operating activities	(907,799,338)	(907,648,959)	(271,552,103)

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

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Micro Leasing Public Company Limited

Cash flow statements (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Cash flows from investing activities			
Increase in restricted bank deposits	(25,001,000)	(25,001,000)	-
Cash paid for acquisitions of land, buildings and equipment	(34,501,785)	(34,426,564)	(11,030,835)
Cash paid for acquisitions of intangible assets	(3,108,497)	(2,913,497)	(1,186,496)
Cash received from disposals of land, buildings and equipment	963,471	963,471	-
Investment in subsidiary	-	(2,999,800)	-
Net cash flows used in investing activities	(61,647,811)	(64,377,390)	(12,217,331)
Cash flows from financing activities			
Decrease in short-term loans from financial institutions	(185,229,165)	(185,229,165)	(248,104,163)
Increase (decrease) in short-term loans from others	6,800,000	6,800,000	(20,000,000)
Cash received from long-term loans from financial institutions	740,000,000	740,000,000	200,000,000
Repayment of long-term loans from financial institutions	(352,517,089)	(352,517,089)	(50,731,865)
Repayment of long-term loans from related persons	(154,800,000)	(154,800,000)	(64,400,000)
Cash received from issuance of debentures	1,052,900,000	1,052,900,000	-
Cash paid for expenses of issuance from debentures	(10,723,200)	(10,723,200)	-
Repayment of liabilities under lease and hire purchase agreements	(9,523,373)	(9,523,373)	(7,521,449)
Cash received from capital increase	-	-	604,067,500
Cash paid for dividend	(51,424,064)	(51,424,064)	-
Interest expenses	(52,889,536)	(52,889,536)	(47,629,943)
Net cash flows from financing activities	982,593,573	982,593,573	365,680,080
Net increase in cash and cash equivalents	13,146,424	10,567,224	81,910,646
Cash and cash equivalents at beginning of year	128,382,356	128,382,356	46,471,710
Cash and cash equivalents at the end of year	141,528,780	138,949,580	128,382,356
Supplemental cash flows information			
Non-cash transactions			
Asset foreclosed received for debts settlement	213,266,666	213,266,666	176,792,843
Receivable from sale of assets	-	-	460,000
Increase in right-of-use assets and lease liabilities	17,795,273	17,795,273	4,164,055

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

Micro Leasing Public Company Limited

Micro Leasing Public Company Limited and its subsidiary

Notes to consolidated financial statements

For the year ended 31 December 2021

1. General information

1.1 Corporate information

Micro Leasing Public Company Limited ("the Company") was incorporated as a company limited and domiciled in Thailand. The Company is principally engaged in the providing financial services specifically hire-purchase for six-wheel and ten-wheel trucks. The Company's registered address is 863/3 Phetkasem Road, Sanamchan Sub-District, Muang Nakhon Pathom District, Nakhon Pathom. The Company has 18 branches (31 December 2020: 11 branches).

1.2 Coronavirus disease 2019 Pandemic

Coronavirus disease 2019 Pandemic is adversely most impacting businesses and industries. This situation could bring uncertainties and may have an impact on the Group's operating results and cash flows in the future. The Group's management has closely monitored the situation and continuously assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, as well as the cash flow management of the Group, and has used estimates and judgement in various matters in order to continuously assess the impact as the situation evolves.

2. Basis for the preparation of financial statements

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

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2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Micro Leasing Public Company Limited ("the Company") and Micro Insure Broker Company Limited ("the subsidiary"), which domiciled in Thailand and is principally engaged in non-life and life insurance broker. The Company holds 99.99% of the subsidiary's shares.
- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and the subsidiary have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 Separate financial statements

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

Micro Leasing Public Company Limited

3. New financial reporting standards

3.1 New financial reporting standards that will become effective for current year

During the year 2021, the Company and its subsidiary has adopted the revised financial reporting standards and interpretations which are effective for fiscal year 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 Company and its subsidiary's financial statements.

3.2 Financial reporting standards that will become effective for fiscal year 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 year 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 Company and subsidiary believe that adoption of these amendments will not have any significant impact on the Company and its subsidiary's financial statements.

3.3 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 that will become effective for fiscal year 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 ("BOT") 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 BOT. Such entities include credit card business, business providing loans secured against vehicle registrations, personal loan business under the supervision of the BOT and certain entities not under the supervision of the BOT, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses.

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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 BOT 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 immediately classified as loans with no significant increase in credit risk (Performing or Stage 1) without compliance monitoring, provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
- Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
- Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or Stage 1 if the debtor is considered able to comply with the debt restructuring agreement.
- Loans are classified as loans that there has been a significant increase in credit risk (Under-performing or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due.
- A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.

b) In cases of the debt restructuring involving only a payment timeline extension, e.g. an extension of payment period, a provision of grace period on principal and/or interest payments, a conversion of short-term debts to long-term debts, 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 BOT 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.

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- c) Expected credit losses are determined based on the outstanding balance of the drawn down portion only.
- 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 BOT 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 BOT 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 announcement of The Federation of Accounting Professions No.17/2563 "Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy" dated 16 April 2020.

The management of the Company is evaluating the impact on the financial statements if the Company adopts this accounting guidance.

4. Significant accounting policies

4.1 Revenue recognition

- a) Interest income from hire purchase

The Company recognises interest income from hire purchase on an accrual basis, using the effective interest rate method over the lease term and calculation based on the gross carrying amount of hire purchase receivables. Effective interest rate is the discount rate of estimated future cash flows over the expected life of the financial instruments, consider fees and costs that are an integral part of the effective interest rate.

When the hire purchase receivables subsequently become credit-impaired, interest income from hire purchase is calculated by using the effective interest rate method on the net carrying amount (gross book value net of an allowance for expected credit loss) of the receivables. Subsequently, if the hire purchase receivables is no longer credit-impaired, the Company reverts to calculate interest income on gross carrying amount.

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Initial direct income and expenses at inception of hire purchase are to be deferred and amortised using the effective interest rate method, with amortisation deducted from interest income from hire purchase throughout the contract period to reflect the effective rate of return on the contracts.

b) Fee and service income

Fee and service income are recognised on accrual basis, except fees that are integral part of interest rate. Fee income from late payment is recognised when received.

4.2 Expense recognition - Finance cost

Interest expenses from financial liabilities measured at amortised cost, calculated using the effective interest method and recognised on an accrual basis.

4.3 Financial Instruments

The Company and its subsidiary classify and measure financial assets and financial liabilities as following.

Financial assets

The Company and its subsidiary classify its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Company and its subsidiary business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

All financial assets of the Company and its subsidiary are classified and measured at amortised cost because of following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially measured at its fair value plus transaction costs and subsequently measured at amortised cost net of allowance for expected credit loss (if any).

Financial liabilities

The Company and its subsidiary classify financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using effective interest rate method.

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Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company and its subsidiary have a legal right to offset the amounts and intend to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company and its subsidiary have transferred substantially all the risks and rewards of the asset, or the Company and its subsidiary have transferred control of the asset.

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

4.4 Cash and cash equivalents

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

4.5 Hire purchase receivables

Hire purchase receivables are stated at the contract value net of unearned income, which is presented after net of fee income, commission expenses and initial direct cost on the inception of the contract.

4.6 Allowance for expected credit loss of financial assets

The Company uses a general approach to calculate the expected credit loss on its financial assets, such as deposits at financial institutions and hire purchase receivables.

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

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

For the financial assets where the credit risk has not increased significantly since initial recognition, the Company recognises allowance for expected credit loss at an amount equal to the expected credit loss of the next 12 months. For the financial assets where the remaining lease term are less than 12 months, the Company will use the probability of compliance agreement in accordance with the remaining lease term.

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

For the financial assets where the credit risk has increased significantly since initial recognition but that are not credit-impaired, the Company recognises allowance for expected credit loss at an amount equal to the lifetime expected credit loss of the financial assets.

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

Financial assets that are considered to be credit-impaired, the Company recognises allowance for expected credit loss at an amount equal to the lifetime expected credit loss of the financial assets.

At the end of each reporting period, the Company assesses whether the credit risk of a financial asset has increased significantly since the initial recognition date, by comparing the risk of default on the financial asset at the reporting date with the risk of default at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company applies both its own internal quantitative and qualitative indicators and forward-looking information in assessing deterioration in the credit quality of receivables, such as receivables that are more than 30 days past due. The Company assesses whether there has been a significant increase in credit risk since initial recognition on a collective basis.

Hire purchase receivables are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the hire purchase receivables have occurred. Evidence of a credit-impaired hire purchase receivable includes arrears for over 90 days or indications that the borrower is experiencing significant financial difficulty, the legal status, renegotiation of terms or distressed restructuring.

In subsequent periods, if the credit quality of financial assets improves and the assessment is that the significant increase in credit risk since the initial recognition date that was assessed in the previous period no longer applies, the Company changes from recognising expected credit loss over the expected lifetime to recognising the 12 month expected credit loss.

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When the terms of repayment of the hire purchase receivables are renegotiated or the term of the contractual cash flow are modified because the borrower are in financial difficulty, the borrower is considered to be a financial asset with a significant increase in credit risk or credit-impaired, unless there is evidence that the risk of that contractual cash flows will not be recoverable has decreased significantly and there are no indicators of impairment.

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

Increase (decrease) in an allowance for expected credit loss is recognised as expenses during the year in profit or loss in the statements of comprehensive income. The Company has a policy to write-off receivables when it has made appropriate efforts at recovery, for which there is clear evidence, and debts remain unsettled.

4.7 Financial assets with modifications of terms/Debt restructuring

When a financial asset's terms of repayment are renegotiated or modified, or debt is restructured, or an existing financial asset is replaced with a new financial asset because a borrower is having financial difficulties, the Company assesses whether to derecognise the financial asset and measures the expected credit loss, as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Company calculates the gross book value of the new financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises a gain or loss on modification of terms in profit or loss.

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- If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and the fair value of the financial asset is recognised in profit or loss.

If the debt restructuring agreement do not meet the criteria for derecognition as of the restructuring date, they continue to be classified as financial assets with significant increases in credit risk (stage 2) until the debtor be able to make payment in accordance with the debt restructuring agreement for not less than 3 months or 3 months installments consecutively, which ever is longer, or as financial assets that are credit-impaired (stage 3) until the debtor be able to make payment in accordance with the debt restructuring agreement for not less than 12 months or 12 installments consecutively, which ever is longer. At that point, they can reclassify as financial assets with no significant increase in credit risk (stage 1). If those debtors meet the criteria for derecognition as of the restructuring date, they are also classified as financial assets with no significant increase in credit risk (stage 1).

4.8 Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

During the year 2020, the Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the BOT No. BOT.RPD.(23)C. 276/2563 "Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy" and the circular of the BOT No. BOT.RPD.(01)C. 380/2563 "Measures to provide additional assistance to debtors during the COVID-19 situation" or any other measures announced by the BOT.

The guidance is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the BOT makes changes, with which the entities are to comply. The guidance applies to large debtors, small and medium-sized debtors and retail debtors who have the ability to run a business or to pay debts in the future and who have been impacted directly or indirectly by such situations, considering the following guidelines.

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- 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

The Company has entered into scheme to provide assistance to affected debtors that is in accordance with relief measures of BOT by using the followings accounting guidance;

- (1) Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it is a provision of assistance to debtors in accordance with the circular of the BOT No. BOT.RPD. (01)C. 380/2563, classification of the debtor remains at the same stage as before.
- (2) Non-performing loans (NPL) are classified as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- (3) The guidelines specified in the appendix of the circular of the BOT relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- (4) If the debt restructuring under the scheme to provide assistance causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan, the Company applies a newly calculated effective interest rate to determine the present value of loans that have been restructured and recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the BOT's new guidelines if there are changes.
- (5) In determining expected credit loss, consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on historical information reflecting ability to service debt.

In addition, on 19 June 2020 the BOT issued the circular of the BOT No. BOT.RPD.(01)C. 648/2563 "Measures to provide additional assistance to retail debtors during the COVID-19 phase 2 situation".

During the year 2021, the Company has entered into scheme to provide assistance to debtors and has used this Accounting Guidance as described in Note 7.

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4.9 Assets foreclosed

Assets foreclosed are assets seized from hire purchase receivables and stated at the lower of cost or net realisable value.

Gain (loss) on disposals of assets foreclosed are recognised in profit or loss in the statements of comprehensive income upon disposal. Loss on impairment (if any) is recognised in profit or loss in the statements of comprehensive income.

4.10 Investment in subsidiary

Investment in subsidiary, presented in the separate financial statements, is stated using cost method.

4.11 Land, buildings and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Buildings and building improvement	-	20 years
Furniture and office equipment	-	5 years
Computers and equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land.

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

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4.12 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease.

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

Land	3	years
Buildings	2 - 3	years
Equipment	3 - 5	years
Motor vehicles	5	years

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term.

The Company discounted the present value of the lease payments by the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

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4.13 Intangible assets and amortisation

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

The Company and its subsidiary amortised intangible assets with finite lives on a systematic basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is recognised as expenses in part of profit or loss in the statement of comprehensive income.

The intangible assets of the Company and its subsidiary are computer software that have useful lives of approximately 5 years.

4.14 Related party transactions

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

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

4.15 Impairment of non-financial assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the land, building and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss in the statements of comprehensive income (if any).

4.16 Employee benefits

a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

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b) Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gain and loss arising from defined benefit plans are recognised immediately in other comprehensive income.

4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

a) Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

b) Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

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At each reporting date, the Company and its subsidiary review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Provisions

Provisions are recognised when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiary apply a quoted market price in an active market to measure their assets and liabilities, except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiary measure fair value using valuation 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 Company and its subsidiary determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

5.1 Allowance for expected credit loss of hire purchase receivables

The management is required to use judgement in estimating allowance for expected credit loss of hire purchase receivables. The calculation of expected credit loss is based on complex models, use of a series of assumptions, the development of model, the assessments of an increase in credit risk, and probability of loan repayment, as well as the selection of forward-looking information. The estimates involve numerous variables, therefore, the actual results may differ from the estimates.

5.2 Allowance for impairment of assets foreclosed and loss on confiscation assets

In determining allowance for impairment of assets foreclosed and loss on confiscation assets, the management exercises judgement in estimating the anticipated loss on such assets, based on analysis of various factors, including net realisable value, historical data, the age of the assets and the prevailing economic conditions.

5.3 Land, buildings and equipment and depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual value of the buildings and equipment and to review estimate useful lives and residual value when there are any changes.

In addition, the management is required to review land, buildings and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.4 Leases

In determining the lease term, the management is required to exercise judgement in assessing whether the Company 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 Company to exercise either the extension or termination option.

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The management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

5.5 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.6 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5.7 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial	Separate financial statements	
	statements	2021	2020
	2021	2021	2020
Bank deposits - saving accounts	134,237	131,658	123,519
Bank deposits - current accounts	7,292	7,292	4,863
Total	141,529	138,950	128,382

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As at 31 December 2021, the Company and its subsidiary have bank deposits in saving accounts carried interest at rates between 0.10 - 0.25 percent per annum as determined by commercial banks (The Company only as at 31 December 2021 and 2020: 0.10 - 0.25 percent per annum and 0.05 - 0.12 percent per annum, respectively).

As at 31 December 2021, the outstanding balance amounting to Baht 19.5 million (2020: Baht 14.5 million) represented bank deposits for premiums that the Company received from policy holders. The Company must submit these premiums to insurers, and not use or exploit or deduct any expense from these premiums.

7. Hire purchase receivables

- 7.1 As at 31 December 2021 and 2020, the Company has hire purchase receivables which have general term of agreements between 18 to 72 installments and are payable in equal installment, with interest charged at fixed rates throughout the contracts. The balances of hire purchase receivables are classified by due date per the contract, as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	31 December 2021				
	Amounts due				
	Within 1 year ⁽¹⁾	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Hire purchase receivables	1,911,728	1,266,066	1,070,749	1,123,361	5,371,904
Less: Unearned income ⁽²⁾	(567,967)	(341,838)	(209,787)	(111,170)	(1,230,762)
Undue output tax	(118,915)	(82,828)	(70,049)	(73,491)	(345,283)
Present value of the minimum lease payment receivables	1,224,846	841,400	790,913	938,700	3,795,859
Less: Allowance for expected credit loss	(97,906)	(18,972)	(20,115)	(25,009)	(162,002)
Hire purchase receivables - net	1,126,940	822,428	770,798	913,691	3,633,857

⁽¹⁾ The balance of hire purchase receivables due within 1 year included credit - impaired receivables.

⁽²⁾ Net of deferred fee income, commission expenses and initial direct cost of hire purchase.

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(Unit: Thousand Baht)

Separate financial statements					
31 December 2020					
Amounts due					
	Over 1 year	Over 2 years			
	Within	but within	but within	Over	
	1 year ⁽¹⁾	2 years	3 years	3 years	Total
Hire purchase receivables	1,324,800	880,491	712,071	677,569	3,594,931
Less: Unearned income ⁽²⁾	(389,004)	(229,074)	(134,476)	(69,532)	(822,086)
Undue output tax	(82,348)	(57,602)	(46,584)	(44,327)	(230,861)
Present value of the minimum lease payment receivables	853,448	593,815	531,011	563,710	2,541,984
Less: Allowance for expected credit loss	(58,078)	(14,017)	(12,534)	(13,306)	(97,935)
Hire purchase receivables - net	795,370	579,798	518,477	550,404	2,444,049

⁽¹⁾ The balance of hire purchase receivables due within 1 year included credit - impaired receivables.⁽²⁾ Net of deferred fee income, commission expenses and initial direct cost of hire purchase.

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

(Unit: Thousand Baht)

Consolidated and separate financial statements		
31 December 2021		
	Hire purchase receivables - net of unearned income	Allowance for expected credit loss
Hire purchase receivables where there has not been a significant increase in credit risk	3,046,354	36,334
Hire purchase receivables where there has been a significant increase in credit risk	617,656	73,757
Hire purchase receivables that are credit - impaired	131,849	51,911
Total	3,795,859	162,002

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	(Unit: Thousand Baht)	
	Separate financial statements	
	31 December 2020	
	Hire purchase receivables - net of unearned income	Allowance for expected credit loss
Hire purchase receivables where there has not been a significant increase in credit risk	1,992,641	21,611
Hire purchase receivables where there has been a significant increase in credit risk	452,275	44,664
Hire purchase receivables that are credit - impaired	97,068	31,660
Total	2,541,984	97,935

During 2020 - 2021, the Company joined a scheme to provide assistance to affected debtors and has elected to apply the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy issued by the Federation of Accounting Professions. Some of the debtors assisted by the Company have already paid off/transferred assets for debt settlement and closed their accounts and some still gradually pay according to the new terms/conditions.

As at 31 December 2021 there were outstanding receivables under the assistance scheme totaling Baht 219 million, of which Baht 207 million provided to debtors involved suspending principal and interest payments for certain periods (31 December 2020: Baht 182 million), with the Company classifying these receivables at the same stage as they were before joining the scheme; and troubled debt restructuring receivables of Baht 12 million, with the Company still classified them at the same stage as they were before joining the scheme since these debtors are in compliance monitoring process of payment to cover 3 consecutive payment periods. If the debtors were able to comply with the debt restructuring agreement they are reclassified as loans with no significant increase in credit risk (Stage 1).

- 7.3** As at 31 December 2021 and 2020, the Company had transferred certain rights of claim under hire purchase agreements in order to secure credit facilities granted by a commercial bank, as mentioned in Note 15 and 19.

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7.4 Allowance for expected credit loss

Movement of allowance for expected credit loss (ECL) of hire purchase receivables for the years ended 31 December 2021 and 2020, are as follows:

(Unit: Thousand Baht)				
Consolidated and separate financial statements				
For the year ended 31 December 2021				
Allowance for expected credit loss				
	Financial assets where there has not been a significant increase in credit risk	Financial assets where there has been a significant increase in credit risk	Financial assets that are credit - impaired	Total
Hire purchase receivables				
Beginning balance	21,611	44,664	31,660	97,935
Stage changes	5,922	(8,771)	2,849	-
Changes due to revaluation of allowance for credit loss	(12,510)	30,166	58,453	76,109
New financial assets purchased or acquired	29,251	34,411	8,862	72,524
Derecognition of financial assets	(2,593)	(9,919)	(9,040)	(21,552)
Write-off	(5,347)	(16,794)	(40,873)	(63,014)
Ending balance	36,334	73,757	51,911	162,002

(Unit: Thousand Baht)				
Separate financial statements				
For the year ended 31 December 2020				
Allowance for expected credit loss				
	Financial assets where there has not been a significant increase in credit risk	Financial assets where there has been a significant increase in credit risk	Financial assets that are credit - impaired	Total
Hire purchase receivables				
Beginning balance	20,690	38,859	52,418	111,967
Stage changes	549	(4,832)	4,283	-
Changes due to revaluation of allowance for credit loss	(14,401)	6,535	19,637	11,771
New financial assets purchased or acquired	17,058	16,318	3,177	36,553
Derecognition of financial assets	(2,285)	(11,966)	(12,271)	(26,522)
Write-off	-	(250)	(35,584)	(35,834)
Ending balance	21,611	44,664	31,660	97,935

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8. Assets foreclosed

	(Unit: Thousand Baht)	
	Consolidated	Separate
	and separate	
	financial statements	financial statements
	2021	2020
Assets foreclosed - cost	11,309	6,749
Less: Allowance for impairment	-	-
Assets foreclosed - net	11,309	6,749

9. Restricted bank deposits

As at 31 December 2021, the Company had restricted bank deposits amounting to Baht 63 million in order to secure against loans from financial institutions as mentioned in Note 15 and 19 (2020: Baht 38 million).

10. Investment in subsidiary

Detail of investment in subsidiary as presented in separate financial statements is as follows:

Company's name	Nature of business	Paid-up capital		Shareholding percentage		Cost	
		2021	2020	2021	2020	2021	2020
		(Thousand	(Thousand	(%)	(%)	(Thousand	(Thousand
		Baht)	Baht)			Baht)	Baht)
Micro Insure Broker Company Limited	Insurance broker	3,000	-	99.99	-	2,999	-

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11. Land, buildings and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land	Buildings and building improvement	Furniture and office equipment	Computer and equipment	Motor vehicles	Assets under installation and construction	
Cost							
1 January 2020	35,569	20,674	8,488	14,323	18,428	44	97,526
Additions	-	496	763	2,964	-	7,767	11,990
Transfer in (transfer out)	-	261	-	7,550	-	(7,811)	-
31 December 2020	35,569	21,431	9,251	24,837	18,428	-	109,516
Additions	18,500	564	2,713	8,423	-	3,672	33,872
Disposal/write off	-	-	(38)	-	(999)	-	(1,037)
Transfer in (transfer out)	-	3,355	100	192	-	(3,647)	-
31 December 2021	54,069	25,350	12,026	33,452	17,429	25	142,351
Accumulated depreciation							
1 January 2020	-	6,056	4,769	5,119	15,053	-	30,997
Depreciation for the year	-	1,063	1,150	3,641	1,794	-	7,648
31 December 2020	-	7,119	5,919	8,760	16,847	-	38,645
Depreciation for the year	-	1,099	1,261	5,258	959	-	8,577
Disposal/ write off	-	-	(19)	-	(999)	-	(1,018)
31 December 2021	-	8,218	7,161	14,018	16,807	-	46,204
Net book value							
31 December 2020	35,569	14,312	3,332	16,077	1,581	-	70,871
31 December 2021	54,069	17,132	4,865	19,434	622	25	96,147
Depreciation for the year							
2020							7,648
2021							8,577

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(Unit: Thousand Baht)

Separate financial statements							
	Land	Buildings and building improvement	Furniture and office equipment	Computer and equipment	Motor vehicles	Assets under installation and construction	Total
Cost							
1 January 2020	35,569	20,674	8,488	14,323	18,428	44	97,526
Additions	-	496	763	2,964	-	7,767	11,990
Transfer in (transfer out)	-	261	-	7,550	-	(7,811)	-
31 December 2020	35,569	21,431	9,251	24,837	18,428	-	109,516
Additions	18,500	564	2,638	8,423	-	3,672	33,797
Disposals / write off	-	-	(38)	-	(999)	-	(1,037)
Transfer in (transfer out)	-	3,355	100	192	-	(3,647)	-
31 December 2021	54,069	25,350	11,951	33,452	17,429	25	142,276
Accumulated depreciation							
1 January 2020	-	6,056	4,769	5,119	15,053	-	30,997
Depreciation for the year	-	1,063	1,150	3,641	1,794	-	7,648
31 December 2020	-	7,119	5,919	8,760	16,847	-	38,645
Depreciation for the year	-	1,099	1,259	5,258	959	-	8,575
Disposals / write off	-	-	(19)	-	(999)	-	(1,018)
31 December 2021	-	8,218	7,159	14,018	16,807	-	46,202
Net book value							
31 December 2020	35,569	14,312	3,332	16,077	1,581	-	70,871
31 December 2021	54,069	17,132	4,792	19,434	622	25	96,074
Depreciation for the year							
2020							7,648
2021							8,575

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As at 31 December 2021 and 2020, the Company has certain items of furniture and fixtures, computer, equipment and vehicles which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 24 million and Baht 19 million, respectively.

As at 31 December 2021 and 2020, the Company has mortgaged land and buildings with their net book value of Baht 47 million and Baht 31 million, respectively, as collateral against credit facilities from financial institutions as mentioned in Note 15 and 19.

12. Right-of-use assets/lease liabilities

The Company has lease contracts for assets used in its operation. Leases generally have lease terms between 2 - 5 years.

12.1 Right-of-use assets

Movement of the right-of-use assets during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	Land	Buildings	Equipment	Motor vehicles	Total
Balance as at 1 January 2020	840	3,120	540	19,570	24,070
Additions	344	1,100	-	2,720	4,164
Disposals	-	-	-	(260)	(260)
Depreciation for the year	(441)	(2,131)	(134)	(4,922)	(7,628)
Balance as at 31 December 2020	743	2,089	406	17,108	20,346
Additions	-	9,702	581	7,512	17,795
Depreciation for the year	(459)	(3,022)	(213)	(6,149)	(9,843)
Balance as at 31 December 2021	284	8,769	774	18,471	28,298

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12.2 Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	Separate financial statements
	2021	2020
Lease payments	29,927	21,114
Less: Deferred interest expenses	(1,791)	(1,267)
Total	28,136	19,847
Less: Portion due within one year	(10,077)	(7,472)
Lease liabilities - net of current portion	18,059	12,375

Movements of lease liabilities for the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	Separate financial statements
	2021	2020
Balance at the beginning of year	19,847	23,149
Additions	17,795	4,164
Interest recognised	953	778
Lease payment	(10,459)	(8,244)
Balance at the end of year	28,136	19,847

12.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	Separate financial statements
	2021	2020
Depreciation expenses of right-of-use assets	9,843	7,628
Interest expenses on lease liabilities	953	779
Total	10,796	8,407

The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 10 million (31 December 2020: Baht 8 million).

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13. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer software		Total
	Computer software	in process	
Cost			
1 January 2020	8,433	461	8,894
Additions	1,374	380	1,754
Write-off	-	(282)	(282)
Transfer in (transfer out)	559	(559)	-
31 December 2020	10,366	-	10,366
Additions	1,129	1,697	2,826
Transfer in (transfer out)	1,264	(1,264)	-
31 December 2021	12,759	433	13,192
Accumulated amortisation			
1 January 2020	3,469	-	3,469
Amortisation during the year	1,724	-	1,724
31 December 2020	5,193	-	5,193
Amortisation during the year	1,659	-	1,659
31 December 2021	6,852	-	6,852
Net book value			
31 December 2020	5,173	-	5,173
31 December 2021	5,907	433	6,340
Amortisation recognised for the year			
2020			1,724
2021			1,659

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(Unit: Thousand Baht)

	Separate financial statements		
	Computer software		Total
	Computer software	in process	
Cost			
1 January 2020	8,433	461	8,894
Additions	1,374	380	1,754
Write-off	-	(282)	(282)
Transfer in (transfer out)	559	(559)	-
31 December 2020	10,366	-	10,366
Additions	1,129	1,502	2,631
Transfer in (transfer out)	1,264	(1,264)	-
31 December 2021	12,759	238	12,997
Accumulated amortisation			
1 January 2020	3,469	-	3,469
Amortisation during the year	1,724	-	1,724
31 December 2020	5,193	-	5,193
Amortisation during the year	1,659	-	1,659
31 December 2021	6,852	-	6,852
Net book value			
31 December 2020	5,173	-	5,173
31 December 2021	5,907	238	6,145
Amortisation recognised for the year			
2020			1,724
2021			1,659

As at 31 December 2021, the Company's computer software has remaining amortisation period between 1 - 5 years (2020: 1 - 5 years).

As at 31 December 2021 and 2020, the Company has certain items of computer software which were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounting to Baht 3.12 million.

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14. Deferred tax assets and income tax expenses

14.1 Deferred tax assets/ deferred tax liabilities

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements 31 December 2021	Separate financial statements 31 December 2020	Changes in deferred tax assets or liabilities in profit or loss for the years ended 31 December	
			2021	2020
Deferred tax assets				
Allowance for doubtful accounts	-	-	-	(22,393)
Allowance for expected credit loss	32,400	19,587	12,813	19,587
Loss on confiscation/ disposal of assets foreclosed	13,347	9,735	3,612	5,849
Provision for long-term employee benefits	1,958	1,274	502	410
Leases contracts	128	61	67	61
Others	89	97	(8)	(82)
Total	47,922	30,754		
Deferred tax liabilities				
Net of deferred fee income, commission expenses and initial direct cost of hire purchase	15,737	7,582	(8,155)	(1,025)
Expenses for issuance of debentures	1,785	-	(1,785)	-
Total	17,522	7,582		
Deferred tax assets - net	30,400	23,172	7,046	2,407

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14.2 Income tax expenses

Income tax expenses for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Current income tax:			
Current income tax charge for the year	59,626	59,626	39,779
Adjustments of prior year's tax	(12,601)	(12,601)	-
Effect of income tax related to the expenses from share offering (Note 23)	-	-	3,736
Deferred tax:			
Deferred tax relating to origination and reversal of temporary differences	(7,046)	(7,046)	(2,407)
Income tax expenses reported in the statements of comprehensive income	39,979	39,979	41,108

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Deferred tax relating to actuarial gain (loss)	(182)	(182)	96

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Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Accounting profit before tax	227,443	227,627	176,200
Applicable tax rate	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	45,488	45,525	35,240
Temporary difference not treated as deductible expenses and not recognised as deferred tax assets	8	8	5,587
Effects of additional expenses and non-deductible expenses	7,049	7,047	281
Adjustments of prior year's tax	(12,601)	(12,601)	-
Unused tax loss not recognised to deferred tax assets	35	-	-
Income tax expenses reported in the statements of comprehensive income	39,979	39,979	41,108

15. Short-term loans from financial institutions

As at 31 December 2021, the Company has loans in the form of promissory notes from domestic commercial banks amounting to Baht 70 million (2020: Baht 255 million) which carry interest at MLR minus fixed rate per annum. The principal repayment of loans are due within 3 months from the drawdown date, with interest payment is due on a monthly basis.

The above mentioned loans are secured by bank deposit, the mortgage of land and building owned by the Company, and the registration of business securities such as the right to claim from receivables under hire purchase contracts.

The Company must comply with loan covenants regarding, among other things, ratio of total debt to equity, ratio of total loans from financial institutions to total hire purchase receivables and ratio of non-performing loans plus assets foreclosed to total loans.

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As at 31 December 2021, the Company has Baht 940 million for short-term and overdraft credit facilities from financial institutions which have not yet been drawn down (2020: Baht 445 million).

16. Short-term loans from related persons

As at 31 December 2021, the Company has short-term loans from related persons amounting to Baht 120 million. The loans carry interest at fixed rate per annum with monthly interest payment. The principal repayment of loans are due within 1 year from the drawdown date (2020: Baht 120 million).

17. Short-term loans from others

As at 31 December 2021, the Company has short-term loans from others amounting to Baht 16 million. The loans carry interest at fixed rate per annum with monthly interest payment. The principal repayment of loans are due within 1 year from the drawdown date (2020: Baht 9 million).

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Trade payables	38,537	38,550	23,730
Other payables	1,977	1,977	2,295
Accrued expenses	19,919	19,853	17,416
Accrued interest	8,810	8,810	359
Insurance premiums suspense	19,600	19,600	14,559
Others	1,121	1,121	1,169
Total	89,964	89,911	59,528

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19. Long-term loans from financial institutions

Repayment term	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	Separate financial statements
	2021	2020
a) Long - term loans with credit line of Baht 100 million, repayable monthly within 3 years from the drawdown date, carrying interest at THBFIX plus fixed rate per annum, interest payable monthly.	15,624	49,968
b) Long - term loans with credit line of Baht 200 million, repayable monthly within 2 years from the drawdown date, carrying interest rate at fixed rate per annum, interest payable monthly.	81,345	183,010
c) Long - term loans with credit line of Baht 200 million, repayable monthly within 4 years from the drawdown date, carrying interest rate at MLR less fixed rate per annum, interest payable monthly.	86,871	-
d) Long - term loans with credit line of Baht 240 million, repayable monthly within 3 years 6 months from the drawdown date, carrying interest rate at MLR less fixed rate per annum, interest payable monthly.	240,000	-
e) Long - term loans with credit line of Baht 200 million, repayable monthly within 4 years from the drawdown date, carrying interest rate at MLR less fixed rate per annum, interest payable monthly.	196,621	-
Long - term loans from financial institutions	620,461	232,978
Less: Current portion	(230,247)	(144,635)
Long - term loans from financial institutions - net of current portion	390,214	88,343

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The loans a) are secured by bank deposits of shareholders.

The loans b) and d) are guaranteed by the Company's directors and major shareholders, and the loans c) are secured by the Company's bank deposits. In additions loans b), c), d) and e) are also guaranteed by registration of business securities such as the right to claim from receivables under hire purchase contracts. In addition, the Company also has to comply with loan covenants regarding, among other things, ratio of total debt to equity, ratio of non-performing loans plus assets foreclosed to total loans, maintaining of major shareholders ratio.

As at 31 December 2021, the Company has Baht 400 million for long-term loans from financial institutions which have not yet been drawn down (2020: none).

20. Long-term loans from related persons

As at 31 December 2021, the Company has loans from directors repayable within 5 years from the drawdown date (repayable within 2021 - 2022 at maturity date), carrying interest at fixed rate per annum, with interest payment is due on monthly basis.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	Separate financial statements
	2021	2020
Long-term loans from related persons	30,800	185,600
Less: Current portion	(30,800)	(141,600)
Long-term loans from related persons - net of current portion	-	44,000

As at 31 December 2021, the Company has credit line of Baht 69 million for long-term loans from related persons which have not yet been drawn down (2020: Baht 514 million).

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21. Long - term debentures

As at 31 December 2021, the Company had issued name registered, unsubordinated, unsecured and bond holder representative debentures with interest payable every 3 months.

(Unit: Thousand Baht)

Consolidated and separate financial statements				
2021				
Date of issuance	Debenture period	Maturity date	Interest rate (% p.a.)	Amount
28 May 2021	2 years	28 May 2023	5.55	500,000
29 October 2021	2 years	29 October 2023	5.25	349,300
29 October 2021	3 years	29 October 2024	5.50	203,600
Total				1,052,900
Less: Deferred issuing costs				(8,924)
Long - term debentures - net				1,043,976

22. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, were as follows:

(Unit: Thousand Baht)

	For the year ended 31 December	
	Consolidated and separate financial statements	Separate financial statements
	2021	2020
Provision for long-term employee benefits at beginning of year	6,369	4,801
Recognised in profit or loss:		
Current service cost	2,423	1,969
Interest cost	86	79
Recognised in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumption changes	(745)	(71)
Financial assumption changes	(313)	246
Experience adjustments	1,969	(655)
Provision for long-term employee benefits at end of year	9,789	6,369

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The Company does not expect to pay long-term employee benefits during the next year.

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 9 years (2020: 12 years).

The principal actuarial assumptions were as follows:

	(Units: Percent per annum)	
	Consolidated and separate financial statements	Separate financial statements
	2021	2020
Discount rate	1.70	1.34
Future salary increase rate	5.00	5.00
Turnover rate	0 - 20	0 - 19

The result of sensitivity analysis for significant assumptions that affect the increasing (decreasing) of present value of long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements		Separate financial statements	
	2021		2020	
	Increase rate 0.5%	Decrease rate 0.5%	Increase rate 0.5%	Decrease rate 0.5%
	Provision increase (decrease)	Provision increase (decrease)	Provision increase (decrease)	Provision increase (decrease)
Discount rate	(342)	368	(370)	402
Salary increase rate	354	(333)	386	(360)
Turnover rate	(370)	121	(399)	159

23. Share capital

In September 2020, the Company issued 235 million ordinary shares at par value of Baht 1 each, totaling Baht 235 million through Initial Public Offering at the offering price of Baht 2.65 each, totaling Baht 622 million with share premium of Baht 373 million (net of offering expenses and related income tax amounting to Baht 15 million). The Company registered its capital increase with the Ministry of Commerce on 25 September 2020. Therefore, the Company has issued and fully paid up share capital at 935 million ordinary shares of Baht 1 each.

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As at 31 December 2021 and 2020, the Company had registered and paid-up share capital as follows:

	2021		2020	
	Number of shares (Million shares)	Amount (Million Baht)	Number of shares (Million shares)	Amount (Million Baht)
Registered capital				
Registered capital at beginning of the year	935	935	935	935
Registered capital at end of the year	935	935	935	935
Issued and paid-up capital				
Issued and paid-up capital at beginning of the year	935	935	700	700
Capital increase in the amount of 235 million ordinary shares at par value of Baht 1 each	-	-	235	235
Issued and paid-up capital at end of the year	935	935	935	935

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2021, the Company appropriated profit of Baht 9.4 million to statutory reserve (2020: Baht 6.8 million).

25. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure and maximise shareholder value. As at 31 December 2021, the Company's debt to equity ratio is 1.06:1 (2020: 0.51:1).

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26. Expected credit loss

Expected credit loss and loss from contract modification of hire purchase receivables for the years ended 31 December 2021 and 2020 are as follows.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	Separate financial statements
	2021	2020
Expected credit loss	127,083	26,173
Loss from contract modification	1,406	10,134
Bad debt recovery	(16,451)	(9,580)
Total	112,038	26,727

27. Loss from assets foreclosed

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	Separate financial statements
	2021	2020
Loss on confiscation assets	69,874	58,500
Gain on disposal of assets foreclosed	(26,293)	(17,581)
Total	43,581	40,919

28. Finance cost

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	Separate financial statements
	2021	2020
Interest expenses on borrowings	62,205	47,125
Interest expenses on lease liabilities	953	779
Total	63,158	47,904

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29. Expenses by nature

For the years ended 31 December 2021 and 2020, significant expenses by nature are as follows:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Salary, wages and other employee benefits	106,799	106,749	90,613
Expected credit loss	112,038	112,038	26,727
Loss from assets foreclosed	43,581	43,581	40,919
Professional fees	5,992	5,977	8,426
Depreciation and amortisation	20,078	20,077	16,999
Debt collection fees	17,116	17,115	11,423
Travelling and accommodation expenses	6,987	6,987	4,050
Telecommunication expenses	4,125	4,124	3,681
Utilities expenses	1,308	1,308	1,265

30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

31. Dividend

On 12 April 2021, the Company's Annual General Meeting of shareholders approved dividend payment of Baht 0.055 per share, totaling Baht 51 million from operating result for the year 2020. The Company paid the dividend to the shareholders on 6 May 2021.

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32. Segment information

The Company's principal operations involve a single operating segment in hire purchase business for six-wheel and ten-wheel trucks and the subsidiary has single operating segment. Their operations are carried on only in Thailand. The chief operating decision maker has been identified as managing director, is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of revenues and operating profits as presented in the comprehensive income statement and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Since the subsidiary was established in October 2021 and not yet operate its business, therefore income and expenses of the subsidiary is not separately presented.

Major customers

For the years 2021 and 2020, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

33. Provident fund

On January 2019, the Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 percent of basic salary. The fund, which is managed by Thanachart Fund Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 1.0 million were recognised as expenses (2020: Baht 1.0 million).

34. Related party transactions

The relationships between the company and its related parties

Name of related parties	Relationship
Micro Insure Broker Co., Ltd.	Subsidiary company

During the years, the Company and its subsidiary had significant business transactions with directors and related persons. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, directors and those related persons.

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(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements		
	2021	2021	2020	Transfer pricing policy
<u>Transaction with subsidiary</u>				
Other income	-	15	-	As agreed
<u>Transactions with related persons</u>				
Interest expenses - directors	7,493	7,493	13,065	As agreed
Interest expenses - related persons	4,370	4,370	5,200	As agreed
Rental expenses - directors	360	360	360	As agreed
Service expenses - directors	600	600	100	As agreed
Service expenses - related persons	960	960	80	As agreed
Interest expenses - lease liabilities	10	10	19	As agreed

As at 31 December 2021 and 2020, the balances of the accounts between the Company and its related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
<u>Subsidiary</u>			
Investment in subsidiary	-	2,999	-
Trade and other payables	-	13	-
<u>Related persons</u>			
Short-term loans - directors	20,000	20,000	20,000
Short-term loans - related persons	100,000	100,000	100,000
Long-term loans - directors	30,800	30,800	185,600
Lease liabilities - directors	150	150	510

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As at 31 December 2021 and 2020, the balances and movements of the loans between the Company, directors and related person are as follows:

(Unit: Thousand Baht)				
Consolidated and separate financial statements				
2021				
Loans	Balance at the beginning of the year	Increase	Decrease	Balance at the end of the year
Directors	205,600	20,000	(174,800)	50,800
Related persons	100,000	100,000	(100,000)	100,000
Total	305,600	120,000	(274,800)	150,800
(Unit: Thousand Baht)				
Separate financial statements				
2020				
Loans	Balance at the beginning of the year	Increase	Decrease	Balance at the end of the year
Directors	270,000	20,000	(84,400)	205,600
Related persons	100,000	100,000	(100,000)	100,000
Total	370,000	120,000	(184,400)	305,600

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Company had employee benefit expenses to their directors and management as below.

(Unit: Thousand Baht)			
	Consolidated	Separate	
	financial statements	financial statements	
	2021	2021	2020
Short-term employee benefits	19,644	19,644	22,103
Post-employment benefits	2,119	2,119	697
Total	21,763	21,763	22,800

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35. Commitments

35.1 Service agreements

As at 31 December 2021 and 2020, future minimum payments required under the non-cancellable service agreements payable in the next year is Baht 0.4 million.

35.2 Guarantee for electricity use

As at 31 December 2021 and 2020, the Company has guaranteed agreements with the Metropolitan Electricity Authority totaling Baht 0.1 million.

36. Risk management

The Company and its subsidiary's financial instruments principally comprise cash and cash equivalents, hire purchase receivables, restricted bank deposits, loans, debentures, trade and other payables, and lease liabilities.

The financial risks associated with these financial instruments and how they are managed is described below.

36.1 Credit risk

Credit risk is the risk that the Company and its subsidiary may incur a financial loss due to the counter party of the Company and its subsidiary fail to fulfil an obligation of financial instruments. The Company and its subsidiary are exposed to credit risk primarily with respect to hire purchase receivables and deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying value as stated in the statements of financial position.

Risk management approach

a) Hire purchase receivables

The Company are exposed to credit risk primarily with respect to hire purchase receivables. The Company manages the risk by adopting appropriate credit control policies and procedures. In addition, the Company do not have high concentrations of credit risk since it has a large customer base. Therefore, the Company does not expect to incur material financial loss.

In addition, the Company prepared expected credit loss model and reconsiders expected credit loss model by periodically reviews of the parameters and the data used in order to ascertain appropriateness of the model.

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b) Deposits with banks and financial institutions

The credit risk on deposits with banks and financial institutions is limited because the Company and its subsidiary deposit with only banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

Maximum exposure to credit risk of financial assets

Maximum exposure to credit risk is the amount of financial assets without taking account of any collateral held or other credit enhancements to increase creditability. For financial assets recognised in statements of financial position, maximum exposure to credit risk is the amount before allowance for expected credit loss.

Credit quality analysis

The table below shows the credit quality of financial assets exposed to credit risk, the amounts presented for financial assets are gross carrying amount (before allowances of expected credit loss).

	(Unit: Million Baht)			
	Consolidated financial statements			
	31 December 2021			
	Financial assets which have credit risk			
	No significant increase	Significant increase	Credit - impaired	Total
Deposits with banks and financial institutions				
Investment grade	205	-	-	205
Total	205	-	-	205
Allowance for expected credit loss	-	-	-	-
Hire purchase receivables				
0 day overdue	2,293	9	1	2,303
1 - 30 days overdue	753	34	2	789
31 - 60 days overdue	-	357	4	361
61 - 90 days overdue	-	218	6	224
Over 90 days overdue	-	-	119	119
Total	3,046	618	132	3,796
Allowance for expected credit loss	38	74	52	162

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(Unit: Million Baht)

Separate financial statements				
31 December 2021				
Financial assets which have credit risk				
	No significant increase	Significant increase	Credit - impaired	Total
Deposits with banks and financial institutions				
Investment grade	202	-	-	202
Total	202	-	-	202
Allowance for expected credit loss	-	-	-	-
Hire purchase receivables				
0 day overdue	2,293	9	1	2,303
1 - 30 days overdue	753	34	2	789
31 - 60 days overdue	-	357	4	361
61 - 90 days overdue	-	218	6	224
Over 90 days overdue	-	-	119	119
Total	3,046	618	132	3,796
Allowance for expected credit loss	36	74	52	162

(Unit: Million Baht)

Separate financial statements				
31 December 2020				
Financial assets which have credit risk				
	No significant increase	Significant increase	Credit - impaired	Total
Deposits with banks and financial institutions				
Investment grade	166	-	-	166
Total	166	-	-	166
Allowance for expected credit loss	-	-	-	-
Hire purchase receivables				
0 day overdue	1,577	9	1	1,587
1 - 30 days overdue	416	37	-	453
31 - 60 days overdue	-	311	1	312
61 - 90 days overdue	-	95	7	102
Over 90 days overdue	-	-	88	88
Total	1,993	452	97	2,542
Allowance for expected credit loss	21	45	32	98

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Collateral and any operations to increase creditability

The Company has held collateral and any operations to increase creditability of exposure to credit risk. For hire purchase receivables, the Company has held collateral, e.g. trucks, as specified under hire purchase agreements.

36.2 Market risk

The Company and subsidiary's market risk is from interest rate risk. As the Company and its subsidiary have no foreign currency assets and liabilities, and no investments in securities, market risk therefore consists of only interest rate risk.

Interest rate risk

The Company and its subsidiary have risk that valuation of financial instruments may impact due to change of market interest rate.

The Company and its subsidiary manage the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels.

Significant financial assets and liabilities as at 31 December 2021 and 2020, classified by type of interest rate, are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

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(Unit: Million Baht)

	Consolidated financial statements					
	2021					
	Fixed interest rate					
	Repricing or maturity date					
Transactions	Within 1 year	Over 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	135	7	142	0.1 - 0.25
Hire purchase receivables ⁽¹⁾	1,224	2,570	-	-	3,794	16.00 - 20.00
Restricted bank deposits	63	-	-	-	63	0.5 - 0.75
Financial liabilities						
Short-term loans from financial institutions	70	-	-	-	70	4.25
Short-term loans from related persons	120	-	-	-	120	4.25
Short-term loans from others	16	-	-	-	16	4.25
Trade and other payables	-	-	-	90	90	-
Long-term loans from financial institutions	81	-	539	-	620	1.13 - 5.65
Long-term loans from related persons	31	-	-	-	31	5.00
Long-term debentures	-	1,044	-	-	1,044	5.25 - 5.55
Lease liabilities	10	18	-	-	28	3.06 - 4.84

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

(Unit: Million Baht)

	Separate financial statements					
	2021					
	Fixed interest rate					
	Repricing or maturity date					
Transactions	Within 1 year	Over 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	132	7	139	0.1 - 0.25
Hire purchase receivables ⁽¹⁹⁾	1,224	2,570	-	-	3,794	16.00 - 20.00
Restricted bank deposits	63	-	-	-	63	0.5 - 0.75
Financial liabilities						
Short-term loans from financial institutions	70	-	-	-	70	4.25
Short-term loans from related persons	120	-	-	-	120	4.25
Short-term loans from others	16	-	-	-	16	4.25
Trade and other payables	-	-	-	90	90	-
Long-term loans from financial institutions	81	-	539	-	620	1.13 - 5.65
Long-term loans from related persons	31	-	-	-	31	5.00
Long-term debentures	-	1,044	-	-	1,044	5.25 - 5.55
Lease liabilities	10	18	-	-	28	3.06 - 4.84

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

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(Unit: Million Baht)

Transactions	Separate financial statements					
	2020					
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Repricing or maturity date					
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	123	5	128	0.05 - 0.12
Hire purchase receivables ⁽¹⁾	853	1,689	-	-	2,542	16.00 - 20.00
Restricted bank deposits	38	-	-	-	38	0.63
Financial liabilities						
Short-term loans from financial institutions	255	-	-	-	255	4.25 - 4.75
Short-term loans from related persons	120	-	-	-	120	4.48 - 5.00
Short-term loans from others	9	-	-	-	9	4.25 - 4.48
Trade and other payables	-	-	-	60	60	-
Long-term loans from financial institutions	110	73	50	-	233	1.13 - 2.00
Long-term loans from related persons	142	44	-	-	186	5.00
Lease liabilities	8	12	-	-	20	3.06 - 4.84

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in interest rates on the portion of floating rate of deposits with banks and financial institutions, and long-term loans affected as at 31 December 2021.

	Consolidated and separate financial statements	
	Increase (decrease)	Effect on profit before tax - increase
		(decrease)
	(%)	(Thousand Baht)
Deposits with banks and financial institutions	1.0%	1,317
	(1.0%)	(1,317)
Long-term loans from financial institutions	1.0%	(5,391)
	(1.0%)	5,391

The above analysis has been prepared assuming that the amounts of the floating rate deposits with banks and financial institutions, and loans and all other variables remain constant over one year. Moreover, the floating rates of these deposits and loans are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest for the full 12 - month period of the sensitivity calculation.

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36.3 Liquidity risk

Liquidity risk is the risk that the Company and its subsidiary will be unable to liquidate their financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the incurrence of a financial loss.

The Company and its subsidiary manage liquidity risk by means of appropriate structuring of short-term and long-term sources of capital. In addition, the Company and its subsidiary have a policy to maintain liquidity to ensure that it has sufficient liquidity to meet both present and future requirements.

The table below summarises the maturity profile of the Company and its subsidiary's financial instruments as at 31 December 2021 and 2020.

(Unit: Million Baht)

Transactions	Consolidated financial statements			
	2021			
	At call	Within 1 year	Over 1 year	Total
Financial assets				
Cash and cash equivalents	142	-	-	142
Hire purchase receivables ⁽¹⁾	-	1,225	2,571	3,796
Restricted bank deposits	-	63	-	63
Financial liabilities				
Short-term loans from financial institutions	-	70	-	70
Short-term loans from related persons	-	120	-	120
Short-term loans from others	-	16	-	16
Trade and other payables	-	90	-	90
Long-term loans from financial institutions	-	230	390	620
Long-term loans from related persons	-	31	-	31
Long-term debentures	-	-	1,044	1,044
Lease liabilities	-	10	18	28

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

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(Unit: Million Baht)

Transactions	Separate financial statements			
	2021			
	At call	Within 1 year	Over 1 year	Total
Financial assets				
Cash and cash equivalents	139	-	-	139
Hire purchase receivables ⁽¹⁾	-	1,225	2,571	3,796
Restricted bank deposits	-	63	-	63
Financial liabilities				
Short-term loans from financial institutions	-	70	-	70
Short-term loans from related persons	-	120	-	120
Short-term loans from others	-	16	-	16
Trade and other payables	-	90	-	90
Long-term loans from financial institutions	-	230	390	620
Long-term loans from related persons	-	31	-	31
Long-term debentures	-	-	1,044	1,044
Lease liabilities	-	10	18	28

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

(Unit: Million Baht)

Transactions	Separate financial statements			
	2020			
	At call	Within 1 year	Over 1 year	Total
Financial assets				
Cash and cash equivalents	128	-	-	128
Hire purchase receivables ⁽¹⁾	-	853	1,689	2,542
Restricted bank deposits	-	38	-	38
Financial liabilities				
Short-term loans from financial institutions	-	255	-	255
Short-term loans from related persons	-	120	-	120
Short-term loans from others	-	9	-	9
Trade and other payables	-	60	-	60
Long-term loans from financial institutions	-	145	88	233
Long-term loans from related persons	-	142	44	186
Lease liabilities	-	8	12	20

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

37. Fair values measurement

As at 31 December 2021 and 2020, the Company and its subsidiary had no financial assets or financial liabilities that were measured at fair value. However, the Company and its subsidiary had financial assets and liabilities that were measured at cost which fair value was disclosed using different levels of inputs as follows:

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(Unit: Million Baht)

Consolidated financial statements					
2021					
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets for which fair value are disclosed</u>					
Cash and cash equivalents	142	142	142	-	-
Hire purchase receivables	3,634	3,502	-	-	3,502
Restricted bank deposits	63	63	-	63	-
<u>Financial liabilities for which fair value are disclosed</u>					
Short-term loans from financial institutions	70	70	-	70	-
Short-term loans from related persons	120	120	-	-	120
Short-term loans from others	16	16	-	-	16
Trade and other payables	90	90	-	90	-
Long-term loans from financial institutions	620	620	-	620	-
Long-term loans from related persons	31	31	-	-	31
Long-term debentures	1,044	1,045	-	1,045	-

(Unit: Million Baht)

Separate financial statements					
2021					
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<u>Financial assets for which fair value are disclosed</u>					
Cash and cash equivalents	139	139	139	-	-
Hire purchase receivables	3,634	3,502	-	-	3,502
Restricted bank deposits	63	63	-	63	-
<u>Financial liabilities for which fair value are disclosed</u>					
Short-term loans from financial institutions	70	70	-	70	-
Short-term loans from related persons	120	120	-	-	120
Short-term loans from others	16	16	-	-	16
Trade and other payables	90	90	-	90	-
Long-term loans from financial institutions	620	620	-	620	-
Long-term loans from related persons	31	31	-	-	31
Long-term debentures	1,044	1,045	-	1,045	-

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(Unit: Million Baht)

	Separate financial statements				
	2020				
	Fair value				
	Book value	Total	Level 1	Level 2	Level 3
<u>Financial assets for which fair value are disclosed</u>					
Cash and cash equivalents	128	128	128	-	-
Hire purchase receivables	2,444	2,304	-	-	2,304
Restricted bank deposits	38	38	-	38	-
<u>Financial liabilities for which fair value are disclosed</u>					
Short-term loans from financial institutions	255	255	-	255	-
Short-term loans from related persons	120	120	-	-	120
Short-term loans from others	9	9	-	-	9
Trade and other payables	60	60	-	60	-
Long-term loans from financial institutions	233	233	-	233	-
Long-term loans from related persons	186	186	-	-	186

Fair value hierarchy for financial assets and liabilities as at 31 December 2021 and 2020 is stipulated in Note 4.19.

The method and assumptions used in estimated the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, restricted bank deposits, short-term loans, and trade and other payables, their carrying amounts in the statement of financial position approximate their fair value.
- For hire purchase receivables, fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- For loans and debentures with maturity over 1 year and fixed interest payables, their fair value is estimated by discounting expected future cash flows by the current market interest rate of the loans with similar terms and conditions.

During the current year, there were no transfers within the fair value hierarchy.

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38. Reclassification

The Company reclassified certain amounts in the prior period's financial statements to conform to the current year's classification without any effect to previously reported profit or shareholders' equity. The reclassification items are as follows:

	(Unit: Baht)	
	For the year ended 31 December 2020	
	As reclassified	As previously reported
Statement of comprehensive income		
Other income	10,916,421	20,496,011
Expected credit loss	26,727,268	36,306,858

39. Events after the reporting period

Event after the reporting period are as follow:

- a) On 18 October 2021, the Company's Board of Directors Meeting 6/2021 passed a resolution to approve the registration of a subsidiary which is principally engaged in the providing personal loan in Thailand. The Company holds 99.99% of the registered capital of Baht 50 million. The Company was completely registered at the Department of Business Development on 20 January 2022.
- b) On 25 February 2022, the Company's Board of Directors Meetings 2/2022 passed a resolution to propose to the Annual General Meeting for an approval of annual dividend payment of Baht 0.077 per share or totaling Baht 72 million from operating result for the year 2021, including the appropriation of profit to statutory reserve amounting to Baht 9.4 million.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2022.

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Attachment

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