



our 28th Year
Moving Forward
Together



2022 ANNUAL REPORT

(56-1 One Report)



Vision Mission Core Value

VISION

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

MISSION

To our Customers

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

To our Employees

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

To our Shareholders

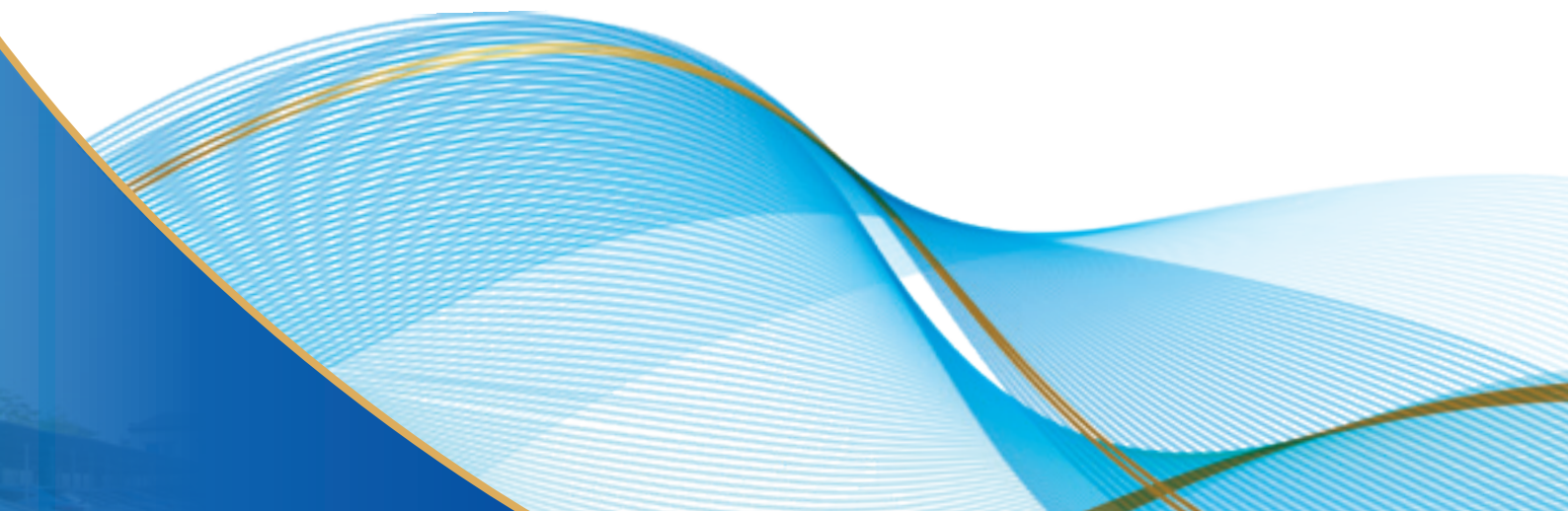
: Sustainable growth with good corporate governance and transparency to maximize shareholders' value.

To our Society

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

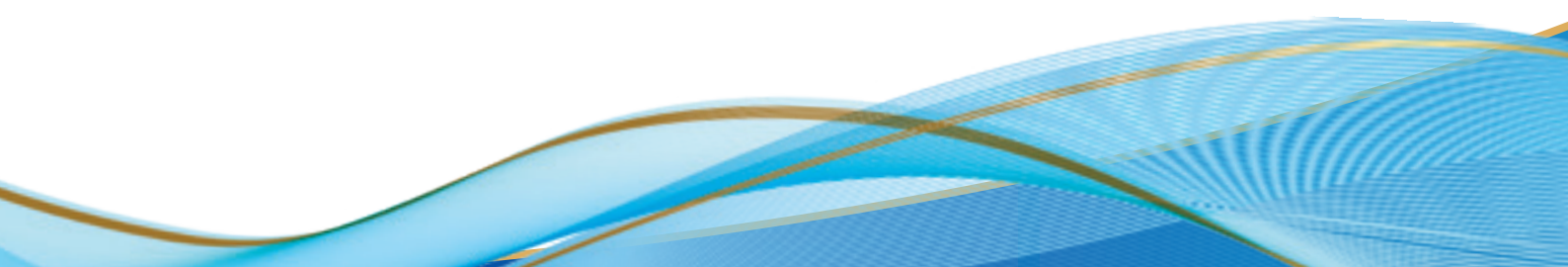
CORE VALUE

Morality, Candidness, Industriousness, Robustness, Objectivity



Content

1	Vision Mission Core Value
4	Message from the Chairman
6	Message from the Chairman of the Executive Committee
8	Message from the Founder
10	Financial Highlight
12	Board of Directors and Executive Management
14	Part 1 Business Operation and Performance
16	1. Business Operation and Performance
70	2. Risk Factors
78	3. Business Drive for Sustainability
122	4. Management Discussion and Analysis
150	5. General Information and Other Important Information
156	Part 2 Corporate Governance
158	6. Corporate Governance Policy
166	7. Corporate Governance Structure and Important Information about the Board, Sub-Committee, Executives, Employees and Others
192	8. Report of key Corporate Governance Performance
198	9. Internal Control and Related Transactions



208	Part 3 Financial Statement
	Attachment
284	Attachment 1 Details of Directors, Executives Persons with controlling power person Assigned the highest responsibility in accounting and finance and Company secretary
300	Attachment 2 Detail about the directors of the subsidiary company
304	Attachment 3 Detail of the internal audit supervisor
306	Attachment 4 Assets for business operations
158	Attachment 5 Policy and guidelines for corporate governance and code of conduct
314	Attachment 6 Report of the Audit Committee





Message from the Chairman of the Board of Directors

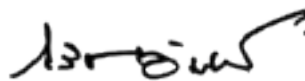
Throughout 2022, Micro Leasing Public Company Limited. has continued to face many challenges, whether it be the ongoing COVID-19 pandemic, the economic challenges, and the flood. The Company has instituted work from home policy, and in addition, initiated the Business Continuity Plan (BCP) and Coronavirus Disease 2019 (COVID – 19) situation center to communicate and monitor the spreading situation of COVID-19 of employees for their information in Health care matters. 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 is aware and realized the importance of conducting business with transparency, good governance and has prepared for the development of the organization both in terms of business strategy, and supervision, which includes participating in community, society, and environmental development, and the continuous improvement of the service standards that are impressive as shown in the award received as follows

1. Rated Excellence” based on quality of Annual General Meeting arrangement (AGM Checklist) by Thai Investors Association.
2. Rated “Very Good” based on Corporate Governance Report of Thai Listed Companies, by Thai Institute of Directors (IOD).

Financially, The company was rated BB+ with stable outlook by Tris Rating. For solid capital base, adequate earning capacity, and acceptable risk profile were considered positive rating factors.

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, employees and regulators 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 Director



Message from the Chairman of the Executive Committee

The year 2022 was marked with many challenges from various events, the prolonged COVID-19 pandemic, the economic activities being restricted from the situation, which had negative impact on business operation, the economic and society. The declining of consumer confidence had led to more careful spending. The war between Russia and Ukraine had caused the surge in oil prices, which led to inflation in Thailand and the rest of the world. Moreover, there was a widespread heavy flooding in many provinces in the Northeastern region. Nonetheless, people and business will be able to adapt to such change and eventually return to near normalcy.

In this regard, “Micro Leasing Public Company Limited” as a loan provider for used trucks, had adjusted our business plan and marketing strategy to adapt to the current situation to achieve short-term and long-term goals with strict preventive measures to minimize negative impacts.

In the past year, the company had opened 6 more branches, which totaled in 25 branches country-wide to service our consumers and partners. Apart from Micro Insure Broker Co., Ltd established in 2021, we had established 2 more subsidiaries “Micro Plus Leasing Co., Ltd., operating a motorcycle hire-purchase business, which registered in March with satisfactory growth and operating results. “Micro Fin Co., Ltd.” to offer personal loans, which was granted in October by Ministry of Finance under the supervision of the Bank of Thailand.

Moreover, the Company has started to focus on sustainable business conduct in various dimensions by adopting the framework and integrated it as part of the organization's strategic plan to address expectations of all stakeholders across the business value chain, as well as being aware of its impact. This is to strengthen our business along with our stakeholders to grow together in a balanced and sustainable manner.

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 Group business. Adhering to our core value, “Integrity, Honesty, Diligence, Commitment, and Benefits for all”, Micro Leasing Group will continue to grow steadily and sustainably.



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



Message from the Founder

In 2022, Micro Leasing Public Company Limited continued to face challenges from many dimensions the entire changes from the economic dimension, both inside and outside the country, higher inflation, household debt has reached record highs, including global economic impacts due to conflicts between great powers. The social dimensions impacted by emerging epidemics and epidemic threats, as well as the environmental dimensions, particularly the risks associated with significant climate change, are inextricably linked to the Micro Leasing business situation.

It is an important step in upgrading Micro Leasing's ecosystem business model in 2022 by conducting business operations to cover all target groups, including Micro Plus Leasing Co., Ltd. (MPLUS), a motorcycle leasing loan service provider, Micro Insure Brokers Co., Ltd. (MIB), operates non-life insurance brokerage and life insurance brokerage businesses that design products related to leasing customers for both used trucks and motorcycles, while includes Micro Fin Co., Ltd. (MFIN) also aims to provide personal loans under the supervision of loans with and without registered transfer to customers in order to help them increase their financial liquidity, expand their businesses, cover emergency expenses, or pay off other financial burdens.

Micro Leasing Public Company Limited aspires to be a long-term growth organization. We are priority to conducting business with social responsibility. Build good relationships Build trust with stakeholders' emphasis on corporate governance to be transparent, have audit mechanisms, counterbalance risk management. We continue to expand our branches to cover all regions of the country, along with the development of employees and information technology systems, so that the Company can provide credit services to customers with prudence and caution. For future sustainable growth.

I appreciate the support from all sectors and am also convinced that dedication and cooperation drive business operations with accountability to stakeholders, consideration for the environment, and being socially responsible, as well as managing in accordance with corporate governance principles, is an important factor that demonstrates the ability to create business opportunities and cope with the world's changing tides. To strengthen and sustain the Micro Leasing Business Group.



(Mr. Thammasak Auchyawat)
Founder

Financial Highlight



Financial Highlight

Statements of Comprehensive income (Million Baht)	Statements of Comprehensive income		
	2020	2021	2022
Statements of comprehensive income (Million Baht)			
Total current assets	2,755.1	4,034.5	5,511.4
Total liabilities	932.1	2,076.1	3,363.9
Total shareholders' equity	1,823.0	1,958.4	2,147.5
Interest income from hire purchase	355.6	503.9	706.2
Total revenues	444.5	632.4	853.7
Selling and administrative expenses	152.7	186.2	291.5
Total expenses	220.4	341.8	625.2
Profit before income tax expenses	176.2	227.4	81.5
Profit for the year	135.1	187.4	65.2
Basic earning per share	0.18	0.20	0.07
Ratio			
Liquidity ratio (Time)	1.21	2.12	1.67
Interest rate received (%)	15.53	15.90	16.14
Interest rate paid (%)	5.29	4.59	5.77
Interest Rate Spread (%)	10.24	11.31	10.37
Net Interest Margin (%)	13.44	13.91	12.78
Net Profit Margin (%)	30.39	29.63	7.63
Return on equity (%)	9.31	9.92	3.17
Return on assets (%)	5.54	5.53	1.36
Debt to equity ratio (Time)	0.51	1.06	1.57



1. Assistant Professor Krit Umpote
 - Independent Director
 - Chairman
2. Mr. Weidt Nuchjalearn
 - Independent Director
 - Vice Chairman
 - Member of Audit Committee
 - Chairman of the Risk Management Committee
3. Mr. Chalong Luengprasit
 - Independent Director
 - Chairman of the Audit Committee
 - Chairman of the Nomination Remuneration Committee

4. Mr. Thammasak Auchyawat
 - Director
 - Member of Nomination and Remuneration Committee
5. Mr. Pijak Chantaviroj
 - Independent Director
 - Member of Audit Committee
 - Member of Nomination and Remuneration Committee

6. Mr. Keittipong Toemkunanon
 - Director
7. Mr. Kitsada Auchyawat
 - Director



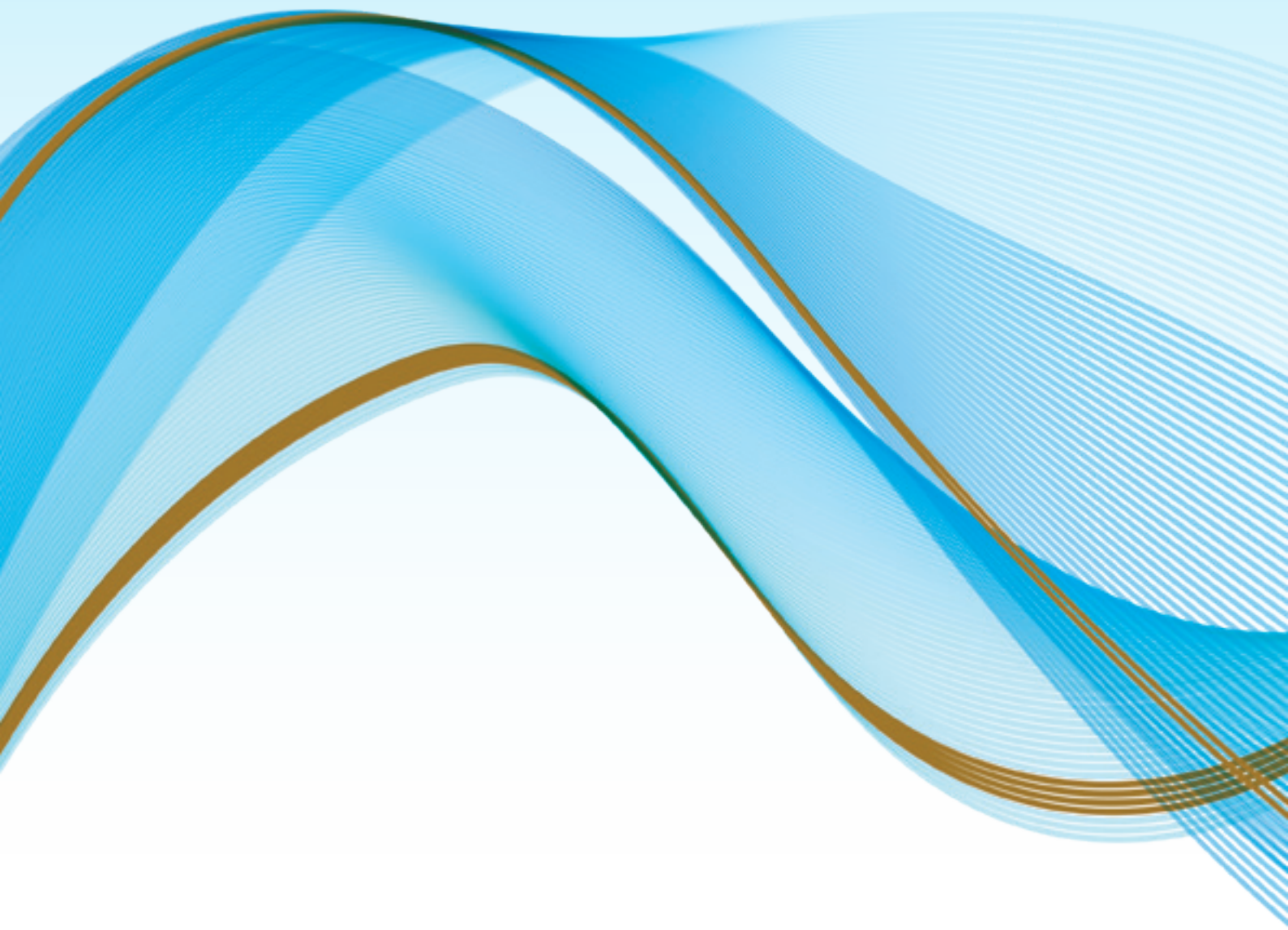
8. Mr. Wisarn Boornasuntikoon
- Director
 - Chairman of Executive Committee
 - Member of Risk Management Committee
 - Managing Director
9. Mrs. Rotsanan Yingthaweesak
- Director
 - Executive Vice President
 - Senior Deputy Managing Director

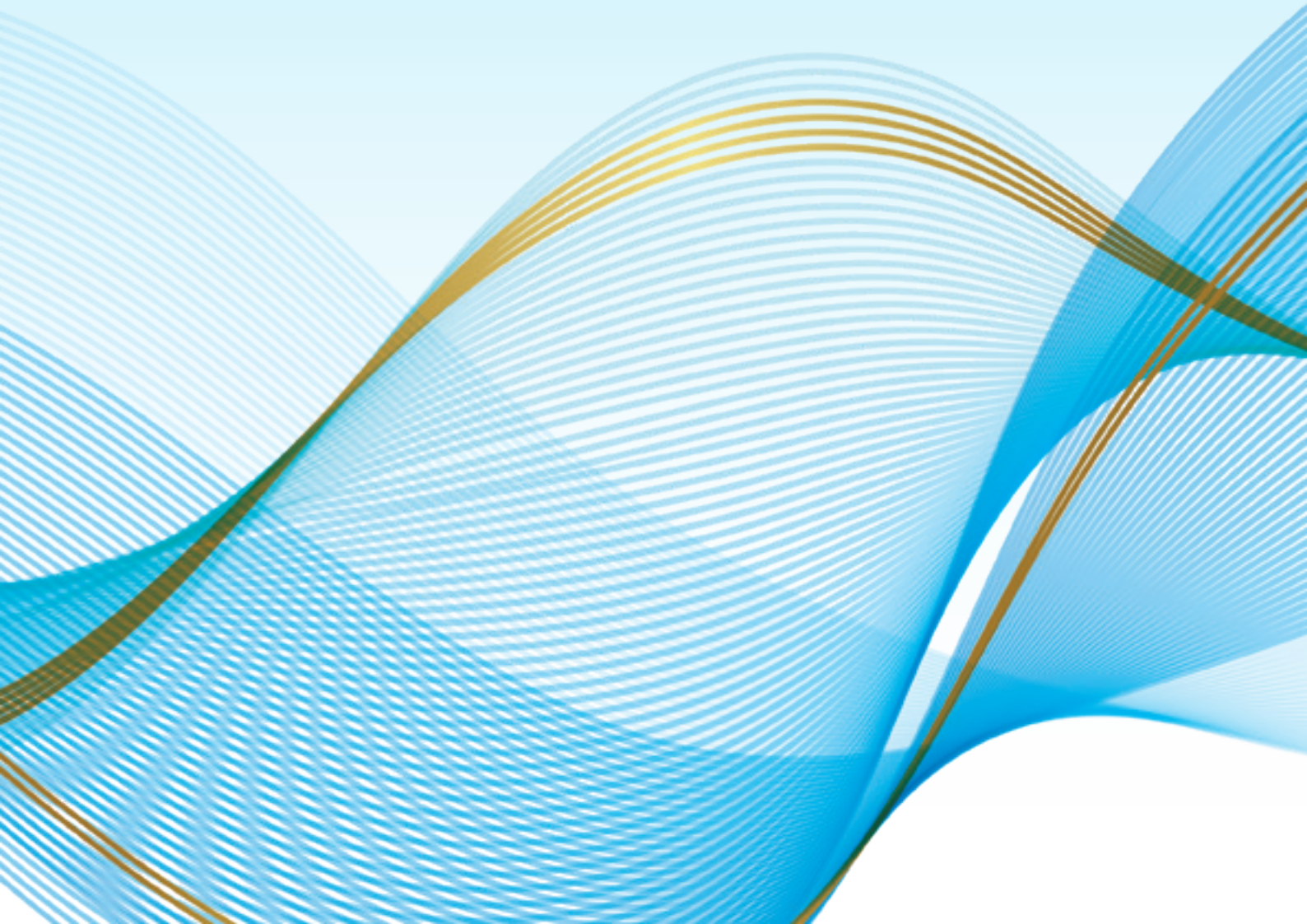
10. Mr. Tanyakon Autchayawat
- Director
 - Member of Risk Management Committee
 - Executive Director
 - Assistant Managing Director of Credit Operations
11. Mr. Jedsada Auchyawat
- Director
 - Member of Risk Management Committee
 - Executive Director
 - Deputy Managing Director of Credit Operations

12. Mr. Preeda Iramaneerat
- Member of Risk Management Committee
 - Executive Director
 - Deputy Managing Director of Resources and Investment
13. Mr. Kandanai Chonsuwat
- Member of Risk Management Committee
 - Executive Director
 - Deputy Managing Director of Accounting and Finance
 - Company Secretary
14. Mr. Wisan Wethayanukool
- Member of Risk Management Committee
 - Executive Director
 - Chief Financial Officer

Part 1

Business Operation and Performance





Business Operations and Operating Results



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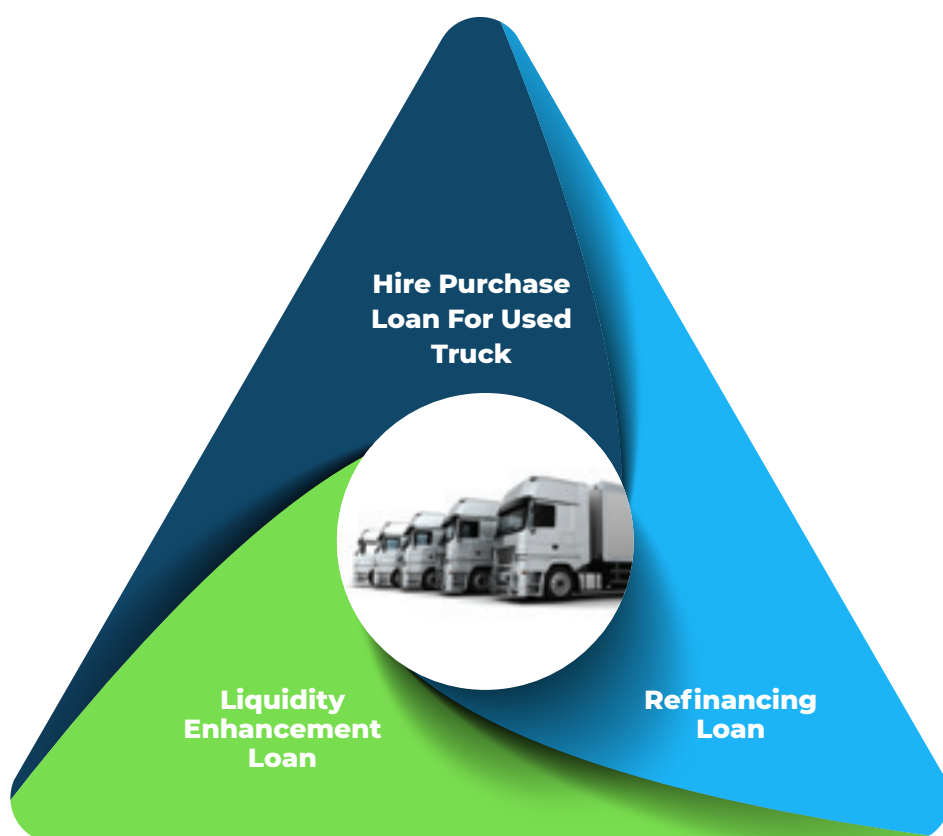
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1. BUSINESS OVERVIEW AND POLICY

Micro Leasing Public Company Limited ("Company") operates business in providing hire purchase loans for used trucks to individuals and corporations who want to purchase used trucks for commercial purpose, such as used 6-wheel trucks, 10-wheel trucks and trailers. Moreover, the Company provides loans for other large commercial vehicles, such as tractors and various special trucks to larger customer groups. The Company focuses on providing hire purchase loans for used trucks of which models and brands are well accepted in the trading market,

such as ISUZU, HINO and FUSO, etc. The period of hire purchase agreement lasts 12 – 60 months. In addition, the Company provides other financial services or other forms of loans to meet customer's financial demand, such as liquidity enhancing loan which holds truck registration transfer book as collateral to add on the hire purchase loans and refinancing loans services for current customers who have good installment payment records and prefer further financial liquidity.

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

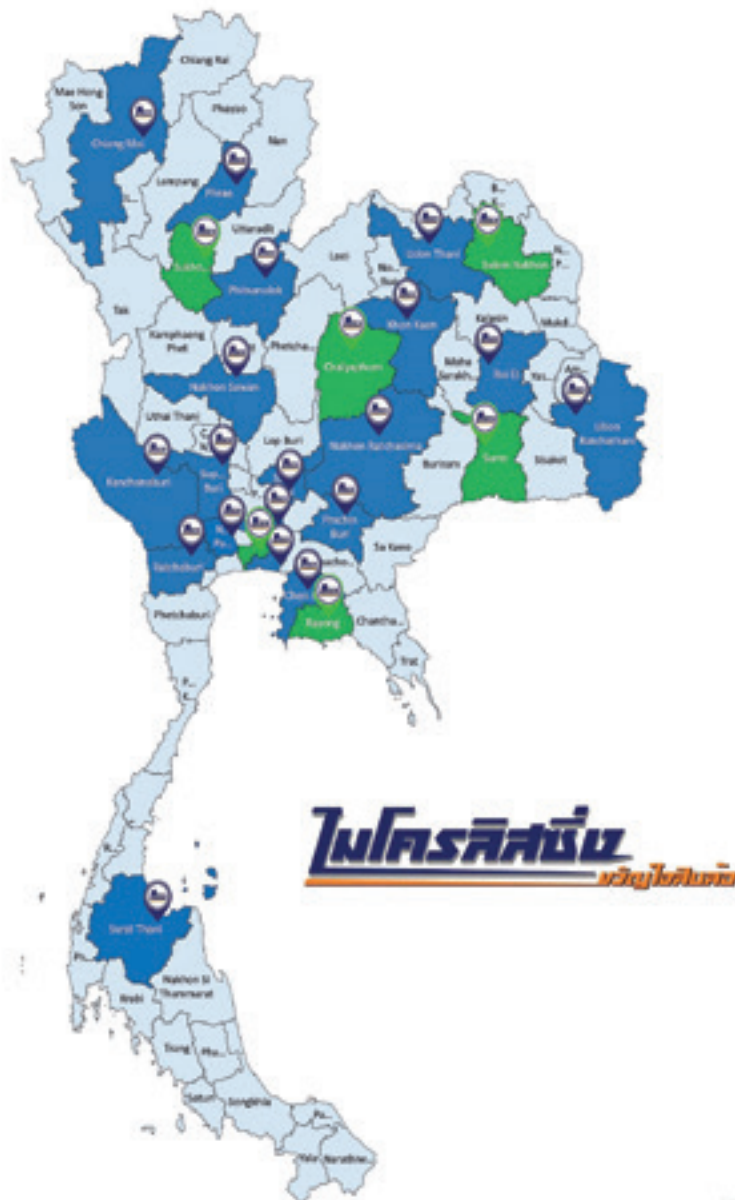
pay the last installment completely as stated in the agreement, then the ownership will be transferred to the purchase hirer. The hire purchase loan business of the Company is different from leasing which allows the lessee to choose to renew the agreement or to return the asset to the lessor when the 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 2022) has the average EIR of 18% per year. The Company's hire purchase loans of used trucks mostly have the 4-5 year of agreement period and have credit amount of 70-85% of estimated prices of hire purchase trucks. The Company has the policy that controls the credit limit at the maximum of (including the insurance premiums and credit limit protection insurance) not higher than 90% of truck selling price or not higher than 120% of collateral appraisal price (whichever price is lower) Process of collateral valuation and credit limit setting.) Thus, the purchase hirer must make the down payment for at least 10% of the truck selling price to the operators of used truck tents or the previous truck

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

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



List of Company Branches 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. Pitsanulok branch
9. Saraburi branch
10. Udon 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
20. Ra Yong branch
21. Sukhothai branch
22. Bangkok branch
23. Sakon Nakhon branch
24. Surin branch
25. Chaiyaphum branch

1.1 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.

1.2 Significant Changes and Development

- | | |
|------|--|
| 1994 | Micro Leasing Company Limited was established on 7 November 1994 by Auchyawat family and 30 other shareholders with the initial registered capital of 1 million Baht. The Company started with hire purchase business for used 6-wheel trucks and 10-wheel trucks as main products, servicing to customers in Nakorn Pathom and nearby provinces. The first headquarter was the 1 commercial building located on Songpol road, Muang district, Nakorn Pathom. |
| 2000 | The Company expanded its customer base to other provinces in the Central region with the new branches in Ratchaburi (2000), Kanchanaburi (2002), and Supanburi (2008) respectively. |
| 2002 | The 3-storey office building was established on the 1 rai land on Petchkasem road, Muang district, Nakorn Pathom as the Company's new headquarter. |
| 2009 | The credit service was expanded to the North-Eastern region with the new branch in Nakorn Ratchasima. |
| 2014 | The credit service was expanded to the Eastern region with the new branch in Chonburi. |
| 2015 | The paid-up capital was increased to 500 million Baht by issuing and offering the new ordinary shares to existing shareholders according to the shareholding proportion. 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. |
| 2016 | One new branch was opened in Nakorn Sawan to meet customer demand in increasing hire purchase. As of the end of 2016, the Company had the loan net of over 1,000 million Baht. |
| 2017 | The credit service was expanded to the South region with the new branch in Surat Thani. |

2018	<p>The capital was increased for 200 million Baht for business expansion by issuing 2,000,000 new ordinary shares at the par value of 100 Baht per share offered to existing shareholders according to the shareholding proportion. As a result, the Company had the increase in paid-up capital from 500 million Baht to 700 million Baht, consisting of 7,000,000 ordinary shares at the par value of 100 Baht per share.</p> <p>Moreover, the Company had significant changes as follows:</p> <ul style="list-style-type: none"> - 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. - Beginning to use Bill Payment system and Barcode scanning to receive installment payment, instead of cash, from customers at branches to provide convenience to customers and to reduce the risk of employee corruption. - Developing and improving the information technology system and increasing the number of employees to support business growth. 	<ul style="list-style-type: none"> - Adding the installment payment channel with Counter Service as an 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.
2019	<p>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.</p> <p>Increasing the registered capital from 700 million Baht to 935 million Baht to support the issuance and offering of the new 235 million ordinary shares at the par value of 1 Baht/share for general public allocation. In addition, the Company had following significant changes:</p> <ul style="list-style-type: none"> - 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. 	<p>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.</p> <p>Micro Leasing (Public) Company Limited was registered in the Stock Exchange of Thailand on 1 October 2020 as the first day.</p> <p>2021</p> <ul style="list-style-type: none"> - 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)
- 2022
- In January, Established a subsidiary under the name Micro fin Co., Ltd.
 - In March, has jointly invested with the company Micro Plus Leasing Limited and expanding credit services by opening branches in Rayong and Sukhothai
 - In April, expanding credit services by opening a branch in Bangkok and The issuance of 2 series. of debentures, namely Debentures of Micro Leasing Public Company Limited No. 1/2022, series 1, due 2024, in the amount of 321.10 million baht and the Issuance namely Debentures of Micro Leasing Public Company Limited No. 2/2022, series 2, due 2025, in the amount of 478.90 million baht total of 800 million baht, no more than 500,000 units, no more than 500,000,000 baht in value and there are no more than 300,000 units of reserved debentures, no more than 300,000,000 baht.
 - In May, expanding credit services by opening a branch in Sakon Nakhon, Surin and Chaiyaphum.
 - In August, Rated "99 points (4TIA)" based on Quality of Annual General Meeting arrangement (AGM Checklist) by Thai Investors Association.
 - In October, The issuance of 2 series. of debentures, namely Debentures of Micro Leasing Public Company Limited No. 2/2022, series 1, due 2024, in the amount of 558.50 million baht and the Issuance namely Debentures of Micro Leasing Public Company Limited No. 2/2022, series 2, due 2025, in the amount of 269.10 million baht total of 827.60 million baht, no more than 500,000 units, no more than 500,000,000 baht in value and there are no more than 350,000 units of reserved debentures, no more than 350,000,000 baht.
 - In November, Rate "Very Good" or 4 Star based on Corporate Governance Report of Thai Listed Companies by Thai Institute of Directors (IOD)

1.3 Vision, Mission and Core Value

Vision

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

Mission

To our Customers and Business Partners:

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

To our Employees:

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

To our Shareholders:

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

To our Society:

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

Core Value

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

1.4 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 20 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. To support the expansion of the affiliated business and the hire purchase loan portfolio to grow to 7,000 million baht by 2024, with the main source of funds expected to be loans from financial institutions and issuance of debentures.

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 28 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 390 used truck tent operators and over 120 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.

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 increase the liquidity of daily spending.

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

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

from Credit Bureau, and checking on bankruptcy history. All information will be used in Credit Scoring Model. Customers' credit scores must pass the minimum requirement set by the Company to be qualified for loan application.

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

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

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

6) Network of over 480 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. 372 of them are regular partners who are used truck agents in the metropolitan area and other provinces. And over 120 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 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 27 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.

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

The Company sees the importance of the risk management in debtor quality by increasing the intensity and developing various tools for credit approval review. The Company also uses the efficient debt tracking and collection system aiming to reduce the number of non-performing loan (NPL) debtors to the low level or not higher than the average rate of the industry. At present, the debt tracking and collection process is under the responsibility of the Debt Management Department at the head quarter. They work closely with branch officers. The debt collectors were hired from the outsourcing companies

in order to reach debtors in various areas thoroughly. The Company set the regulations and practices in debt tracking and collection clearly and concretely to reduce the risk from complaints about unfair debt collection. Debtors will be informed on details of the late fines and follow-up fees by phone calls and written notices during the collecting process.

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

The Company developed the information system to connect 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.

At the same time The company pays attention to the security of information technology systems. And the protection of personal information is very much In the past, the company has improved the information technology security system The company uses this information system to create a database of customers who have used credit services. And has hired consultants to continuously test the security of the system and in the past year 2022, the company has been certified ISO/IEC 27001:2013. by elevating the standard of information technology services to another level Including investing in data leak prevention systems. To give confidence to customers Partners and other stakeholders that the company has implemented the necessary standards to protect corporate data and pays great attention to data security.

Competitive Strategy

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

Marketing Strategy

- 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 8 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 whose 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.

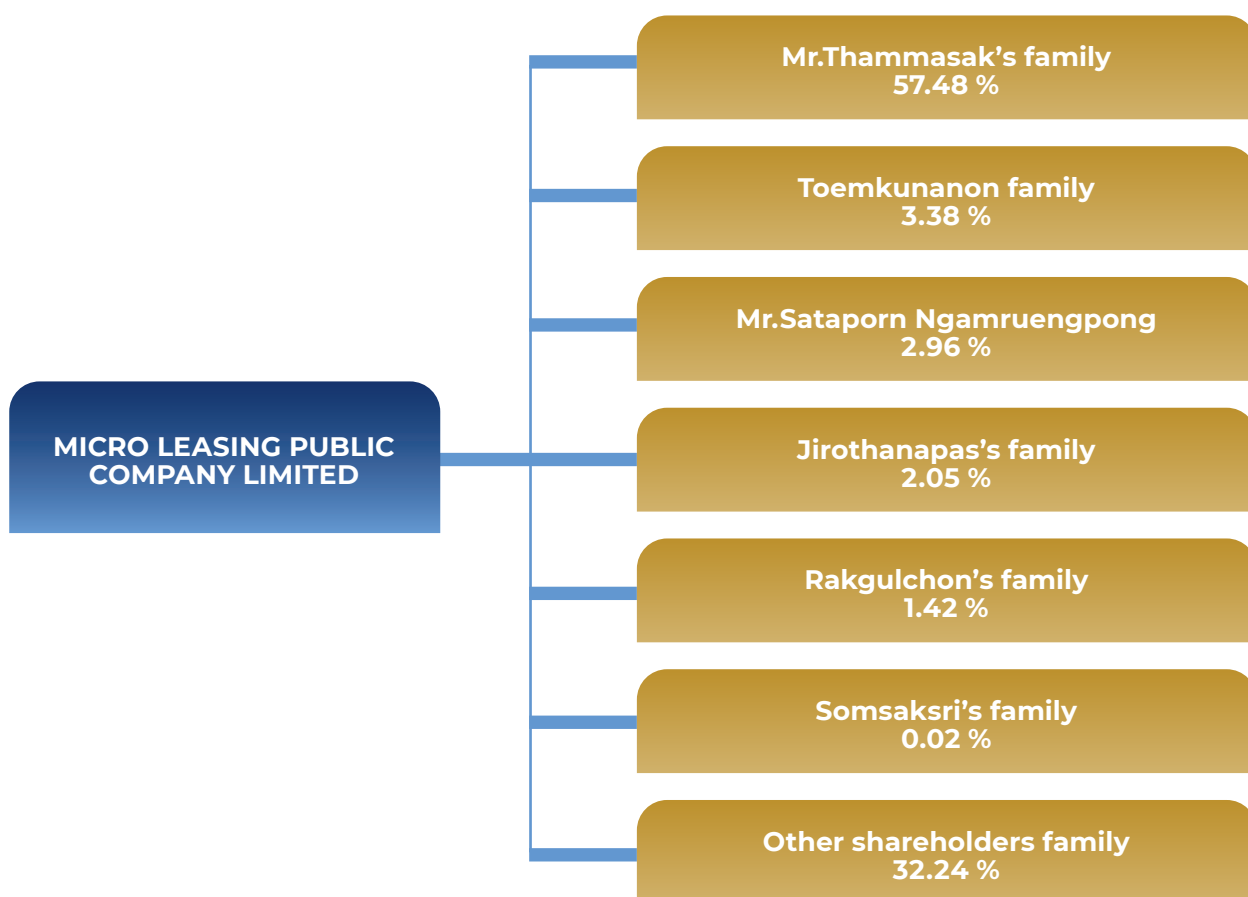
- To improve business conduct for higher efficiency in order to reduce operating costs and to strengthen the Company's competitiveness, such as opening new branches as service points for credit team only. Other functions of administration, agreement and documentations will share the human resources with 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

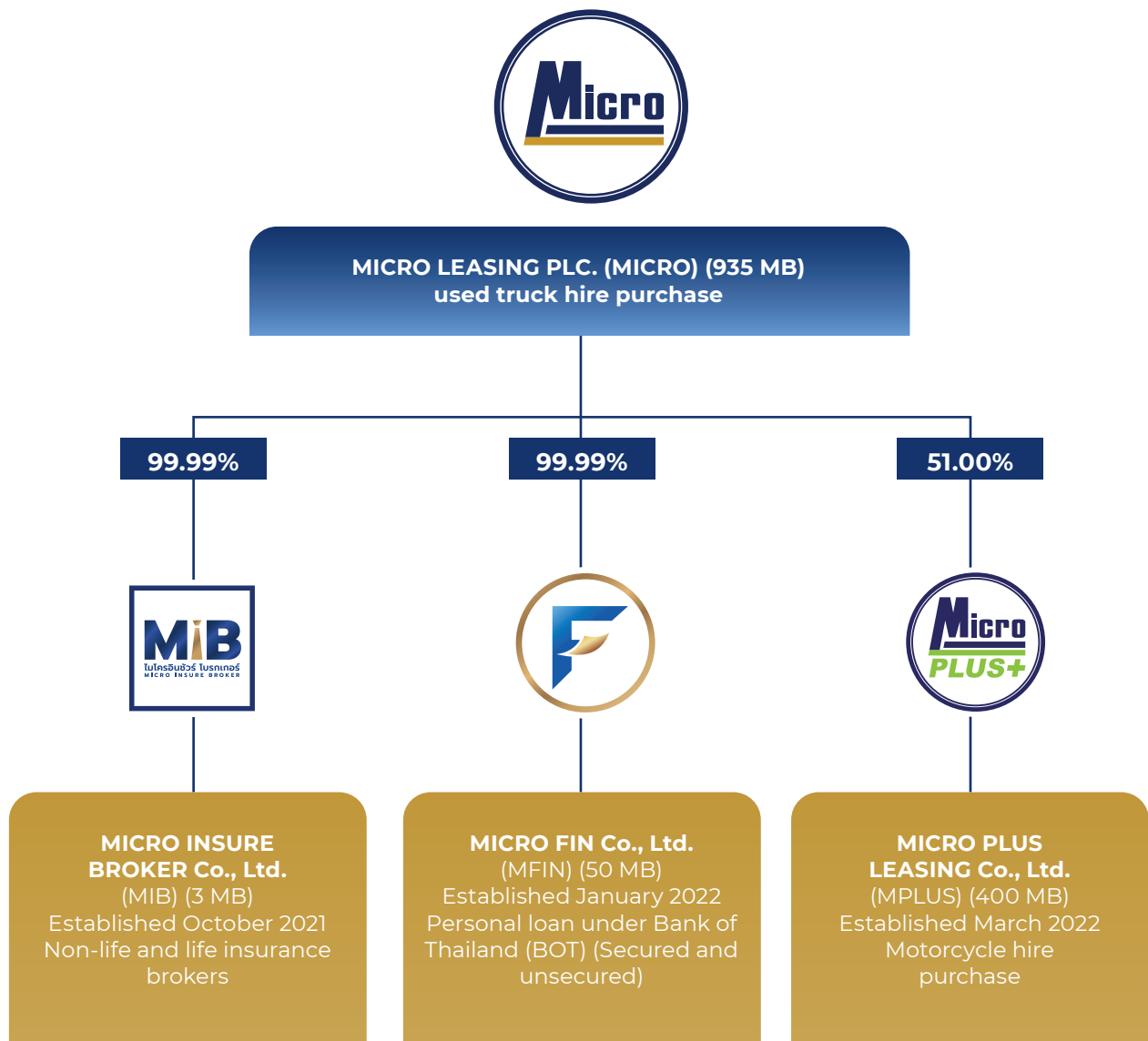
- To increase the number of staff in Marketing and Credit Department to support the growth of hire purchase loan business in larger areas.
- To sustain valuable employees of the Company with appropriate and fair remuneration and benefits, in accordance with the Company's performance and individual's 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 2022:



As of December 31, 2022, the major shareholders of the Company included family members of Mr. Thammasak Auchyawat, accounted for 57.48% of total issued and sold shares of the Company.



Subsidiary	Type of Business	Registered Capital (Million Baht)	Structure of Holdings (%)
Micro Insure Broker Co., Ltd. Company registration number: 0735564007704 863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000 Phone: 034 109 200	operate non-life and life insurance brokers.	3	99.99
Micro Fin Co., Ltd. Company registration number: 0735565000690 863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000 Phone: 034 109 200	operate personal loan Secured and unsecured.	50	99.99
Micro Plus Leasing Co., Ltd. Company registration number: 0735565002854 863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000 Phone: 034 109 200	operate motorcycle hire purchase.	400	51.00

Business Operation and Performance



NATURE OF BUSINESS

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.



Income Structure of the Company and its subsidiaries

The Company and its subsidiaries' income structure in 2020 - 2022 is shown below:

Incomes	Operation by	2020		2021		2022	
		THB Million	%	THB Million	%	THB Million	%
Interest income from hire purchase -used trucks	Parent Company	355.6	100.0	503.9	100.0	671.0	95.0
Interest income from hire purchase -new motorcycles	A subsidiary	-	-	-	-	35.2	5.0
Total interest income from hire purchase		355.6	80.0	503.9	79.7	706.2	82.7
Non - life and life insurance commission	Parent company and its subsidiaries	39.4	50.6	71.1	59.3	74.80	53.4
Other fee and service income	Parent company and its subsidiaries	38.5	49.4	48.8	40.7	65.4	46.6
Fee and service incomes		77.9	17.5	119.9	19.0	140.2	16.4
Other incomes ^{1/}		11.0	2.5	8.5	1.3	7.3	0.9
Total incomes		444.5	100.0	632.3	100.0	853.7	100.0

^{1/} Other incomes include gain from sales of assets, income interest and bad debt recovery, etc.

In the years 2020, 2021 and 2022, the Company and its subsidiaries has income totaling amount is Baht 444.5 million, Baht 632.3 million and Baht 854.0 million, respectively. The Company and its subsidiaries' main income from interest income on hire purchase, totaling amount for the year ended 31 December 2020, 2021 and 2022 is Baht 355.6 million, Baht 503.9 million and Baht 706.2 million, respectively. The representing is 80.0%, 79.7% and 82.7% of total income of the Company and its subsidiaries. There are consist of interest income form used truck hire purchase and interest income from new motorcycle hire purchase. For the year ended 31 December 2020, 2021 and 2022, the Company and its subsidiary have interest income from used truck hire purchase amounting to Baht 355.6 million, Baht 503.9 million and Baht 656.0 million, respectively. There are consistently increasing based on the grow up of the portfolio of used truck hire purchase contract. In addition, Quarter 2 of year 2022, a subsidiary is operated new motorcycle hire purchase as effect to interest income form new motorcycle hire purchase for

the year ended 31 December 2022 is amounting to Baht 35.5 million, representing 5.0% of total interest income from hire purchase. Therefore, The Company and its subsidiary have a policy to set the interest rates and fees that reflect the risk of the Company and its subsidiary 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.

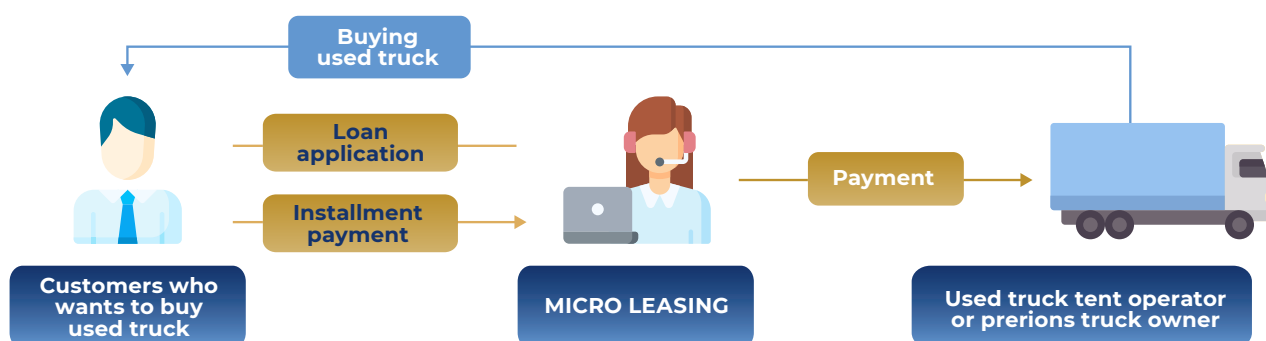
Fee and service incomes included interest penalty income fee, debt collections fees and insurance commission. In the years 2020, 2021 and 2022, the Company and its subsidiaries has fee and service income is amounting Baht 77.8 million, Baht 119.9 million and Baht 140.2 million, respectively. The representing is 17.5%, 19.0% and 16.4% of total income. Mainly fee and service income is insurance commission fee for non-life and life which are related to the new hire purchase contract for used truck and new motorcycle for deduce credit risk of the Company and its subsidiary' receivables.

Overview of hire purchase loan service

Truck hire purchase loan is a form of loan service providing with objectives to provide the alternative funding sources or enhance liquidity for individuals or business owners who do not have to invest in buying such assets with their own cash. The hire purchase loan service includes 3 relating parties,

that is, 1) customer of purchase hirer, 2) used truck tent operators or previous truck owner, and 3) the Company which provides hire purchase loan service.

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



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

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

Providing hire purchase loan service for used trucks, the Company has over 100 credit officers at head

office and branches to coordinate with almost 400 used truck tent operators who are partners with the Company and over 190 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.) 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.

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

		
6-wheel truck	10-wheel truck	sractor
		
Trailer	4-wheel truck	Other vehicles ¹

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

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 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.

(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.

(4) Non-life insurance and life insurance broker service business

The company operates as a non-life insurance broker and a life insurance broker under the Micro Insurance Broker Company Limited ("MIB"), which was registered as a limited company on October 8, 2021. The registered and paid-up capital is 3 million baht, divided into 30,000 ordinary shares with a par value of 100 baht per share. Currently, the company ("MIB") holds 29,998 shares in the brokerage, representing 99.99 percent of the total number of shares sold.

(5) Secured personal loans and without collateral

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

(6) Motorcycle hire purchase loan

The company operates motorcycle hire purchase business under Micro Plus Leasing Public Company Limited ("MPLUS") which was registered as a limited company on March 23, 2022, with a registered capital and paid-up capital of 400 million baht, divided into 4,000,000 ordinary shares with a par value of 100 baht per share. The Company holds 2,040,000 shares, representing 51.00 percent of the total shares sold.

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

(6) Motorcycle hire purchase loan

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

New loan amount classified by type of collaterals.

New loan amount per type of collaterals	2020		2021		2022	
	Agreement	THB Million	Agreement	THB Million	Agreement	THB Million
10-wheel and 12-wheel trucks	564	562.0	861	922.0	801	887.6
6-wheel trucks	587	395.3	879	631.7	983	735.9
Tractor	228	241.0	383	434.9	320	402.7
Trailer / semi trailer	266	86.8	544	185.2	486	176.0
4 – wheel trucks	3	0.9	10	3.7	13	6.8
Others ¹	24	18.5	37	31.9	26	18.1
Total	1,672	1,304.5	2,714	2,208.8	2,629	2,226.5

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 2020 - 2022 for 1,672 agreements, 2,714 agreements, and 2,629 agreements, respectively. Total new loan amounts were Baht, 1,304.5 million Baht. and 2,208.8 Baht and 2,226.5 million, respectively.

In 2022, the Company granted 2,629 new hire purchase loan agreements with the new total loan amount of Baht 2,226.5 million, including hire purchase loans for 10-wheel trucks and 12-wheel trucks of Baht 887.6 million, representing 39.9% of total loan amount. The loan amount for 6-wheel trucks was 33.1% of total loan amount while the loan amount for tractors was 18.1% of total new loan amount, respectively.

New loan amount by region

New loan amount by region	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
Central	763.2	58.5	849.6	38.4	670.8	30.1
Northeast	204.0	15.6	526.0	23.8	591.4	26.6
East	136.0	10.4	267.2	12.1	457.0	20.5
North	71.4	5.5	158.4	7.2	230.6	10.4
South	71.3	5.5	127.3	5.8	27.2	1.2
West	58.4	4.5	280.3	12.7	249.5	11.2
Total	1,304.5	100.0	2,208.8	100.0	2,226.5	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 56.7% of new loan for the year 2022. The new loan amount in

the East region has been growing in accordance with the growth of the 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	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
0 - 12 months	-	-	-	-	-	-
13 - 24 months	5.7	0.4	11.4	0.5	10.0	0.4
25 - 36 months	32.7	2.5	22.9	1.0	19.6	0.9
37 - 48 months	269.8	20.7	301.8	13.7	238.3	10.7
49 - 60 months	996.2	76.4	1,872.7	84.8	1,958.6	88.0
60 - 72 months	-	-	-	-	-	-
Total	1,304.5	100.0	2,208.8	100.0	2,226.5	100.0

The term of agreement of most hire purchase loans of the Company is 49-60 installments which represent over 88% of total new loan for the year 2022.

New loan amount classified by age of collaterals.

New loan amount by installment period of hire purchase ^{/1}	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
0 - 5 years	57.1	4.4	80.0	3.6	126.5	5.7
6 - 10 years	473.0	36.3	924.7	41.9	922.6	41.4
11 - 15 years	357.5	27.4	524.1	23.7	493.7	22.2
16 - 20 years	285.3	21.9	487.2	22.1	492.0	22.1
21 - 25 years	78.7	6.0	90.1	4.1	90.7	4.1
25 years up	53.0	4.1	102.7	4.6	101.0	4.5
Total	1,304.5	100.0	2,208.8	100.0	2,226.5	100.0

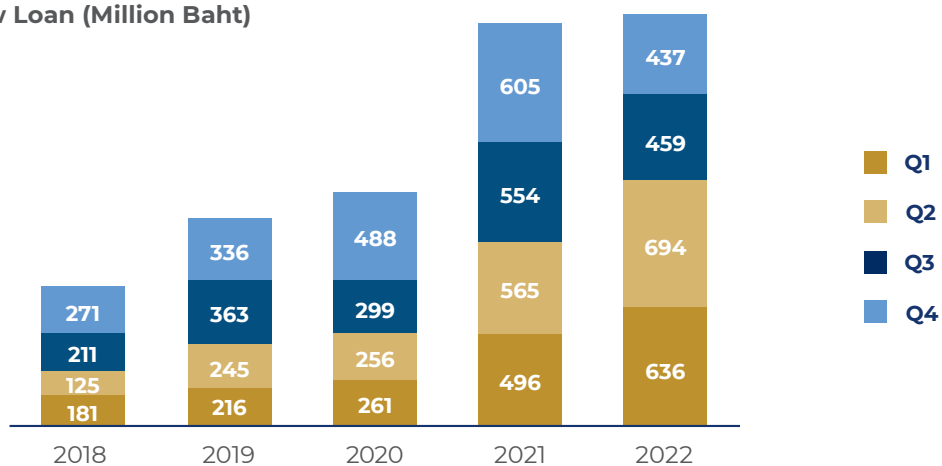
^{/1} Age of collaterals on the granted loan date

At present, the age of over 63.6% of the Company's collateral trucks, on the date of agreement signing, is 6 - 15 years. In addition, the over 16 - 20 years old truck segment is 22.1% of the Company's collateral trucks which the proportion of hire purchase contract by collateral is consistent with prior year.

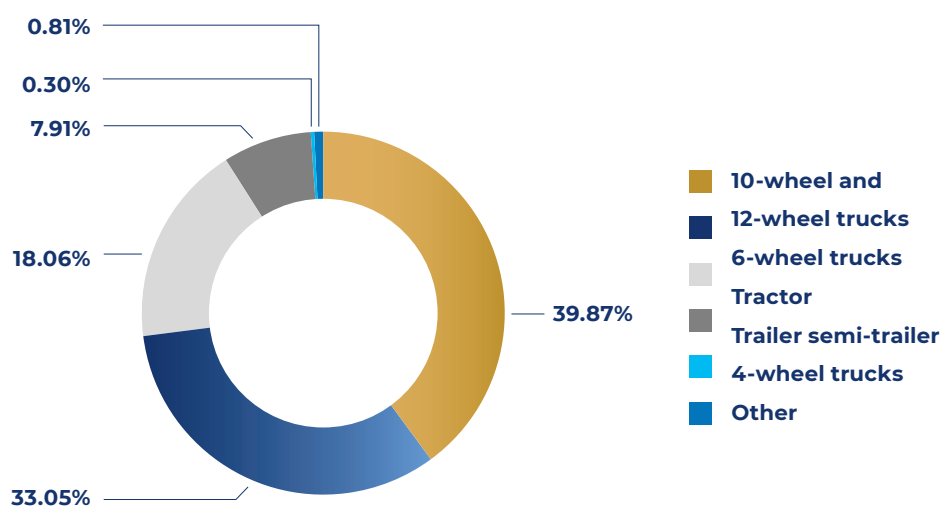


Graph of total new loans of the Company in 2022

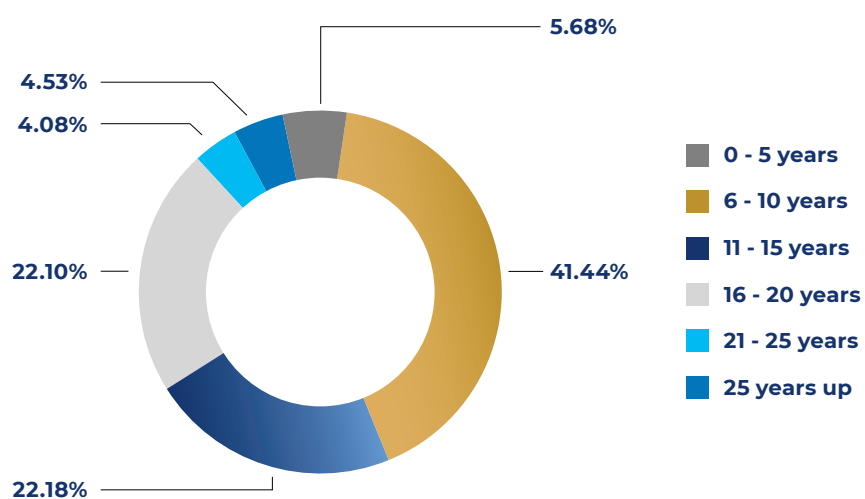
New Loan (Million Baht)



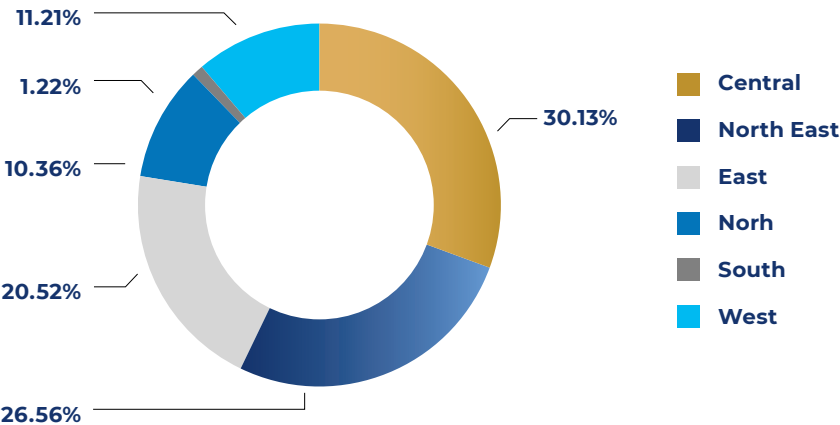
New Loan percentage by type of collateral



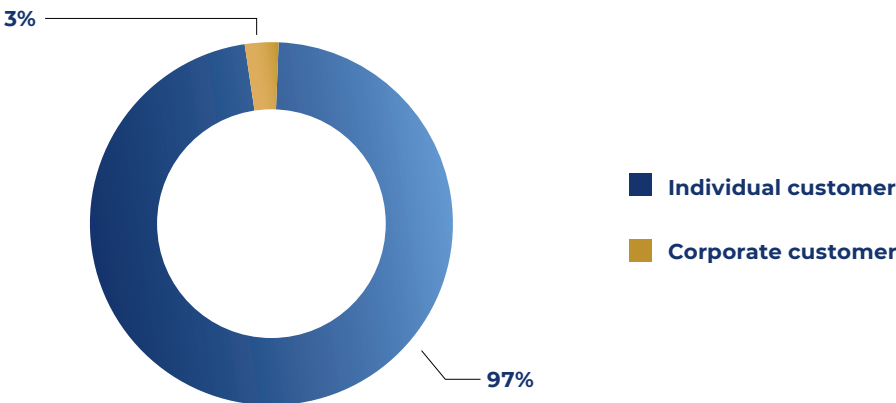
New Loan percentage by age of collateral



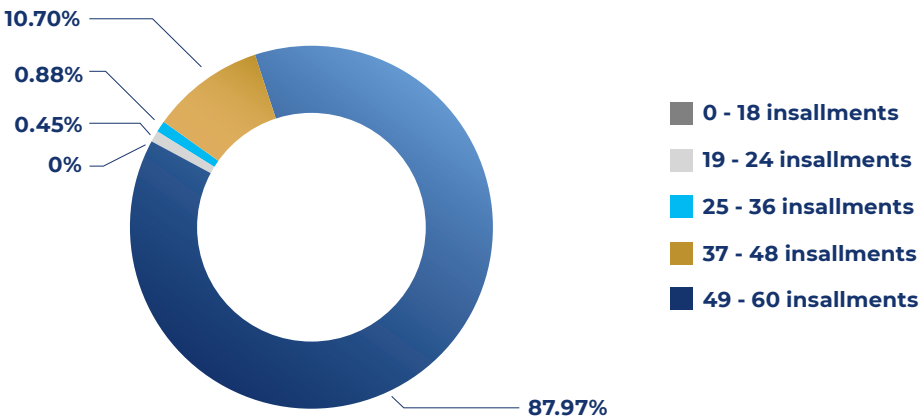
New Loan percentage by region



New Loan percentage by type of customer



New Loan percentage by installment payment period



Outstanding hire purchase loan receivables

Used truck hire purchase contracts.

As of 31 December 2020 - 2022, 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 December 2020		31 December 2021		31 December 2022	
	THB Million	%	THB Million	%	THB Million	%
10-wheel / 12-wheel trucks	1,131.5	44.5	1,608.7	42.4	1,770.0	40.0
6-wheel truck	788.3	31.0	1,126.6	29.7	1,424.8	32.2
Tractor	427.8	16.8	723.7	19.1	833.8	18.8
Trailer/ semi-trailer	149.0	5.9	276.7	7.3	334.0	7.5
4-wheel truck	3.9	0.2	5.9	0.1	9.5	0.2
Others	41.3	1.6	54.2	1.4	56.9	1.3
Total	2,542.0	100.0	3,795.8	100.0	4,429.0	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 December 2020		31 December 2021		31 December 2022	
	Agreements	%	Agreements	%	Agreements	%
10-wheel / 12-wheel trucks	1,663	36.7	2,028	33.4	2,184	30.9
6-wheel truck	1,710	37.7	2,187	36.0	2,636	37.3
Tractor	483	10.7	786	12.9	920	13.0
Trailer/ semi-trailer	601	13.3	977	16.1	1,203	17.0
4-wheel truck	14	0.3	20	0.3	30	0.4
Others	63	1.4	82	1.3	97	1.4
Total	4,534	100.0	6,080	100.0	7,070	100.0

As of the end of 2020 - 2022, the Company had total loan accounts of 4,534 agreements, 6,080 agreements, and 7,070 agreements, respectively. The outstanding hire purchase receivables were Baht, 2,542.0 million Baht, and 3,795.8 million, and Baht 4,429.0 million, respectively.

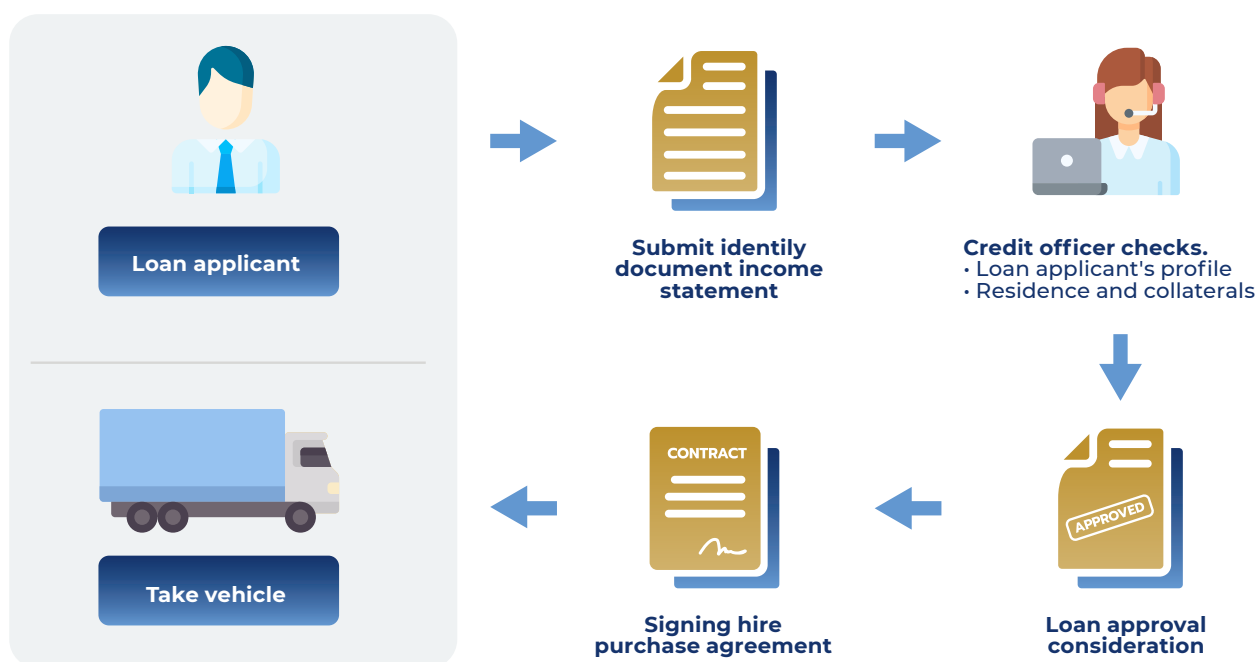
As of 31 December 2022, the Company has 7,070 loan agreements and 4,429.0 million Baht of

outstanding hire purchase receivables, increased from the end of the previous year because of the increasing new loans of new customers and the effective sales promotions. However, in the year 2022, the Company had higher number of closed agreements from confiscated vehicles caused by the slowdown economy during COVID-19 pandemic since year 2021.

Loan service process 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.

Chart of loan granted process of the Company



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

Loan Application Process

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

1) Individual customers

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

2) Corporate customers

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

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

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

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

Identity documents ^{/1}	<ul style="list-style-type: none"> Copy of identity card, copy of house registration, photo of house.
Income statements	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

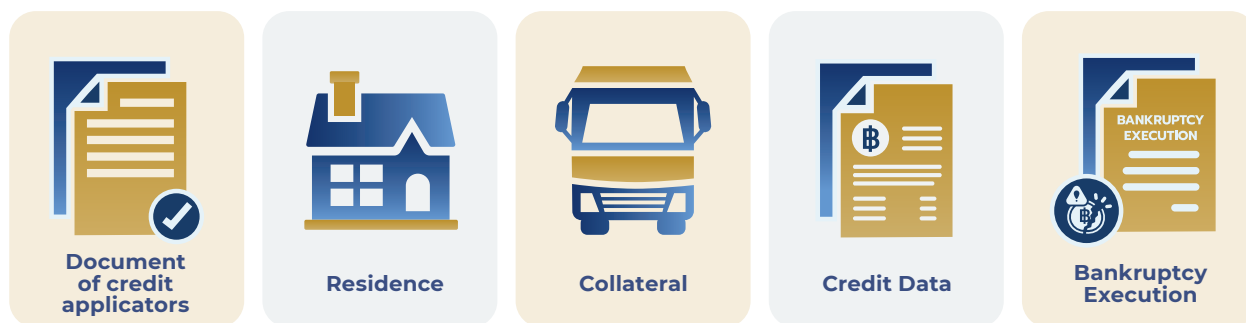
Credit Management Officers will ask for preliminary information of loan applicants, such as purpose of loan application, and preliminarily check the truck valuated prices on the rate book of used trucks from the Appraisal Section. Customers shall be informed about the preliminary information, such as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

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.

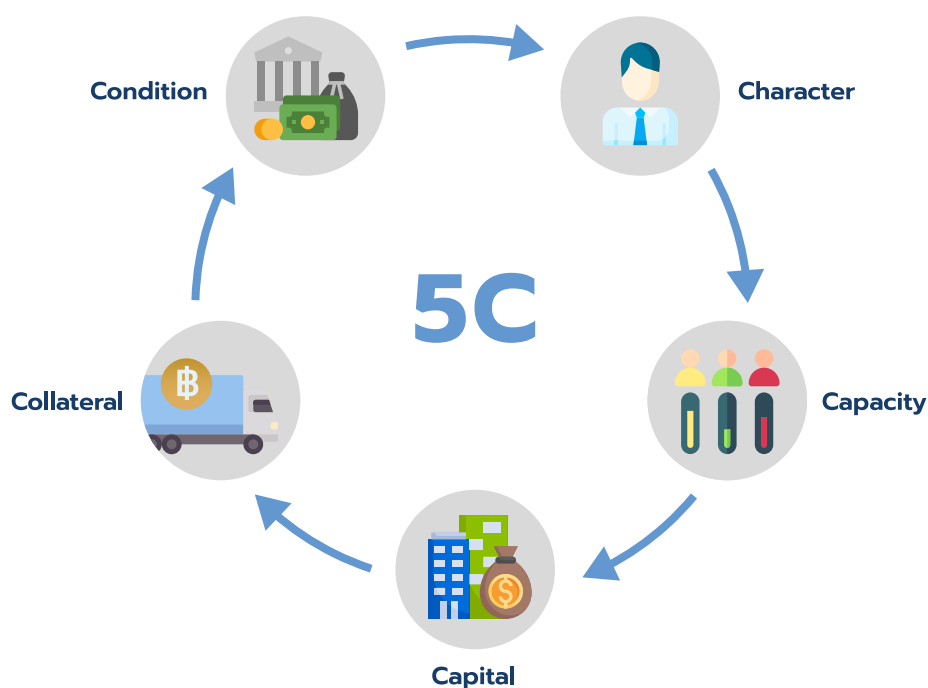
Moreover, credit officers at the branches will check the correctness of collateral ownership documents, such as copy of vehicle registration and photos of collateral trucks, before sending to the collateral assessment department at the head office to assess the collateral condition, considering type, 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:

- (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 Truck 2 hand website which is the largest website popular for trading used trucks and has a lot of truck samples, and from the real trading cases from the Company's truck tent partners. The Company has a policy to regularly review reference prices every 6 month in order to make the Rate Book reflect the updated market prices of trucks.

Estimated prices

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

The Company has a policy to set credit limits including insurance premiums and credit limit protection insurance, at not higher than 90% of truck's trading price or not higher than 120% of collateral's estimated price (whatever price is lower.) As a result, the credit limits of some cases can be as high as 120% of collateral's estimated prices. For example, a used truck has very good condition because it was repaired and changed many spare parts until its condition is better than a sample truck which was referenced in the Rate Book. So the trading price of this truck is high and its estimated price is higher than the reference price in the Company's Rate Book. However, since the Company's policy requires the estimated price not to be higher than the Rate Book price, the Company's estimated price of this truck is lower than the estimated price considering real condition. As a result, in some cases, the Company's approved the loans at higher prices than the estimated prices. Nevertheless, most of the Company's approved credit limits are approximately 70-80% of estimated collateral prices.

Process of Loan Approval

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



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

In this regard, over 90% of the Company's hire purchase loans are considered by the Area Credit Committee which supervises the credit approval of the branches. The Company divided the branches management into 7 areas according to the branch location in the province as follows:

Area 1	• Ratchburi, Kanchanaburi, Supanburi, Pathum Thani
Area 2	• Chonburi, Samut Prakan, Prachin Buri, Rayong
Area 3	• Pisanulok, Saraburi, Nakorn Sawan
Area 4	• Khon Kaen, Udonthani, Sakon Nakhon, Chaiyaphum
Area	• Nakorn Ratchasima, Ubonratchathani, Roi Et, Surin
Area 6	• Phrae, Chiang Mai, Sukhothai
Special Area	• Nakorn Pathom, Surat Thani, Bangkok

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

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

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

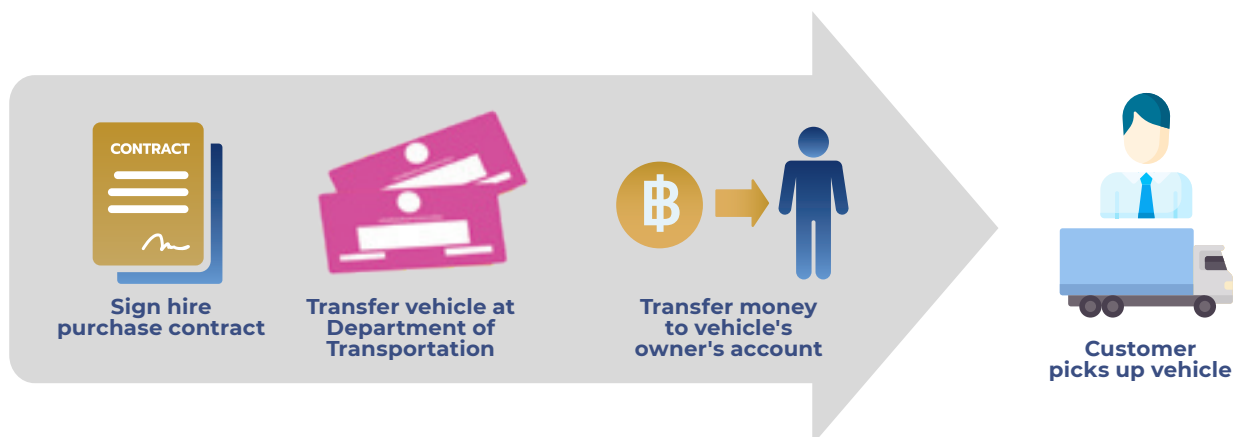
If the credit consideration is in line with the credit approval criteria of the Company, the authorized approver will inform the approval result to the branch so that the branch can inform the customer further. In general, if the credit application and documents are complete, the Company will take 3-5 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 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 the head office’s system. If any payment transaction is found overpaid or incomplete, the finance department will inform the debt collection department and branch officers to follow up with customer for the full amount repayment. If customer makes a defaulted payment of installments, the Company shall proceed on the regulations of debt tracking and collection.

Process of debt collection

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

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

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

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

Process of closing account

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

Process of collateral collection

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

Process of collaterals auction

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



Parking lot of confiscated vehicles of the Company in Nakorn Pathom

Truck details can be tracked through the following channels:

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

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

analysis method for consideration as they do in the normal used truck hire purchase agreement.

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

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

As of 31 December 2022, there were 178 confiscated trucks as the Company's foreclosed assets with the accounting value of 84.4 million Baht or 1.7% of total assets of the Company. Most of them were 6-wheel, 10-wheel and 12-wheel trucks, with the following details:

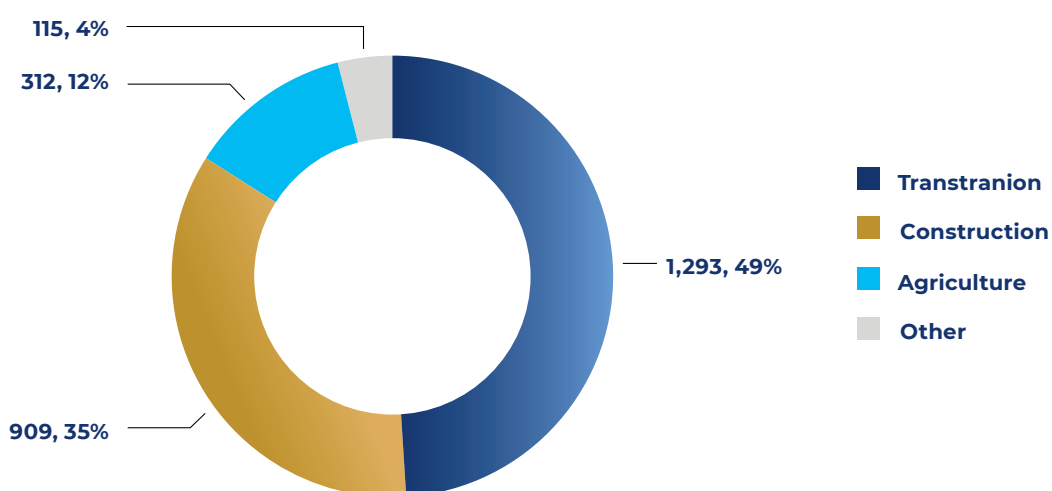
Age of foreclosed assets (from collateral confiscation date)	31 December 2020		31 December 2021		31 December 2022	
	THB Million	%	THB Million	%	THB Million	%
Less than 1 month	6.1	89.7	9.8	86.7	38.8	46.0
1-3 months	0.7	10.3	0.6	5.3	27.2	32.3
More than 3 months	-	-	0.9	8.9	18.4	21.7
Total	6.8	100.0	11.3	100.0	84.4	100.0
<u>Less:</u> Allowance for impairment	-		-		-	
Foreclosed assets - Net	6.8		11.3		84.4	

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

Outstanding contract receivables data Jan. - Dec. 2022 (divided by industry)



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 49 percent of the total of all loan amounts are customers from the central region of the country.

New Loan amount by customer group

New Loan amount by customer group	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
Individual customer	1,211.1	92.8	2,153.4	94.5	2,153.8	96.7
Corporate customer	93.4	7.2	124.5	5.5	72.6	3.3
Total	1,304.5	100.0	2,277.9	100.0	2,226.4	100.0

The Company's customer group consists of individual customers and corporate customers, introduced to the Company by the truck tent operators or used truck agents. In the year 2022, the Company's hire purchase loans for individual and corporate customers were 96.7% and 3.3% of total loan amount, respectively. The Company focuses on the fast and efficient loan services, considering the convenience of customers and tent operators as priority. The continuous development of after-sales services is also taken into consideration to maintain current customer base and expand to new customer group. As a result, the past record shows that existing customers who complete their installment loans with the Company come back for the Company's hire purchase loan services when they want to buy the new used trucks.

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

However, since the Company's main customer target group is the customer group that uses trucks for commercial services, the Company has the risk that such customer group may be sensitive to the domestic economy or the ability to repay debt may change. For example, if hire purchase customer is a farmer, his ability to repay debts may depend on the harvest season or the purchasing power may decrease from the price drop of agricultural crops due to the slowdown of domestic economy or slower recovery than expected. To reduce such risk, in the previous year, the Company turned to focus more on the customer group in the consumer goods

transportation industry because consumer goods are necessary for daily life and its demand and supply do not change according to the season. So the transportation operators who are the Company's hire purchase customers have consistent income and can repay the installments continuously. In addition, the Company gives importance to the careful approval of loan application in consideration of various factors, including the collateral's quality and loan applicant's qualification. The Company has a policy to provide hire purchase loan services to customer groups of which the Company has already assessed the risk of debt payment ability. Loan applicants must have purpose to use trucks in business to generate incomes. They must also have a good financial record, credible financial position, certain occupation, stable income and earn enough to pay for installments as per contract. In addition, loan applicant and surety must not be bankrupt or have a record of prosecution and shall sign in the letter of consent for the company to check their credit information.

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

Pricing policy

Interest rate

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

Credit limit

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

Installment amount and installment payment period

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

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

company is in the process of considering extending the maximum installment period to not more than 72 installments.

Sales channels

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

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

At present, the Company has almost 480 trade partners of used truck tent operators in various regions all over the country. About 372 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 190 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 2022, the Company

had total of 25 branches all over various provinces in every region of the country. The Company's 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.

Product or service sourcing

1. Source of funds

In the beginning stage of business, the source of funds for credit business expansion mainly came from the shareholders' capital, both in the form of capital increase in the company and loans from connected persons. The loan application to financial institutions during the beginning of business was limited because the credit policy of financial institutions was quite strict and the Company's business could be considered as competitor of some financial institutions. However, in 2018, the Company received the short-term credit limit from the financial institution for the first time to increase its liquidity. The operating result giving continuous retained earnings and the decreasing proportion of Non-Performing Loans, as a result of the concisely implementation of the credit approval policy and the effective debt collection enable the Company to receive more credit limits from other banks, respectively. As of 31 December 2022, the Company has short-term credit limit from the banks in total of 1,500.00 million Baht, consisting of 246.47 million Baht of used credit limit and 1,160.00 million Baht of unused credit limit.

Sources of funds	December 31, 2020		December 31, 2021		December 31, 2022	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Loans from financial institutions	448.2	18.6	690.5	24.5	246.5	4.6
Loans from connected persons	305.6	11.6	150.8	5.3	30.0	0.6
Loans from other persons	9.2	0.4	16.0	0.5	200.0	3.8
Debenture	-	-	1,052.9	37.4	2,680.5	50.6
Shareholder's fund	1,822.3	69.4	1,958.4	69.6	2,140.1	40.4
Total source of funds	2,625.3	100	3,868.6	100.0	5,297.1	100.0
Unused credit limit	444.7		1,340.0		1,160.0	

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

As of December 31, 2022, the Group has loans (Before deducting allowance for expected credit losses) in the amount of 4,956.75 million baht, with the source of funds from shareholders' equity, consisting of paid-up capital, legal reserve and retained earnings totaling 2,140.10 million baht, representing a combined proportion of 40.40%, debentures 2,680.50 million baht, representing 50.60% of the total capital. While loans from financial institutions amounted to 246.5 million baht, representing 4.65% of total funds. Loan from related person 30.0 million baht, equivalent to 0.57% of total capital and loans from other persons of 200.0 million baht, representing 3.78 percent of total funds, respectively.

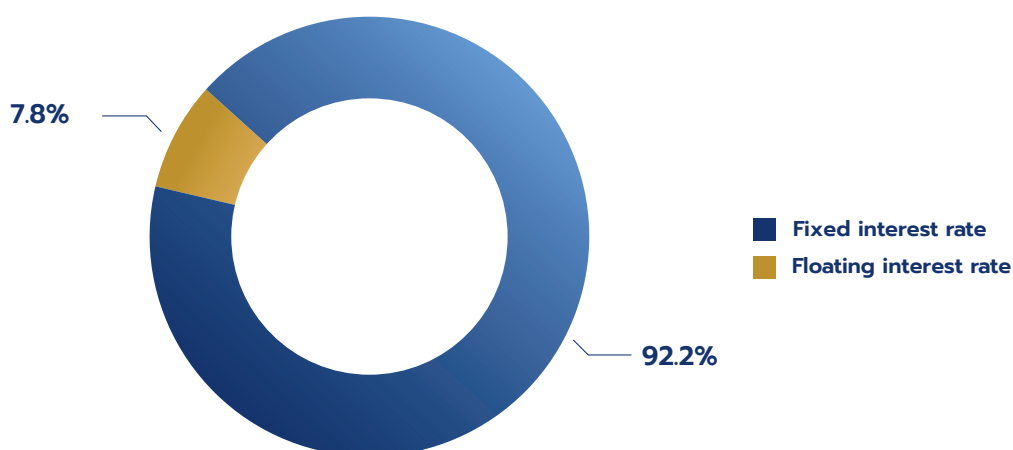
Nevertheless, the Company expects that the proportion of loans from directors or shareholders will be decreasing respectively in the future. After being listed in the Stock Exchange of Thailand, the Company will have source of funds from Initial Public Offering (IPO) and other sources of funds, i.e., issuance of debentures and

bill of exchange, which can support the Company in managing liquidity for operations sufficiently. The Company shall gradually return the loans to such directors accordingly.

2. Liquidity Management

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

Proportion of loans as of December 31, 2022 by type of interests



The Company gives importance to the liquidity risk management to reduce the risk of the inability to repay debt or obligation when reaching due date, or the inability to find source of funds in time for a sufficient amount as needed to expand business, or the ability to find source of funds but at the unacceptably high financial costs which can affect the Company's incomes and performance. In this regard, the total loan amount of the Company as of December 31, 2022 was 3,156.98 million Baht with the payment due as follows:

Debt obligation to be repaid (Liabilities)	December 31, 2020		December 31, 2021		December 31, 2022	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Within 1 year ¹	670.7	83.5	467.0	24.5	978.1	31.0
Over 1 year but not over 2 years	132.3	16.5	997.1	52.2	1,182.1	37.5
Over 2 years but not over 3 years	-	-	353.5	18.5	796.7	25.2
Over 3 years	-	-	92.6	4.8	200.0	6.3
Total	803.0	100.0	1,910.2	100.0	3,156.9	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, 2022 excluding receivables more than 3-months overdue and debtors currently under legal action, the Company's due payment installments are as follows:

Hire purchase receivables (Excluding NPL)	December 31, 2020		December 31, 2021		December 31, 2022	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Within 1 year	758.4	31.0	1,097.2	29.9	1,435.5	30.3
Over 1 year but not over 2 years	592.9	24.3	840.1	22.9	1,159.2	24.5
Over 2 years but not over 3 years	530.1	21.7	789.5	21.6	1,086.4	23.0
Over 3 years	563.5	23.0	937.2	25.6	1,050.2	22.2
Total	2,444.9	100.0	3,664.0	100.0	4,731.3	100.0

As of December 31, 2022 the Company had loans due within 1 year of 978.1 million Baht, including 98.86.2 million Baht of loans from financial institutions, 30.0 million Baht of loans from connected persons and 849.3 million Baht of debenture, which were higher than the amount to be received from debtors within 1 year which was 1,435.5 million Baht.

The short-term loan from another financial institution was the revolving credit. When the repayment is complete, the Company can apply for the new loan at full credit limit. The short-term loan from the connected persons due within 1 year of 30.0 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 1,978.8 million Baht and the amount to be received from the over 1 year but not over 3 years receivables of 2,245.6 million baht, long-term loans due over 3 years in the amount of 200.0 million baht and the amount received from debtors over 3 years in the amount of 1,050.2 million baht, the Company will have enough fund for loan repayment in the long term.

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

In addition, the Company has a policy to restructure the financial structure by finding

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

Conditions required to comply with loan agreements from financial institutions.

As of December 31, 2022, the Company had short-term and long-term loans from 4 financial institutions to which the Company put on collaterals as per general conditions of borrowing, such as guarantee deposit, land, and building, claim for repayment from hire purchase receivables, and guarantee by directors or shareholders, etc. However, such loan agreement had significant condition with which the Company must comply, that is, the Company must maintain the financial ratios according to the bank's terms and conditions. If the Company cannot maintain such financial ratios as required and does not comply with other conditions of the loan agreement, the Company may face the risk of the suspension of credit limit or the immediate recall of all principles, which shall have effect on the liquidity and business conduct ability of the Company. The financial ratios complying with the bank's terms and conditions are as follows:

Financial Ratios maintaining	Bank conditions	As of 31 st December 2022
Total Debt to Equity Ratio	Not more than 2 Times	1.57 Time
Total financial institution loans to total receivable value ratio	Not more than 70%	4.97%
NPL ratio	Not more than 5.0%	4.87%
Proportion of 4 major shareholders to registered capital	More than 50%	55.92%
From 29/10/2021, can borrow money with collateral	Not more than 4,000 million baht	750 million baht

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 31,2022, the Company had the financial ratios as per the bank's requirement.

Industry condition and competition

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

Overview of domestic economy and credit business

Business credit demand for credit continues to increase. This will allow lenders to the business sector of these businesses (sor.) still be allowed to have similar powers. Claims for business loans in the 3rd-4th quarter of 2022 increased from the previous year. Relaxing the size and branch business to allow time to operate as was in line with the improvement in economic activity. The businesses in the manufacturing sector need credit to produce goods. Increased inventory to support production costs that tend to increase in line with world commodity prices. Including for exporting goods. In addition, large businesses need credit for refinance. more in line with the trend of interest rates will be raised for the third quarter of 2022, large businesses and SMEs are likely to continue to demand more credit in all business fields. Especially businesses in the manufacturing and service sectors to use as working capital for operations and to produce inventory, with some large businesses requiring credit for mergers and acquisitions business (M&A) and to invest in projects especially government projects While for SMEs, part of them need loans for refinance because interest rates are expected to increase in the future.

Credit standards for corporate loans in the third quarter of 2022 and the fourth quarter of 2022 remained stringent for both large corporates and SMEs, especially those in the agricultural sector, although loan quality improved. Some of the gains were due to rising global agricultural prices, with some financial institutions considering raising margins for high-risk customers. Including increasing the strictness of the loan contract conditions This is in line with the loan approval rate of financial institutions that tends to increase. especially businesses in the manufacturing sector Household loans: The demand for household loans continues to increase in all types of loans. Credit standards eased slightly for some types of loans.

Demand for household loans in the third and fourth quarters of 2022 increased in all types of loans, especially other consumer loans and credit card loans. The economic recovery has resulted in the confidence of Consumers and demand for consumption expenditure improved. causing households to demand more credit for Supporting liquidity during times of rising cost of living especially for households with limited savings, while the demand for housing loans increased from promotions to promote sales of entrepreneurs. and partly from the tendency of interest rates to increase For the third quarter of 2022, demand for household loans tends to continue to increase in all types of loans. from consumer confidence continued to improve in line with the economic recovery trend by demand Other consumer loans and credit card loans also increased to support liquidity for In addition, car and home entrepreneurs are likely to launch more sales promotions, which will boost demand for auto and housing loans.

Household credit standards in the third and fourth quarters of 2022 eased slightly in some loan types, except for other consumer loans, which are mostly unsecured, with financial institutions and non-banks also Be careful in granting such type of credit. Although loan quality has improved for the 3rd-4th quarter of 2022 Credit standards for households remain unchanged, with demand for loans from financial institutions tending to increase in all types of credit. Due to concerns over credit quality that may deteriorate, some financial institutions are considering raising margins for high-risk customers.

Source : Bank of Thailand

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

The tendency of the automotive industry to recover well will come from the truck and motorcycle groups. Passenger cars and buses recover slowly following the recovery of the economy and the tourism sector The number of registered buses and trucks is expected to expand by 3.1%, supported by government construction projects. Both general construction and mega projects for passenger vehicles (buses) are still showing a slow improvement. by tourism sector but it is expected to gradually recover in the second half of the year. according to the government's open country policy.

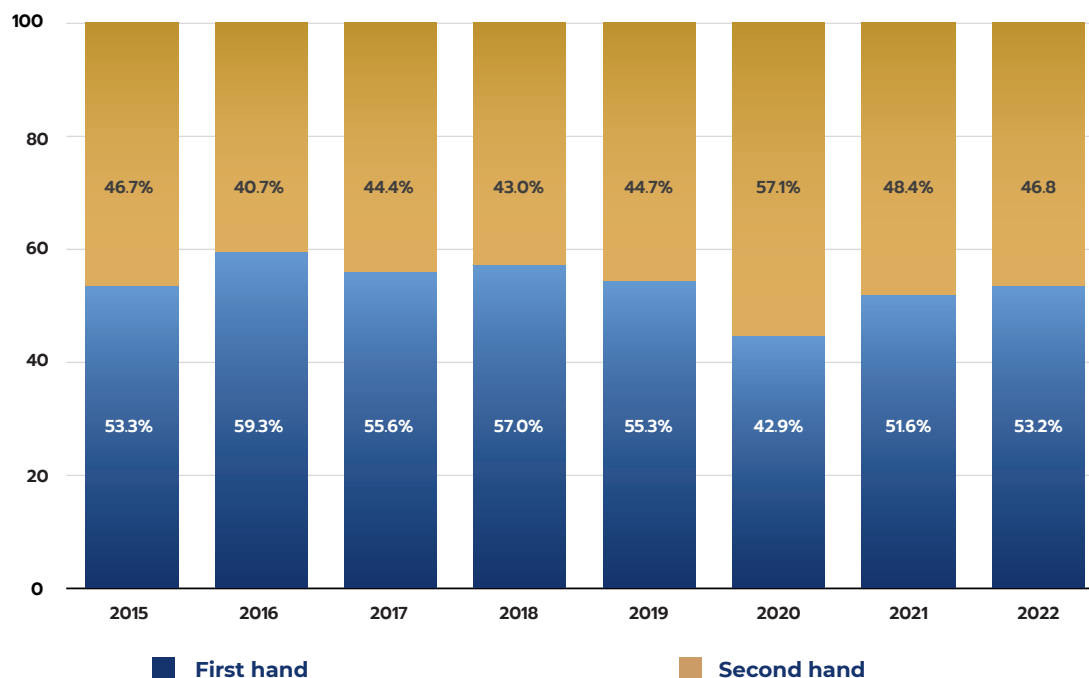
Sales of passenger cars will grow at 1.1%, supported by lockdown easing and government stimulus. However, inflation and rising energy prices still need to be monitored. and may result in a decrease in the purchasing power of consumers As for domestic motorcycle sales and motorcycle exports in 2022, there is a tendency to continue to grow by 5.2% or approximately 1.69 million units. This was supported by improved delivery, e-commerce business and farm income. Including the increasing popularity of high-priced motorcycles in the Chinese and European markets.

However, although the Thai automobile manufacturing industry has a better recovery trend But there are also risks that need to be watched as follows:

1. The global shortage of semiconductors The trend lasted longer than expected. This will continue to affect downstream industries such as automobiles. which also requires semiconductor components in production especially new cars with modern technology and electric vehicle (EV).
2. Cost of raw materials increased in the world market that may affect the Thai automobile production supply chain due to Russian sanctions The price of energy and the raw material prices of many commodities in the world market have increased dramatically and the cost of car production has increased accordingly.
3. The trend of transitioning to electric cars This will affect the supply chain of the Thai automotive industry in the long term, especially parts and equipment manufacturers. Used for engines and powertrains of internal combustion vehicles (ICE). Except manufacturers of certain types of parts and equipment such as car frames, bodies, suspension systems, seats, wheels, etc., which will be less affected than other types of parts manufacturers. that are not in the electric vehicle supply chain
4. Growing trend of ride-sharing business and changing consumer behavior Younger generations who place less emphasis on property ownership than older generations may affect car demand going forward.

Source: Economic Intelligence Center / Siam Commercial Bank.

Number of newly registered trucks (%)



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

^{/1} Growth rate compared to the same period of previous year.

Number of trucks	2015	2016	2017	2018	2019	2020	2021	2022
New truck red label	36,785	38,626	36,463	40,123	37,892	29,907	38,142	40,523
Used truck	32,196	26,537	29,093	30,282	30,592	39,814	35,731	35,692
Total trucks	68,981	65,163	65,556	70,405	68,484	69,721	73,873	76,215

If considering the type of truck, it will be found that the number of new red truck registrations in 2022 has increased from 2021 by about 5.87 percent, because in 2016 there was a double tax deduction for customers who bought trucks. Therefore causing a lot of orders in 2016, however, even in 2017 there will still be a 1.5 times tax reduction. But it was not able to generate sales as in 2016, coupled with other factors such as lower private spending. and government spending on construction projects slightly increased. While the used truck market in 2017 still traded well.

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.

For the truck market during the year 2022, sales have increased. due to the relaxation measures of the state The situation of the spread of the COVID-19 virus has decreased, resulting in an increase in the demand for trucks in the country as a whole. However, if considering only the used truck market It was found that sales were affected by a decrease of 0.10 percent from 2021 as operators switched to buying first-hand trucks. to use in business instead of buying two more trucks which can be observed from the proportion of newly registered second-hand trucks increasing from the original as shown in the following table.

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

Number of newly registered trucks	2015	2016	2017	2018	2019	2020	2021	2022
First hand	53.3	59.3	55.6	57.0	54.1	57.1	51.6	53.2
Second hand	46.7	40.7	44.4	43.0	45.9	42.9	48.4	46.8
Total	100	100	100	100	100	100	100	100

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

If analyzing the proportion of newly registered trucks with red plates to all new registered trucks as of December 2022, it was found that the average red-plate registered trucks accounted for 53.2% of all newly-registered trucks, with another 46.8% of vehicles. Newly registered trucks are registered for trading of used trucks. From 2020 to 2022, the proportion of second-hand truck sales changed from 42.9 to 53.2 percent of all newly registered trucks. This shows the continued popularity of the used truck market, which is the main target group for the company's hire purchase credit in 2022. The proportion of newly registered used trucks declined to 46.8% as new truck dealers promoted more promotions for customers, such as free driving before 3 months or 90 days before starting. Pay the first installment, free maintenance for 5 years, resulting in entrepreneurs starting to buy more new trucks.

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.

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.

In 2022, the Monetary Policy Committee ("MPC") announced the decrease in policy interest rate for gradually decreased from 0.75% to 1.25%, 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	2018	2019	2020	2021	2022
Policy interest rate	1.75	1.25	0.50	0.50	1.25
MLR - lowest	6.03	6.00	5.25	5.25	5.75
MLR - highest	6.60	6.35	5.58	8.10	8.60
MRR - lowest	7.12	6.87	5.75	5.95	6.10
MRR - highest	7.37	6.95	6.22	8.80	9.25

Source: Bank of Thailand

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

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

Used truck Hire-Purchase Business

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

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

Increase liquidity credit or secured credit

About the beginning of BE.2562, Bank of Thailand started to conduct Non-Bank strictly. It issued the announcement called sor.nor.sor.2/2562 for setting the guidelines of conducting secured car registration loan or car registration pledge loan, that

one type of loan agreement, and the companies which are under that announcement such as car registration pledge's credit provider call for the loan applicant put the car registration such as car registration book, motorcycle registration book, agriculture vehicles registration book, truck or other car to the credit provider and the loan applicant must sign in advance into transfer car agreement and any documents related, that announcement force the credit providers must have paid capital minimum of 50 million Baht and they can charge the interest and fees not exceed 28% per year, however that announcement is not cover to Micro business because Micro business is truck registration secured loan which is one type of hire-purchase agreement which loan applicant must transfer truck or another secured car to Micro while signed contract, as a result Micro can charge the interests and fees without enforcement of any regulations.

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

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

1. Debt tracking and collection

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

cycle In the event that the debtor has overdue debt for more than one period It is effective from 13 September 2021 onwards.

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

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

RESEARCH AND DEVELOPMENT

Micro Group has always focused on research, development, and adoption of modern technologies to improve our services. The company has a dedicated Information Technology team to study and develop new technologies to improve the efficiency of the company's business operations and customer service experience. Our research and development projects focus on transitioning our business process to digital (Digital Transformation) and the company continues to make strategic investments to develop and improve our 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 personal data protection. We have put resources into improving our information technology security system and employ a consultant to continuously test and assess system security (Vulnerability Assessment). Furthermore, our company has certified our IT infrastructure with ISO/IEC 27001:2013 standards for our data center and business applications. We are also in the process of implementing Data Leak Protection (DLP) system. 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 information security.

Furthermore, we will continue to develop and improve our information technology systems, such

as Personal Loan System, Mobile Applications for customer and dealer services, adopting cloud technology in our business process in the form of Hybrid Cloud, developing data interfaces both within Micro Group, and with external service providers through API standards, 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 overall credit risk.

Micro Group 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 our customer's service experience and satisfaction.

Product and Development

Product research and development The company focuses on using information to analyze and develop credit products to suit the target group. The product development team prepares information and surveys the demand for credit services.

In the case of terms of service, the company has analyzed the geographical location of the partners to use as a suitable manpower plan. By adhering to the principle of convenience and speed in meeting the needs of partners with quality

In the case of terms of products, the company provides analytical data on both quantity and credit quality to assess and formulate appropriate sales promotion strategies. Along with tracking Evaluate periodically. therefore able to design a special program for quality preferred partners

Securities and Shareholders Information



SECURITIES

Amount of registered capital and paid-up capital

As of 31 December 2022, the company has a registered capital of 935,000,000 baht as follows common stock amount 935,000,000 shares par value of 1 Baht per share.

Share transfer restrictions

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

Shareholder Structure

Shareholding structure as of 31 December 2022 as follows:

Major Shareholders	Amount	%
1. Mr. Thammasak Auchyawat	218,910,000	23.41
2. Mr. Kitsada Auchyawat	128,750,000	13.77
3. Mr. Jedsada Auchyawat	123,150,000	13.17
4. Mr. Tanyakon Autchayawat	52,050,000	5.57
5. Mr. Keittipong Toemkunanon	28,000,000	2.99
6. Mr. Sataporn Ngamruengpong	27,655,400	2.96
7. Mrs. Thanida Jirothanapas	18,842,700	2.02
8. Mrs. Wanna Auchyawat	16,548,000	1.77
9. Mr. Athon Jirothanapas	15,825,900	1.69
10. Mrs. Rotsanan Yingthaweesak	14,548,000	1.56
11. Other shareholders	290,720,000	31.09
Total	935,000,000	100.00

Dividend Payment Policy

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

Issuance of Other Securities

Long - term 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	MICRO230A	349,300,000	5.25	2 years	29 Oct 2023
29 Oct 2021	MICRO230A	203,600,000	5.50	3 years	29 Oct 2024

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

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

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

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

Risk Management



RISK FACTORS

Risk factors mentioned in this topic are assessed from the situation in 2022. 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 25 branches all over Thailand. Moreover, the Company has business partners who are used truck tent operators and agents throughout the country to introduce the Company's credit services. The primary target group of the Company's credit providing service includes transportation operators in various industries, such as transportation of agricultural products and construction materials, etc. This target group has limited opportunity and option to access to the source of funds. In addition to the used truck hire purchase loan service, the Company provides other forms of loan service, such as loans with truck registration as collateral, refinancing loans, and other hire purchase services, such as coordination job to arrange and renew car insurance under the Car Accident Victims Protection Act, etc.

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

1. Risk from operating a used truck hire purchase business
2. Legal and regulatory risks
3. 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 guarantor quality and the regularly review of the hire purchase policy. The Company, cooperating with National Credit Bureau (NCB), uses Credit Bureau information in loan consideration to screen customers more efficiently and uses the Credit Scoring Model as a tool for loan quality assessment which covers the source of income, domicile and address of loan applicant and surety. The bankruptcy information shall also be checked via 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 not seasonal. The Company's hire purchase customers who are transportation operators have consistent incomes and can continuously repay the installments. With the policy mentioned above.

In 2022, the company had hire purchase receivables that were not overdue and overdue less than 90 days in the amount of 4,213.14 million baht, representing 95.13%, while NPL receivables or debtors with credit impairment accounted for 4.87%. of all hire-purchase receivables part of which the quality of hire-purchase receivables was affected by the debtor's ability to repay debt from the spread of the COVID-19 virus. Expected credit losses cover the entire amount of non-performing loans. The Company is currently developing a credit score model to reflect the debtor's repayment ability more efficiently. And the company has followed up and debt collection closely continuously for NPL debtors in order to be able to gradually repay the debt. And some of them have debt restructuring in order to return to normal quality debt.

(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 28 years contributed to the Company's management team and personnels who are full of experiences and specialization in condition inspection and price appraisal of used trucks. The Company can define the appropriate credit limit according to the collateral's condition and value. Moreover, the Company also has a policy to support hire purchase loan service only for used trucks of which models and brands are popular and well accepted in the market such as ISUZU, HINO and FUSO etc. The selection of used truck tent operators who meet the standard and sell quality trucks helps the Company screen the quality collaterals in a way. And at present, the credit term is consistent with the ability to repay debt. And the age of the trucks used as collateral.

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

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 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 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

As of December 31, 2022, the Company and its subsidiaries had total short-term liabilities of 989.1 million baht at the end of the same period of

2021. The company and its subsidiaries had total interest-bearing liabilities of 2,940.6 million baht, an increase from the previous period. The same period of 2021 was 1,039.4 million baht, resulting in an overview of the ratio of short-term liabilities to all interest-bearing liabilities as of December 31, 2022, decreasing from the same period of 2021, accounting for 55.0 percent.

As for the total amount of loans from financial institutions as of December 31, 2022, there were 246.5 million baht, a decrease from the same period of 2021 at 459.9 million baht, with the ratio of loans from financial institutions to total interest-bearing debt decreased to 8.4 percent compared to the same period of 2021 at 37.2 percent

3.2 Liquidity risk and working capital adequacy

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

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

Financial ratio	Unit	2020	2021	2022
Liquidity ratio	times	1.21	2.12	1.67
Interest bearing debt due within 1 year to total interest bearing debt ratio	times	0.82	0.25	0.31
Interest bearing debt to EBITDA ratio	times	3.41	6.21	12.45

However, As of December 31, 2022, the Company and its subsidiaries had interest-bearing debt to earnings before interest, income tax, depreciation and amortization ratios. and amortization (IBD/ EBITDA) was 8.49 times. However, the Company and its subsidiaries had interest-bearing liabilities amounting to 2,608.9 million baht, which were due within one year, amounting to 931.6 million baht, consisting of short-term loans. long-term loans from financial institutions in the amount of 167.5 million baht, current portion of long-term debentures in the amount of 12.5 million baht, and liabilities under lease agreements in the amount of 497.8 million baht. Due within 1 year in the amount of 200.00 million baht, short-term loan from related person amount to 40.0 million baht, short-term loan from other person amount to 13.8 million baht, the company may have a risk of default on payment. If unable to provide liquidity to support the repayment of these debts Part of it came from installments expected to be paid from hire-purchase receivables due within 1 year, equal to 1,220.2 million baht.

3.3 Risk from Interest Rate Volatility

The company's main income comes from interest income from the hire-purchase business. The company will charge a fixed interest rate throughout the hire-purchase period. While loans, which are the main costs of lending, have fixed and floating interest rates. As of Dec 31, 2022, the Company

has a total debt burden of 3,156.9 million baht, consisting of loans with floating interest rates of 246.5 million baht. baht and fixed interest bearing debt of 2,910.5 million baht, representing 7.8 and 92.2 percent of the total interest bearing debt, respectively. Is working capital within the company, so if in the future there is an increase in interest rates due to economic conditions will reduce the interest spread. And directly affect the operating results and profitability of the company. If the company's loan interest increases by 1 percent This will result in an increase in the cost of the company by approximately 6.6 million baht. On the other hand, if the interest rate is lowered will reduce the interest burden of the company which will benefit the Company's performance

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 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 out-

standing profile in debt collection. The frequency of contact with partners and receivables is increased to reduce the problems of future non-performing loans.

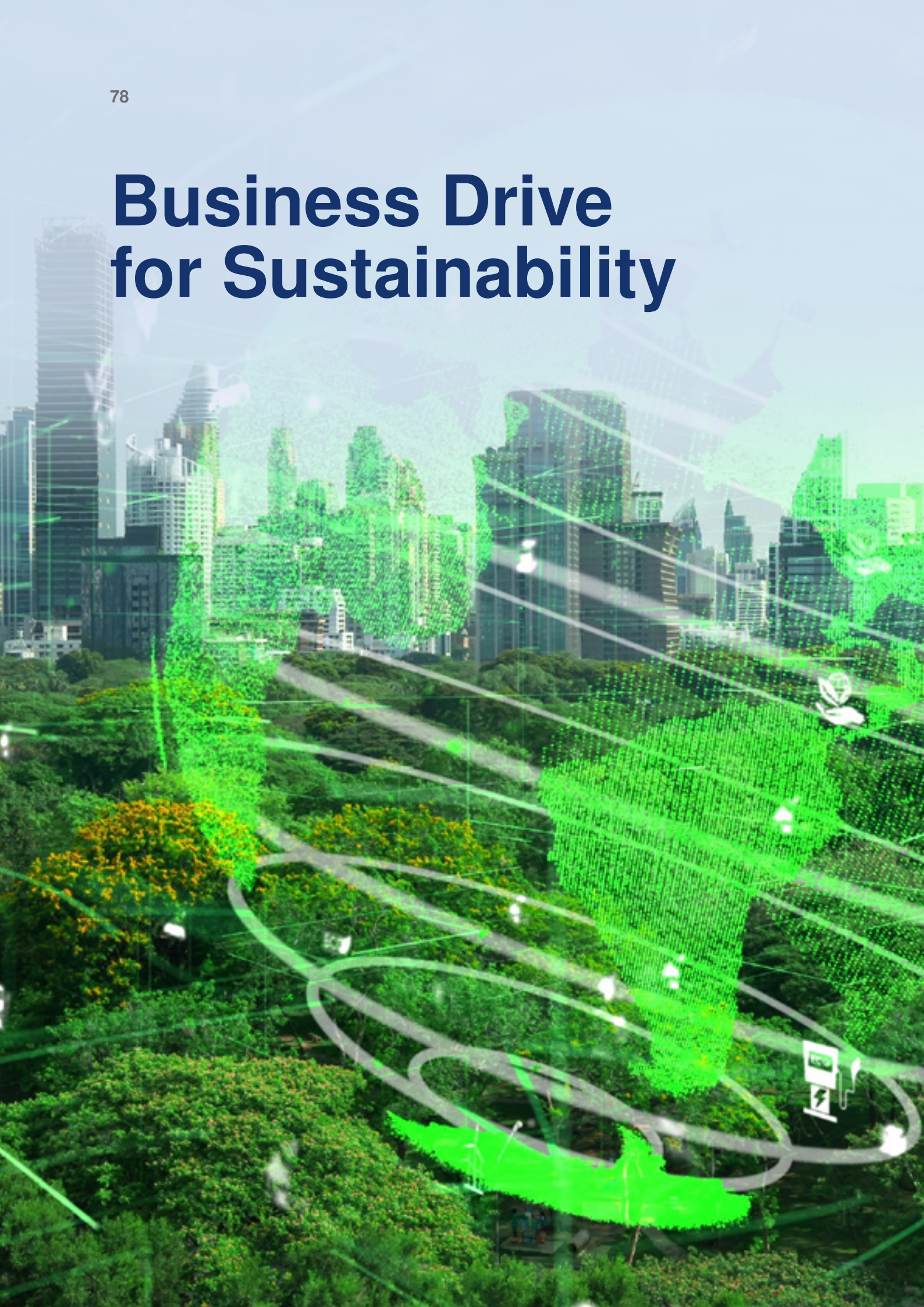
As for supporting measures in other aspects, the Company will publicize more about its liquidity enhancing loan and refinancing loan services to support customer's liquidity problem. Such loan services will be offered only to customers with good repayment record according to the Company's policy to help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

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 equipment 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.



Business Drive for Sustainability



BUSINESS DRIVE FOR SUSTAINABILITY

Micro Leasing Public Company Limited has a policy to drive our business with corporate social responsibility to lead to sustainable development of our business, both internally and externally. Covering all three areas of sustainability which include environmental, social, and governance and economy, as well as in management reporting. While with the situation of the COVID-19 since 2020 that has greatly challenged business operation of listed company, Micro Leasing had implemented measures to manage the impact of such event to demonstrate our potential to relieve the impact of such event in a timely manner, and to take care of stakeholders of the company. By prioritizing sustainability issues that may arise from Micro Leasing's operation to each group of stakeholders, whom are 1. Employees, 2. Customers, 3. Business partners and alliances, 4. Competitors, 5. Shareholders, 6. Community, society, and the environment, 7. Regulator

Reporting Scope

Micro Leasing Public Company Limited has prepared this report to disclose our initiatives regarding the environment, social, and governance performance of the company and its affiliates from 1st of January to 31st December 2022.

Sustainability policy and goal

Micro Leasing Public Company Limited and its affiliates are aware of the good corporate governance concept and had mapped out our policies towards sustainability that considers all groups of our stakeholders, which include Employees, Customers, Business partners and alliances, Competitors, Shareholders, society, Community, society and the environment. Emphasizing on the quality of the three aspects, namely environmental, social, governance, as well as the economic to develop our business sustainably. We continuously focus on the development of our working process and our competitiveness. The objective is to use these as guideline to conduct our internal process, as well as for our subsidiaries to build confidence among stakeholders leading to laying foundation to our long-term value.

Recently, our company has been focusing on sustainable development, including all three aspects, environment, social, and governance and economic. Operate with transparency and with the policy of good governance to be a leading financial provider of used truck in Thailand.

Progress of the environmental dimension

2022 Goal	Quality	Quantity
1. Encourage employee to take part in activities that reduce environmental impact	<ul style="list-style-type: none"> Big Cleaning Day activity (5S activities). Waste sorting using 3R (Reduce Reuse Recycle) model Implementing activity to promote the reduction of paper usage Implementing activity to promote the reduction of energy usage namely electricity, water, and promote renewable energy usage 	<ul style="list-style-type: none"> 1 time / year announcement to employee 1 time / quarter announcement to employee 1 time / quarter
2. Operate business with environment in mind, minimizing the impact to the environment	<ul style="list-style-type: none"> organize a meeting of employee representatives to acknowledge policies regarding company's environmental direction 	<ul style="list-style-type: none"> 1 time / year

Progress of the social dimension

2022 Goal	Quality	Quantity
1. The number of reported work-related accidents is zero.	<ul style="list-style-type: none"> Training officers at each level such as safety supervisors, technical, professional, administrative and safety officers. 	<ul style="list-style-type: none"> at least 1 time / year
2. Employees development program to upskill employee to align with business growth (Micro Expert)	<ul style="list-style-type: none"> Employee development program for all employees. 	<ul style="list-style-type: none"> 2 times / year - >2 hours / employee / year

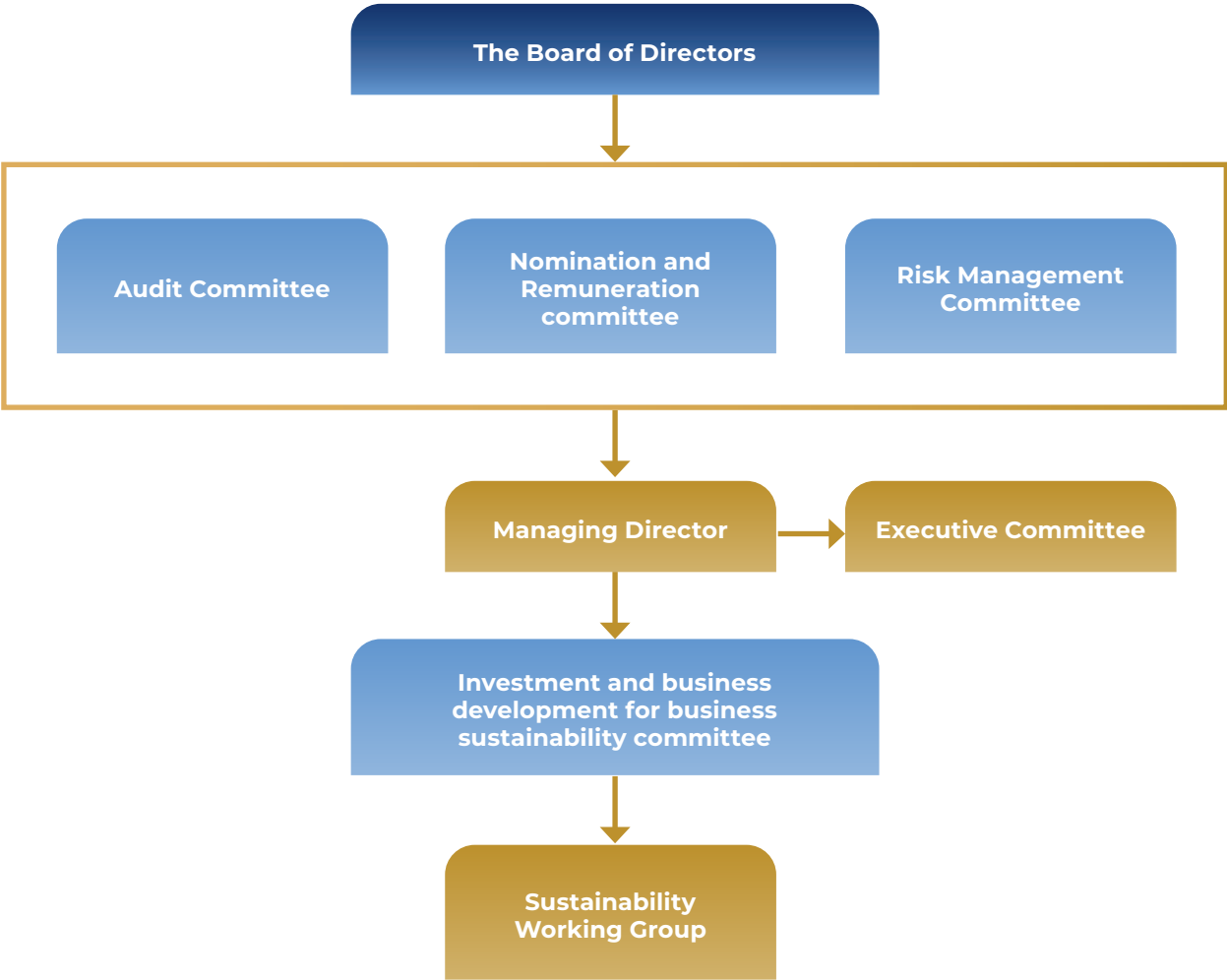
Progress of the good governance and economic dimension

2022 Goal	Quality	Quantity
1. Rated "Very Good" in the Corporate Governance Report (CGR) of Thai Listed Companies 2022, carried out by the Thai institute of Directors Association (IOD)	<ul style="list-style-type: none"> Organized Opportunity day to update company performance to analysts and share holders Organized Annual General Meeting and was rated on the AGM Checklist by the Thai Investors Association 	<ul style="list-style-type: none"> Rated 86% in the Corporate Governance Report (CGR) Received a score of 99 out of 100 by the Thai Investors Association
2. Rated 4 Stars in the Corporate Governance Report (CGR) of the Thai Listed Companies 2022, carried out by the Thai institute of Director Association (IOD)	<ul style="list-style-type: none"> Comply with the principles of good corporate governance and was evaluated by the Thai institute of Director Association and the Thai Investor Association 	<ul style="list-style-type: none"> Announced "Personal data protection Act" on 5th May, 2022
3. Comply with the Personal Data Protection Act to protect personal information of customers, partners, brokers, employees, directors, and those involved.,	<ul style="list-style-type: none"> Established a personal data protection policy in parts of customers, partners, brokers, employees, and directors, and those involved to comply with the Personal Data Protection Act enforced on June 1st, 2022 	

Company's Operations for the Sustainability Development

Company’s Operations for the Sustainability Development

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



Investment and business development for business sustainability committee

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

In 2022, the company established Investment and business development for business sustainability committee where Sustainability Working Group is a chairman with a representative whom are executives as members. A working team was appointed with members from various department such as credit operation department, procurement and administration department, system and information development department (IT), Risk and Compliance department, Executive Office department, Internal Audit department, Marketing and Product department, Human Resource department, and Investor relation. As a secretary of the committee.

The Investment and business development for business sustainability committee is responsible for imposing sustainability and good governance policy that is in lined with the company's goal and strategy

Sustainability working team is responsible for studying and planning activities on sustainability, as well as carrying out activities in accordance with the board of Investment and business development for business sustainability committee, also include monitoring the progress and evaluating the results of activities continuously.



Value Chain

Primary Activities

**Input Management**

- Procurement of funding sources to support financing services for customers

**Operation**

- The Design and Development of financial products that meets with our targeted customer needs

**Distribution and Services**

- Customer service through head office marketing team and branch staff

**Sales and Marketing**

- Communication of product information that is thoroughly and comprehensive, as well as promotion of marketing campaign that attract targeted customer

**After Sales Service**

- Providing service and receiving feedbacks or suggestions regarding company's services through various channels

Support Activities

**Procurement**

- Procurement and hiring

**Technological Development**

- Inventions of new products and services, and the improvement of existing products and services

**Support Activities Human Resources Development**

- Development of human resources, employee retention, and the remuneration of employees of all levels that is appropriate and fair

**Infrastructure**

- The management of organization's infrastructure, all in parts of the accounting department, legal department, and IT department to support the primary activities




STAKEHOLDERS ENGAGEMENT

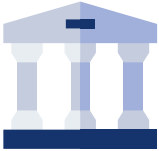
Micro Leasing PLC places importance on expectation and interests of our stakeholders, we listen to suggestions and allow stakeholders to participate in expressing their opinions and to be able to effectively response to the needs of stakeholders in each group. The company has different methods of operation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

Stakeholders' expectation and responses

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

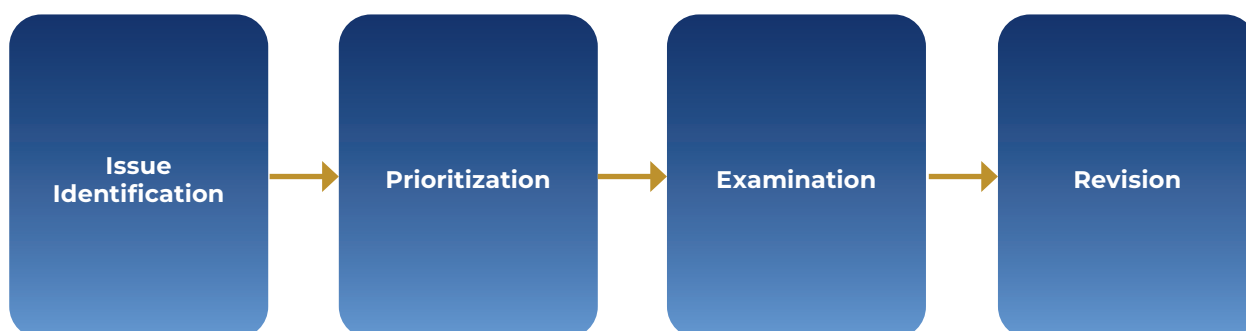
Stakeholder	Activities	Expectation	Responses
Customers 	<ul style="list-style-type: none"> Providing hire purchase loan through marketing officers, marketing officers, and branch officers Public relation communication and providing products and service information through various channel : Website ,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

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

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

Determination of sustainability issue

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



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

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

1. X-Axis: Significant issues / impact on the company, They can consider economic, social, and environment issues that affect profitability and business growth in areas such as strategy, finance, compliance with the laws, regulations, and company's code of conduct
2. Y-Axis: Issues that matter to stakeholders that should be related to the impact on the business which can be considered from the number of stakeholders affected or the level of interest of stakeholders in that issue including how such issues affect the decision of the stakeholders

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

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

Determination of sustainability issue (Sustainable Development Goals): SDGs

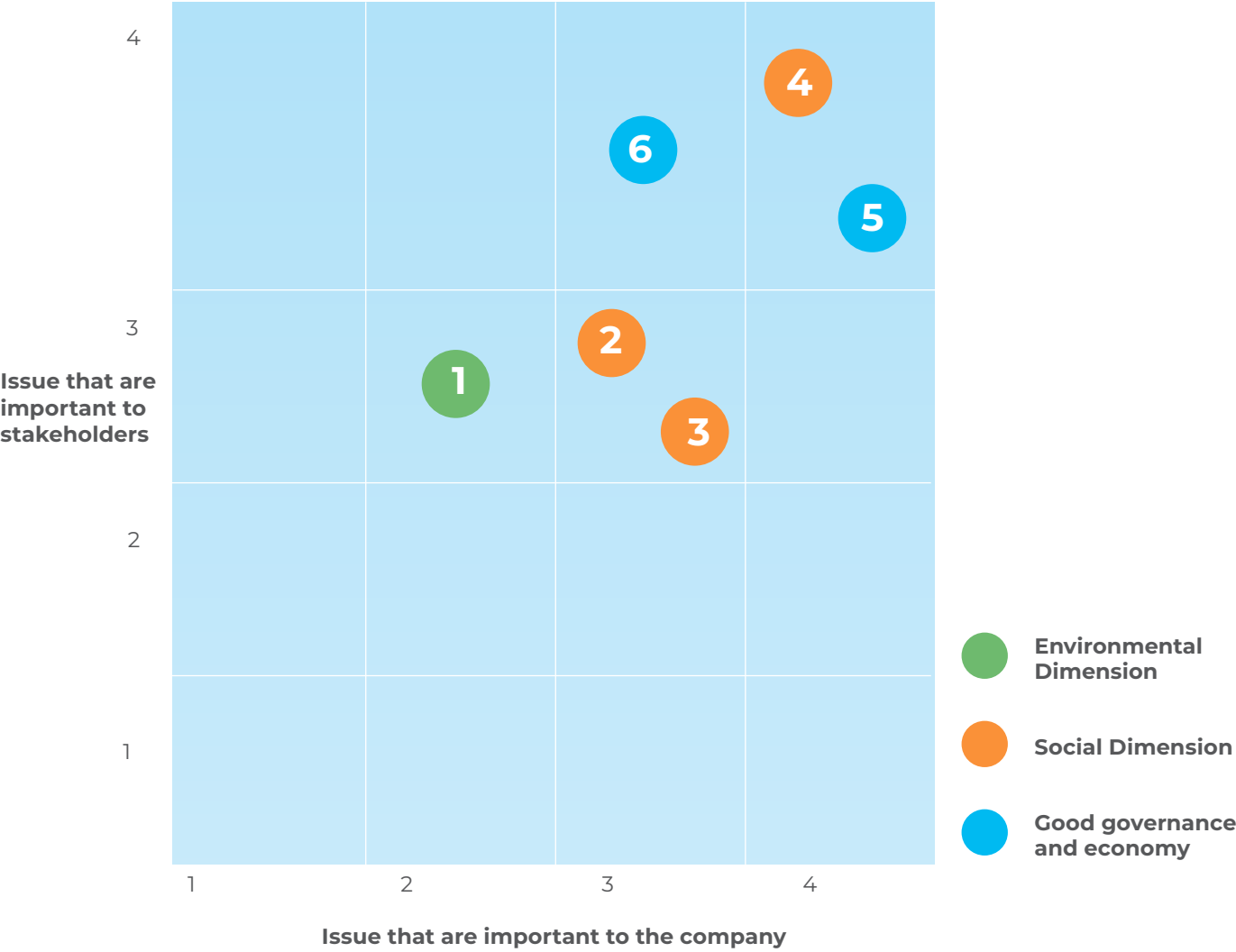


In 2022, Micro Leasing had determined the goal of sustainability to be aligned with the Sustainability Development Goal (SDGs) of the United Nations

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

environmental, social, governance and economics. The company strategy towards sustainability is to integrate ESG principle into the company's operation which is also inline with the company's vision and mission. In this regard, the ranking of important sustainability issues has been categorized and prioritized according to issues in each ESG dimension as shown in the diagram below :

Prioritization:





Important sustainability topic

Sustainability issue	Scope of Sustainability Issues		Topic in the report	SDGs
	Internal factors	External factors		
Employee Development	Company	Customer	Employee management and development	  
Data security and PDPA	Company	Customer/ Partner/ Regulator	Confidentiality and data security	 
Corporate Governance	Company	-	Good Governance	 
The Occupational Safety, Health and Environment of Workplace	Company	-	Supervision of the Occupational Safety, Health, and the Environment of Workplace	
Fair and equal treatment of all employees	Company	-	Human Resources Management	
Environmental Management	Organization	Social, Community, and the environment	Environmental Impact Reduction and climate change	

ENVIRONMENTAL MANAGEMENT

2025 Goal	2022 Goal	2022 Performance
1. To reduce the amount of waste in the headquarter by 3-5%, sorting and sending them to recycling facility	1. To reduce the amount of waste by 1%	• Waste sorting bins were installed in the headquarter, waste data is being collected since July – December 2022
2. To reduce the amount of money spent on electric bill by 3-5% in the same year	2. To reduce the amount of money spent on electric bill by 1-3% in the same year	• “Solar cell” are being installed on the rooftop which since August 2022.
3. To reduce the amount of water consumption 3-5% compared to the same year	3. To reduce the amount of water consumption 1-3% in the same year	• Reduce actual water consumption compared in the same year.

ENVIRONMENTAL POLICY

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

1. To comply with legal requirements both international and domestic environmental laws. To be responsible for the negative environmental impacts that may arise from the operations of the organization.
2. Raising environmental awareness by organizing training to educate employees and inform other stakeholders group of the climate change, conservation of natural resources and the importance of the prevention of negative environmental impacts.
3. To propose guidelines and goals to manage energy consumption, natural resources, and the environment within the organization to align with the international standards to promote SDGs
4. Encouraging efficient waste management which reduces environmental impacts by promoting the concept of 3R which is to reduce, reuse, and recycle
5. Proposing environmental management system as part of business operations which include following up, inspecting, and evaluate the result of environmental management operations in accordance with the requirement of the law and other requirement related.
6. Disclose information regarding the efficiency of natural resources and energy consumption and conservation. As well as, to discuss with stakeholders about the performance of the environmental implementation to set key indicators and strategies to comply with the stakeholders expectations.
7. Cooperate with the government organization, Educational institutions, communities and other agencies to jointly promote environmental and climate change awareness.

Environmental Action Plan

Waste Reduction

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

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



Paper Usage Reduction

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

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

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

Energy Consumption Reduction

- Campaign to promote energy saving
- Alternative Energy – Solar Cell

Since 2020, the company had faced with COVID_19, forcing some employees to have to work from home, and in 2022, the company has installed Solar System in the company's headquarters allowing the company to save on electric cost as shown

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



Environmental Implementation Performance

Performance	2021	2022	Remarks
The average amount of waste (Kg/Person)	-	20.94 kg/person	In 2022, the company has installed sorting bins in the headquarter, and collected data
Electric power consumption			Electricity consumption in 2022 has increased. due to the increasing number of employees
1. Expenses of using electricity (Baht/Person)	2,517.93	2,665.69	
2. Increase/decrease rate of electricity usage expenses (Percent)	-	5.87	
Use of water			The Company has publicized campaigns on the use of water sparingly and educated on ways to conserve water and use resources efficiently.
1. Expenses of using water (Baht/Person)	109.87	96.31	
2. Increase/decrease rate of water usage expenses (Percent)	-	(12.34)	

SOCIAL DIMENSION

OCCUPATIONAL SAFETY, HEALTH, AND ENVIRONMENT

2025 Goal	2022 Goal	2022 Performance
1. 0 work related accident, and accident	• 0 work related accident, and accident	• 0 work related accident, and accident

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

Scope of work

1. This policy covers the operations of Micro Leasing Plc and companies in the business group in all activities under its main building, sub-building and branches nation wide
2. The Company is aware of the importance of the workplace safety measures concerning employees and visitors to its establishment. The Company will support and promote the improvement of work place safety, and wellbeing of employees.
3. Safety and workplace environmental protection is a duty of every employee of all level to cooperate to ensure the safety of one's life, property, and of the company, and of others.
4. Every supervisor level employees must be responsible for the occupational safety and health and working environment of the subordinates to comply with the safety and occupational health regulations that the company established and to comply with the law in a strict manner
5. The Company will support and promote safety activities, occupational health, and workplace environment to ensure that the activities implemented is effective.

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

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

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

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

3. Communication and education personnel within the organization.

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

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

The Company has designed the working processes, building design and renovation, security system, and working environment in the organization by taking into the account

5. Workplace inspection and health check

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

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

The Company has appointed the Safety, Occupational Health and Working Environment Committee for the year 2022, whose names are as follows:

Name - Surname	Position
1. Mr.Preeda Iramaneerat	Chairman
2. Mr.Wanchai Sangton	Supervisor level director
3. Mr.Werawat Junta	Supervisor Level director
4. Miss.Jurairat Suksawat	Operational Director
5. MissNucharee yousog	Operational Director
6. MissNisarath luaengratwattana	Operational Director
7. Mr.Adisorn Akewaranukulsiri	Operational Director

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

to be Chairman of the safety committee in order to supervise closely, follow-up, performance evaluation is to be reported to the Executive Committee every month, and the result is to be reported to Board of Director every year.

The Company has sent personnel to attend training and appoint them as safety officers at various levels to perform duties as required by law. The details are as follows.

Information on safety officer training	Microleasing public Company Limited					
Employee information by job level	2022		2021		2020	
	Head Office (Person)	Branch (Person)	Head Office (Person)	Branch (Person)	Head Office (Person)	Branch (Person)
(Jorpor) Supervisor	3	6	41	27	-	-
(Jorpor) Technique	0	0	0	0	-	-
(Jorpor) Profession	0	0	0	0	-	-
(Jorpor) Management	0	0	14	4	-	-
Work safety officer	40	44	70	65	-	-

Type of injury information Occupational diseases occurring since 2020-2022

Type of injury occupational diseases occurring since 2020-2022		Number of times		Number of lost days	
		Male	Female	Male	Female
Cases of injuries					
Slight wound	Head Office	0	0	0	0
	Branch	0	0	0	0
Occupational disease					
Hearing	Head Office	0	0	0	0
	Branch	0	0	0	0
Musculoskeletal injuries	Head Office	0	0	0	0
	Branch	0	0	0	0
Visual field	Head Office	0	0	0	0
	Branch	0	0	0	0
Pulmonary side	Head Office	0	0	0	0
	Branch	0	0	0	0
Died					
Died of work	Head Office	0	0	0	0
	Branch	0	0	0	0

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

Management

The company has managed to take care of safety.

Knowledge Promotion

The Company organized training courses on safety, occupational health, and working environment for employees continually to raise awareness and be

able to cope with risks from working environment. From 2021 onwards, due to the COVID-19 situation, education and supervision of safety and occupational health in the workplace has become significance. The Company has organized a unit namely The COVID-19 Situation Service Center to educate employees through E-Mail, and Line Application in order to reach employees thoroughly and quickly regarding the knowledge and understanding of physical and mental health care, reduce anxiety as a guideline to reduce the chance of illness or risk from COVID-19 with the aim to create genuine value and organization culture.

Influenza Vaccine

The company has announced measures to prevent and reduce the spread of the Coronavirus Disease 2019, covering measures for working from home (Work From Home) and taking leave during the COVID-19 situation.



Knowledge Communication to Implementation

"HR Friend Club เพื่อนอยู่คิดชาวไมโคร"

สภาพอากาศเปลี่ยนแปลงเข้าสู่ฤดูฝน ซึ่งเป็นช่วงเวลาของการแพร่ระบาดของเชื้อโรค "ไข้หวัดใหญ่"

ขอให้พนักงานทุกท่านดูแลสุขภาพ และเห็นความสำคัญของการฉีดวัคซีนป้องกัน "ไข้หวัดใหญ่" เพื่อความปลอดภัยและสุขภาพอนามัยของท่านและครอบครัว









Knowledge Communication to Implementation

To implement and develop employees' skills related to work safety, the Company uses various channels such as training courses for safety officers (online). The Company organized a training course on safety in the workplace on 13-14, 20-21 December 2021 by inviting speakers from Safesiri (Thailand) Co., Ltd., who is certified and registered by the Department of Labor Protection and Welfare, as a training agency.

Fire Drill Activities

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

HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT

Long term goals for 2025	In 2022 , Goals	Proformance
1. Number of training hours per employee per year More than 10 hours on average	• Average training hours per employee per year 2 hours	• Average training hours per employee per year 4 hours
2. Zero accidents of employee complaints about labor practices	• Zero accidents of employee complaints about labor practices	• Zero accidents of employee complaints about labor practices

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

Fair Labor Practices

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

1. Human resource planning and recruitment

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

2. Development

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

3. Training

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

4. Preservation

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

5. Management

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

6. Promotion of Morality

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

7. Promotion of Organization culture and commitment to the organization

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

Employment

Employee Information	2022			2021			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees	111	158	269	105	132	237	83	107	190
By Age									
< 30 Years Old	17	49	66	21	61	82	18	56	74
30 – 50 Years Old	70	98	168	67	63	130	52	43	95
> 50 Years Old	24	11	35	17	8	25	13	8	21
By Position									
Management	6	1	7	6	1	7	8	1	9
Senior Department Manager, Department Manager, Assistant Department Manager	13	5	18	8	4	12	8	1	9
Senior Division Manager, Division Manager, Assistant Division Manager	43	26	69	40	30	70	23	20	43
Officer	49	126	175	51	97	148	44	85	129
By field									
Management	6	1	7	6	1	7	9	1	10
Credit Operation	89	107	196	86	85	171	0	0	0

Employee Information	2022			2021			2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Accounting and Finance	0	18	18	0	17	17	0	0	0
Business Resources and Investment	10	18	28	10	17	27	0	0	0
Procurement and administration	3	2	5	1	2	3	0	0	0
Executive office	0	6	6	0	6	6	0	0	0
Risk Management and Compliance	0	3	3	1	2	3	0	0	0
Audit	3	3	6	1	2	3	0	0	0
By area									
Head Office	56	91	147	46	81	127	47	63	110
Branches	55	67	122	59	51	110	36	44	80
New Employee by age									
< 30 Years Old	8	25	33	8	10	18	3	15	18
30 – 50 Years Old	26	33	59	46	27	73	19	14	33
> 50 Years Old	8	0	3	6	1	7	3	0	3
Total	41	52	93	60	38	98	25	29	54
Resigned Employee									
< 30 Years Old	4	11	15	5	5	10	7	7	14
30 - 50 Years Old	26	16	42	29	8	37	17	12	29
> 50 Years Old	3	0	3	1	1	2	6	0	6
Total	33	27	60	35	14	49	30	19	49
Disabled Employee									
< 30 Years Old	0	1	1	0	1	1	0	1	1
30 - 50 Years Old	0	0	0	0	0	0	0	0	0
> 50 Years Old	0	0	0	0	0	0	0	0	0
Total	0	1	1	0	1	1	0	1	1

Employee Development

The Company is aware that Human Resources Development is an important factor for business success. For the year 2022, the company provides training courses for executives and employees to develop skill and work potential with the following details.

Training information

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

Performance Evaluation

Employee evaluation process is transparent and palpable. There are criteria that are suitable for each employee's job characteristics which align with the company's performance goals and expectation. There is an employee's performance evaluation process once a year to prepare for employee development plan, and promotion. The process is appropriate and fair to motivate employees.

Employee Welfare

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

1. Provident Fund Welfare

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

2. Group accident insurance (PA)

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

3. Meal Welfare

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

Human Rights

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

To prevent and avoid Violation of Human Rights against stakeholders from the Company's business operations. The company has established this Human Rights policy by considering the provision of laws and significant international human rights principles, such as the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, etc. to provide framework for directors, executives, employees, and affiliates of the Company to follow in the same direction.

1. Human Rights practice in relation to stakeholders

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

1.1 Practices and Responsibilities in relation to customers

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

- 1.1.1 Provide quality services with accurate, complete, sufficient, and up-to-date information about products or services, therefore customers have enough knowledge to make decisions, without exaggerating the facts in advertising, or in communicating through various channels with customers.
- 1.1.2 Provide services with politeness, honesty, and ethnic to be trusted by customers, provide credit limit and fair interest rates without discrimination.

1.1.3 Follow the standard operation system and rigorously adhere to the terms that have been agreed upon with client. The customer must be informed right away in the event that the agreement's terms and conditions cannot be met to collaboratively discuss options and ways that satisfy both parties.

1.1.4 There is a system to store customer information securely, and measures to maintain customers confidentiality. Information of customer and of the organization will not be disclosed or passed out, unless consent is validated, or is required by the law. Such information will not be used for the benefit of oneself or others wrongfully.

1.1.5 Customers is treated in accordance with the law and regulations, and in compliance with good corporate governance, without demanding, accepting, or giving any dishonest benefits to customers.

1.1.6 Encourage customers business operation to be socially responsible.

1.2 Practices and Responsibilities in relation to Business Partners

The Company has a policy to treat business partners with equality and fairness. By considering the best of interests of the company and based on fair returns to both parties, avoid situations that cause conflicts of interest. Which include, fulfilling the commitment, providing real information, and accurate reports which based on business relationships. As addressed in the following guidelines.

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

1.3 Practices and Responsibilities in relation to Employees

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

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

1.4 Practices and Responsibilities in relation to Shareholders

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

- 1.4.1 Right to be informed of the company's performance and management policies regularly and in a timely manner.

- 1.4.2 Right to receive fair share of profits.

- 1.4.3 Right to attend shareholders' meeting to express opinion and vote on the appointment or removal of directors, financial auditors. Participating in decision making on important changes, including the right of minority shareholders to propose additional agenda items, or nominate candidates for independent director positions.

- 1.4.4 Right to receive information on connected transactions.

- 1.4.5 To treat every shareholder with honesty, to take any actions with fairness and equality.

- 1.4.6 To aim to manage the company for stable growth to generate good and sustainable return. To report to shareholders regularly and truthfully about the status of the company, future plan, positive and negative impact and trend of the company with adequate supporting reasons.

1.5 Practices and Responsibilities in relation to Competitors

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

1.6 Practices and Responsibilities in relation to Society

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

2. Comprehensive Human Rights Audit Process

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

3. Whistleblowing, Complaints, and Remedies

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

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

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

2) Postal Address as follows

MICRO LEASING PUBLIC COMPANY LIMITED
Head Office 863/3 Petchkasem Road,
Sanamchan Sub-district, Mueang District,
Nakhon Pathom Province 73000

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

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

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

Name - Surname	Position
1. Mr. Wanchai Sangton	Chairman
2. Mr. kompol Sinthavorn	Director
3. Mrs. Medta Supanart	Director
4. Miss Supattra Uyathumrongsit	Director
5. Miss Sirichonlada Wanta	Director / Secretary

In 2022, one meeting of the Welfare Committee

Whistleblowing channels

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

1) E-Mail as disclosed on the company's website

- Managing Director
wisarn@microleasingplc.com
- Chairman of the Audit Committee
chalong@microleasingplc.com

2) Postal Address as follows

MICRO LEASING PUBLIC COMPANY LIMITED
Head Office 863/3 Petchkasem Road,
Sanamchan Sub-district, Mueang District,
Nakhon Pathom Province 73000

Social Performance

Performance	2021	2022	Remark
1. The number of reported work-related accidents is zero.	0	0	
2. The average number of training hours per employee per year is 2 hours.	The average number of training hours per employee per year is 0.75 hours per person.	The average number of training hours per employee per year is 4 hours per person.	

Activities for the benefit of society in 2022

Environmental and Social Operations of the Company Micro Leasing Public Company Limited places importance on enhancing the quality of life. Social equality and care for vulnerable groups Disadvantaged groups to return to normal society in order to carry on the spirit of the management team who wants to be able to continue to operate.

Social Activities

“Micro Leasing promotes social responsibility at Nakhon Pathom’s International Disability Day 2022”

Micro Leasing Public Company Limited collaborated with the company to drive the operation of the Corporate Social Responsibility Promotion Center for the private sector. Nakhon Pathom province donated 5 wheelchairs and 30 fans to support the prizes for people with disabilities. At the opening ceremony of the International Day of Disability of Nakhon Pathom Province 2021 under the concept of “People with disabilities are leading the change for universal accessibility and fighting a new world after COVID-19 sustainably.”



“Nakhon Pathom Unite kindness to help the needy “Well-being and encouragement (91 after 91 years, 91 people)” Project

Micro Leasing Public Company Limited has joined the support of Nakhon Pathom Ruamjai project to help those in need “Live well and cheer (91 after 91 years, 91 people)” in honor of Her Majesty Queen Sirikit, Her Majesty the Queen, on the 90th Birthday Anniversary of Her Majesty the Queen. August 12, 2022” Anyway Micro Leasing Public Company Limited has delivered consumer goods to help and alleviate suffering in accordance with the Company’s mission to realize social responsibility and also to improve the quality of life.



“Micro Save Life: Micro Leasing staff join the 1st Blood Coalition to Continue Life and Do Good for Society”

Executives and employees from Micro Leasing Public Company Limited head office participated in blood donation in the “Micro Save Life” project, micro-leasing people join hands to give blood. Perpetuating life Do good for society at the front yard of Bangkok

Hospital Sanam Chan Nakhon Pathom for victims or accidents In hospitals across the country, which are experiencing severe blood shortages, this is a social activity that truly helps fellow human beings.



“Micro Save Life Promote and develop society for better living. 1st time” Project

Micro Leasing Public Company Limited, head office in Nakhon Pathom province, has jointly delivered necessities such as clothes, books, bags, shoes, children's toys. We invite our fellow employees to

donate to the “Leftovers - Requests” project. The foundation has used the items donated by everyone to make the most of the benefits and help the disaster victims.



“Micro Save Life Promote and develop society for better living. 2nd time” Project

Micro Leasing Public Company Limited has started a series of activities to continue the good deeds of the founding chairman by donating to Kamphaeng Saen Hospital and Huay Phlu Hospital. A total of 10

wheelchairs and 100 survival bags were donated to both hospitals to alleviate suffering and increase smiles for patients and low-income people in Nakhon Pathom province.



Project “Micro Save Life Promote and develop society for better living. 3rd time”.

Micro Leasing Pcl., together with the management team, as representatives of the company, donated money to fund the purchase of heart surgery equipment to Nakhon Pathom Hospital as a life-sav-

ing gift for many patients waiting for treatment. Micro Leasing recognizes participation and is ready to share good things back into society.

**“Micro Save Life: Micro Leasing: The 2nd Time to Continue Life and Do Good for Society”**

Executives and employees from Micro Leasing Public Company Limited head office joined in making merit to donate blood. In the “Micro Save Life” project, micro-leasing people join hands to give blood. Perpetuating life Do good for society at the front yard of Bangkok Hospital Sanam Chan Nakhon

Pathom This is to support the supply of blood. It is also used to help patients waiting for treatment, and also to reserve blood for victims or accidents. In various areas for hospitals nationwide that suffer from severe blood shortages, this is a social activity that truly helps fellow human beings.



Micro Leasing has been selected as an organization that benefits society as a whole at the Office of Social Development and Human Security, Nakhon Pathom

Micro Leasing Public Company Limited was honored to be selected as an organization that benefits the society of the Office of Social Development and Human Security. The project aims to improve the quality of life for disadvantaged people to access

various assistance and also to promote social responsibility in accordance with the endless giving aspirations of the founding president. Micro Leasing Plc.



Micro Leasing cares for people affected by floods and provides relief bags

We are concerned about the flash floods in Nakhon Pathom province that affect the lives and property of many people living in the province. In recognizing

social responsibility Micro Leasing Public Company Limited, along with executives and employees, donated 100 relief bags to flood victims.



Micro leasing provides drinking water, grocery bags, and winter blankets in Phitsanulok province.

Micro Leasing cares for victims in Phitsanulok province who suffer from a shortage of clean drinking water and have suffered from heavy rains and high floods. Management & Staff We are concerned about the people in Phitsanulok province and support and provide winter blankets, drinking

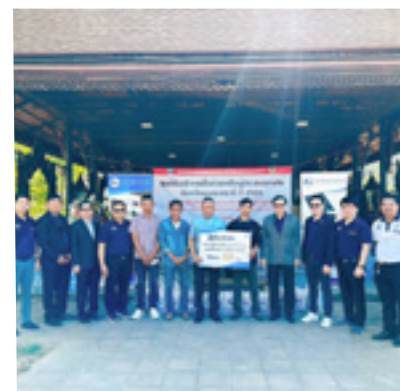
water and consumables. 40 sets were donated to Chum Saeng Songkhram Subdistrict Administration Organization, Phitsanulok Province, to alleviate the suffering of flood victims. In Phitsanulok province, according to the company's mission. In recognizing social responsibility.



Micro Leasing and MicroInsurance Brokers provide relief bags to alleviate the suffering of victims in the area. Ubon Ratchathani

Micro Leasing Plc., & MicroInsurance Broker Co., Ltd. There is concern about the flood situation in Ubon Ratchathani province, where there are many people who have been affected by the livelihood and property of people living within the province. Those who suffered from a shortage of clean drinking

water, suffered from cold weather, suffered from heavy rains and high flooding. In Ubon Ratchathani province, donate blankets to protect against winter disasters. Drinking water and consumables 50 sets according to the company's mission. In recognizing social responsibility.



Micro leasing and Micro Insurance brokers to alleviate the suffering of victims Wade provides winter blankets and supplies. Khon Kaen

Micro Leasing Plc.,& MicroInsurance Broker Co.,Ltd. In recognizing social responsibility There is concern about the flood situation in Khon Kaen province, where there are many people who have been affected by the livelihoods and property of people

living in the province. Provide winter blankets, drinking water and consumables. 50 sets to help alleviate the suffering of flood victims in Khon Kaen province.



Micro Leasing and MicroPlus Leasing Build a synagogue of unity.

Micro Leasing Plc. & Micro Plus Leasing Co., Ltd, together with the management team and employees, participated in the ceremony to bring together the factors provided by employees and devotees, and organized an almshouse for the

Buddhists who attended the event to contribute to the “Building a Meditation Hall, synagogue of unity” at Vivek Sikkharam Forest Meditation Center. Phon District, Khon Kaen Province



GOVERNANCE AND ECONOMY DIMENSION

CORPORATE GOVERNANCE

2025 Goal	2022 Goal	2022 Performance
1. To be rated “Excellent” in the Corporate Governance Report (CGR) of Thai Listed Companies, carried out by the Thai institute of Directors Association (IOD), and to be rated not less than 90% consecutively.	<ul style="list-style-type: none"> To conduct business in accordance with principle of good governance To be rated “Very Good” in the Corporate Governance Report (CGR) of Thai Listed Companies, carried out by the Thai institute of Directors Association (IOD) 	<ul style="list-style-type: none"> Organized “Opportunity Day” every quarter to report and disclose the company performance to shareholders, investors, fund manager, and analysts. Conducted business with good corporate governance and was rated “very good” and received a score of 86 out of 100 on the Corporate Governance Report of Thai Listed Companies, which was organized by Thai Institution of Director (IOD).
2. To organize the Annual General Meeting of Shareholders efficiently and align with the principle of good governance, and to be rated five-star, consecutively, on the Annual General Meeting Checklist of the Thai Investors Association.	<ul style="list-style-type: none"> To organize the Annual General Meeting efficiently and align with the principle of good governance and be rated four-star on the Annual General Meeting Checklist of the Thai investors Association. 	<ul style="list-style-type: none"> Organized Annual General Meeting and was evaluated with AGM Checklist of the Federation of Thai Capital Market Organization and Thai Investor Association with a score of 99 out of 100 and was rated four-star.

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

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

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

Supervision of the business ethnics

Code of Conduct for Directors, Executives, and employees.

1. Code of Conduct for Directors

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

2. Code of Conduct for Executives

In addition to complying the employees Code of Conduct, Executives must have good practices to enhance their leadership skills, and as supervisor of the employee, one must be a leader and a role model in good conduct. The Code of Conduct for Executives are as follows.

2.1. Code of Conduct for Executives to Employees

- 1) Executives shall treat employees with sincerity, fair, and equal manner by open to suggestions or opinions from all subordinates without prejudice.
- 2) Executives shall closely monitor and pay attention to the performance of their subordinates for the work to be performed smoothly and correctly according to guideline of the related regulations and laws
- 3) Executives shall support the development of employees' potential and work efficiency thoroughly for the advancement of the organization
- 4) Executives shall act as good role modes for employees who are subordinates, both in personal matters and about job duties in addition to having to act as a commander, one should act as a mentor to advise both in matters of work and morality.

5) Executives shall practice and encourage employees to understand the Code of Conduct that employees should follow.

6) Executives should perform their duties in providing welfare, environment, and working atmosphere for employees appropriately.

2.2 Code of Conduct for Executives to the Company

1) Executives shall perform their duties with full knowledge and competence.

2) Executives shall perform their duties with diligence, patience, and dedicate their time to work in their duties in order to achieve their responsibilities to meet with the goal and timelines of the company.

3) Executives shall perform their duties with honesty, without the conflict of interests.

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

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

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

3. Code of Conduct for Employees

- 3.1 Employees shall perform their assigned duties with integrity and within perseverance and diligence. Regularly improve one's productivity for the benefit of oneself and the Company.
- 3.2 Employees shall strictly comply with the Company's code of conduct.
- 3.3 Employees shall dedicate themselves and devote their time to perform their task fully and with the full capacity for the benefit of the Company. Avoid doing other businesses, personal work, or other non-company work during working hours and avoid personal work that may cause damage or discredit the company.

- 3.4 Employees shall maintain the Company's benefit and assets to be in good condition to be used in a long time.
- 3.5 Employees shall treat customers and partners with integrity and equality.
- 3.6 Employees shall strictly maintain the confidentiality of customers, suppliers and of the Company not to leak to the outsiders.
- 3.7 Employees must not interfere with the financial or property of customers, or those who do business with the company, whether is it giving, receiving, borrowing, or any of such activities.
- 3.8 Employees shall not solicit, receive, or accept commissions, service charges or any other benefits for themselves or others from customers. Shall demand a deposit for the commission service fee at the rate specified by the Company or for the benefit of the Company and in the name of the Company only.
- 3.9 Employees shall not use their positions, or benefits from work or company information, or of customers to seek personal benefits or associates or conduct personal business that compete with the Company, whether directly or indirectly.
- 3.10 Employees shall avoid receiving any gifts that may make themselves feel uncomfortable in performing their duties in the future. If unavoidable, one has a duty to inform supervisor immediately.
- 3.11 Employees shall report their acknowledgment to their superiors without delay, when the known matters may affect the operation or reputation of the company.
- 3.12 Employees shall refrain from incurring excessive debt.
- 3.13 Employees shall be respectful, obey the commander who gives order in accordance with the policy, rules or regulations of the company.
- 3.14 Employees should join in solidarity with each other, and generous to help each other. Do not cause conflicts that may lead to damaging others or the Company.

- 3.15 Employees shall respect each other's rights. Avoid sharing other person's information or stories, both in terms of work, and personal matters to be disclosed or criticizes in a way that will cause damage to both employees and the Company.

Prevention and Anti-Corruption

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

Measures and guidelines for whistleblowing or complaints

In case someone witnessed a situation that may imply corruption. The Company has organized channels to report whistleblowers or complaints to Managing Director and chairman of the Audit Committee through various channels, such as telephone, Email, etc., as addressed on the company's website (www.microleasing.co.th), which the Company will keep confidential in order to prevent the whistleblower or complaint from any potential difficulties.

- 1) E-Mail as disclosed on the company's website
 - Managing Director
wisarn@microleasingplc.com
 - Chairman of the Audit Committee
chalong@microleasingplc.com
- 2) Postal Address as follows
MICRO LEASING PUBLIC COMPANY LIMITED
Head Office 863/3 Petchkasem Road,
Sanamchan Sub-district, Mueang District,
Nakhon Pathom Province 73000

Dissemination of Anti-Corruption Prevention and Anti-Corruption Policy

The company had published its policy to let employees know that complying with the anti-corruption policy is very important for everyone in the company. There is an internal communication channel to communicate this effectively in order

to create cooperation, positive effect, and achieve good result. This will ensure transparency and credibility of anti-corruption measures to build good reputation and deter those who want to commit corruption against the company. In addition, it also encourages opinions from stakeholders through communication channels on the company's website.

INFORMATION SECURITY AND PERSONAL INFORMATION SECURITY

2025 Goal	2022 Goal	2022 Performance
1. Zero number of personal data leak incidents	Zero number of personal data leak incidents	<ul style="list-style-type: none"> Zero number of personal data leak incidents
2. Protection of personal information of directors, executives, employees, customers, guarantors, spouses, trading partners, brokers and advisors	<ul style="list-style-type: none"> Protection of personal information of directors, executives, employees, customers, guarantors, spouses, trading partners, brokers and advisors Set personal data protection policies for directors, spouses, employees, customers, guarantors, spouses, business partners, brokers, and advisors. 	<ul style="list-style-type: none"> Announcement of personal data protection policy in May 2022 Prepare manuals and practical guidelines

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

Information Security Policy and Personal Data Protection Policy

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

- The company disseminates Information Security and Personal Data Protection Policy via E-Mail, Intranet and website of the company so that employees can easily access and follow it correctly.
- Organized training and test the knowledge of Personal Data Protection Act for executives, employees and related workers to understand. Expert of the subject was invited to give lecture on Personal Data Protection Act.
- Set up a cyber security operation and warning center To detect cyber intrusions and prevent leaks of sensitive company data.
- Define data information security incident and privacy incident regulations to determine how data incidents are reported, such as system crashes or disruptions. leakage or breach of personal information and the exercise of rights of the subject of personal data according to

the personal data protection law. The company reports various events to regulators To know the management of access and exercise rights to information of the company, including personal information The company determines the right for employees to access the company's information. Including personal data only according to the rights and obligations that they have received. However, employees must keep information confidential. Store it as needed and do not disclose it to anyone else without their permission.

Action Plan

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

Privacy protection

The company has focused on safety, and privacy from using customer service or stakeholders by establishing a personal data protection policy Including announcements related to the protection of personal data of data subjects such as: notification of the purpose of processing personal data, rights that the data owner is entitled to, including being notified in case of violation or wanting to exercise legal rights obtaining consent to the processing of personal data, etc.

In 2022, the Company has established 4 privacy protection policies, such as:

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

Policies and Procedures for Managing Privacy

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

Violation of customer privacy

In 2022, the Company has not received any complaints of personal data leakage. therefore not causing any damage or affecting the Company's performance.

Implementation of economic and corporate governance goals

Governance and Economic Dimension

Performance	2021	2022	Remark
1. Efficient business operations according to good corporate governance principles according to assessment criteria (CGR)	"Score 84" Very Good	"Score 86" Very Good	
2. Organizing the Annual General Meeting of Shareholders with efficiency according to the principles of good corporate governance according to the assessment criteria (AGM Checklist)	"Score 98"	"Score 99"	

Data Privacy Violation

Performance	Unit	2021	2022	Remark
1. Number of personal data leak incidents	incidence	0	0	-
2. The total number of personal data subjects affected by the breach of company data.	Person	0	0	-

Remark: In 2022, the company started collecting privacy violations.



Management Discussion and Analysis (MD&A)





OVERVIEW OF THE FINANCIAL POSITION AND OPERATING PERFORMANCE

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

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

a registered capital of Baht 400 million, holds 51.0% of the shareholders, on 23 March 2022. And it started operating business in the second quarter of the year 2022.

The part of the Company and its subsidiaries' operation, total revenue was 853.7 million Baht with the growth of 35.0% from the prior year. Main income was interest income from hire purchase by Baht 706.2 million, accounted for 82.7%. The interest income significantly growing due to the ability to expand both used truck and motorcycle hire purchase business. At the end of year 2022, the outstanding hire purchase was Baht 4,957.2 million with the growth of 30.6% from the prior year. As result to other income related to hire purchase loan was growth as same as the interest income, i.e., non-life and life commission insurance income.

The Company and its subsidiaries have cost and operating expense amounting to Baht 283.4 million, increased by 82.9% from the prior year. There are included administration and service expenses, expected credit loss and loss on asset foreclose by 46.6%, 25.6% and 27.8%, respectively. The increasing of the Company and its subsidiaries' administration and service expenses was salary and employee expenses and system expenses due to the Company has expanded to new business. In addition, the Company had to recorded allowance for expected credit loss for the growth of hire purchase credit portfolio and the economic slowdown during the COVID-19 pandemic situation as affect to the Company seized collateral from receivable more than previous year. Sub consequently, the Company are increase recorded loss on sale collateral of asset foreclose. All the above reason, the Company and its subsidiaries had profit for year 2022 by Baht 65.2 million.

SUMMARY OPERATING PERFORMANCE

Revenue

The Company and its subsidiaries' income structure in 2020 - 2022 are as follows:

Incomes	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
Interest incomes from hire purchase	355.6	80.0	503.9	79.7	706.2	82.7
Non-life and life insurance commission incomes	39.4	8.8	71.1	11.3	74.8	8.8
Fee and service incomes	38.5	8.7	48.8	7.7	65.4	7.6
Other incomes ^{1/}	11.0	2.5	8.6	1.3	7.3	0.9
Total incomes	444.5	100.0	632.4	100.0	853.7	100.0
Increase (Decrease)	115.6	35.1	187.9	42.0	221.3	35.0

^{1/} Other incomes of the Company and its subsidiaries included gain on sales of fix assets and income interests form deposit, etc.

The Company and its subsidiaries have total incomes in year 2020 - 2022 was Baht 444.5 million, Baht 632.4 million, and Baht 853.7 million, respectively. In the year 2022, mainly income is interest incomes from hire purchase amounting to Baht 706.2 million, representing 82.7% of total incomes, which are increased to follow the growth of used - truck hire purchase portfolio of the Company and a subsidiary

initially operated new - motorcycle hire purchase business in the quarter 2 of year 2022. In addition, The Company and its subsidiaries' have non-life and life insurance commission incomes. There affected the increasing of commission non-life and life insurance incomes and fee service incomes relevant with hire purchase loan i.e., penalty interest income and collection fee income as the following details:

Interest incomes from hire purchase

Interest incomes from hire purchase was interest income from hire purchase loan service for various kinds of used trucks and new motorcycle. Interest incomes are recognized as income according to the installment payment, using the effective interest rate method over the lease term, net of direct incomes and expenses initially incurred

from the hire purchase service such as front-end fee, commission fee to dealer who introduce hire purchase loan customer to the Company and commission fee for employee. Such direct income and expenses amortized using the effective interest rate method throughout the contract period as same as interest income recognition.

Summary interest income from hire purchase

Interest income from hire purchase	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
Interest income from used truck hire purchase	355.6	100.0	503.9	100.0	671.0	95.0
Interest income from new motorcycle hire purchase	-	-	-	-	35.2	5.0
Total interest incomes	355.6	100.0	503.9	100.0	706.2	100.0
Interest rate	15.53		15.90		16.14	

In the year 2020 - 2022, the Company and its subsidiary's interest income from hire purchase was Baht 355.6 million, Baht 503.9 million and Baht 706.2 million, respectively, accounted for 80.0%, 79.7% and 82.7% of total incomes, respectively. The interest income from used truck hire purchase is the main of interest income from hire purchase, were Baht 671.0 million, representing 95.0 of total interest income from hire purchase. The interest income from hire purchase continued increase each year with the growth of 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 the year 2020 - 2022, the Company and its subsidiary's interest income rates were 15.53%, 15.90%, and 16.14%, respectively. There rate 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 interest income rate than older trucks. In addition, In quarter 2 of the year 2020, the subsidiary initially operated new motorcycle hire purchase business which has interest income rate higher than used truck hire purchase.

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

Interest income from hire purchase	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
10-wheel and 12-wheel trucks	168.7	47.4	225.6	44.8	280.8	39.8
6-wheel truck	110.6	31.1	151.1	30.0	206.2	29.2
Tractor	51.8	14.6	87.2	17.3	125.1	17.7
Trailers/ semi-trailer	17.5	4.9	32.0	6.3	49.1	6.9
4-wheel truck	0.7	0.2	0.8	0.2	1.2	0.2
Others ^{/1}	6.4	1.8	7.2	1.4	8.6	1.2
Motorcycle	-	-	-	-	35.2	5.0
Total interest income	355.6	100.0	503.9	100.0	706.2	100.0

The most of the Company and its subsidiary's interest incomes from hire purchase were 10-wheel and 12-wheel trucks, accounted for 39.8% of total interest incomes hire purchase. Second were interest income from hire purchase on 6-wheel

trucks, accounted for 29.2% of total interest incomes hire purchase, and the rest were interest incomes from hire purchase loans for other type of collaterals, such as tractors, trailers and motorcycle.

Non-life and life insurance commission incomes

Non-life and life insurance commission incomes were income from introducing insurance sale for hire purchase receivables of the Company and its subsidiary. The receivables consider combining the value of insurance and life insurance with the value of hire-purchase receivables. Therefore, in the years 2022, the increasing of insurance commission incomes due to the Company and its subsidiary had a policy to promote the 1st class insurance and credit limit protection insurance to receivables to

reduce risks for the Company and its subsidiary. In 2020-2022, the Company and its subsidiaries had insurance and Life insurance commission income of 39.4 million baht, 71.1 million baht, and 74.8 million baht, respectively, representing 8.8%, 11.3% and 8.8% of total revenue, respectively. Insurance and life insurance commission income growth will be in line with the volume of hire purchase receivables of the Company and its subsidiaries.

Fee and service incomes

Fee and service incomes of the Company generally came from 2 parts: 1) Fees and service charges before occurrence with hire purchase contracts i.e. front end fee, which would be presented in interest

incomes from hire purchase, and 2) Fees and service charges after occurrence with hire purchase contracts i.e. penalty interest incomes, fees from debt following and collection, and litigation fees,

Fee and service incomes	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
Penalty interest incomes	17.5	45.5	27.2	55.7	56.6	86.6
Collection fee incomes	17.3	44.9	17.5	35.9	2.7	4.1
Others	3.7	9.6	4.1	8.4	6.1	9.3
Total fee and service incomes	38.5	100.0	48.8	100.0	65.4	100.0

In the year 2020 - 2022 the Company and its subsidiaries' fee and service incomes were Baht 38.5 million, Baht 48.8 million and Baht 65.4 million, respectively, accounted for 8.7%, 7.7% and 7.6% of total incomes, respectively. In the year 2022, penalty interest incomes were Baht 56.5 million, the representing was 86.6 of fee and service incomes, which increased in trend with the rising of debt default payment. However, the collection fee

income was Baht 2.7 million, the representing was 4.1% of fee and service incomes, which decreased due to the impact from the new announcement of the Debt Collection Supervisory Committee to lower the collection fees in accordance with the new regulated rated. The effect to the Company and its subsidiary's collection fee rate decreased following with the new regulation.

Operation expenses

The Company and its subsidiaries' operating expenses structure in 2020 - 2022 is as follows:

Operating expenses	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
Sales and administrative expenses	152.7	69.3	186.2	54.4	291.5	46.6
Expected credit loss	26.8	12.2	112.0	32.8	160.0	25.6
Loss from assets foreclosed	40.9	17.9	43.6	12.8	173.7	27.8
Total operating expenses	220.4	100.0	341.8	100.0	625.2	100.0
Increase (Decrease)	69.2	45.7	121.4	55.1	283.4	83.0

Total operating expenses of the Company and its subsidiaries in the years 2020 – 2022 were Baht 220.4 million, Baht 341.8 million and Baht 625.2

million, respectively. There are included sales and administrative expenses, expected credit loss, and loss from assets foreclosed as the following details:

Sales and administrative expenses

Sales and administrative expenses included salary and employee expenses, expenses on debt collection, transportation and communication

expenses, consultant fee, and depreciation, and amortization, etc., as the following details:

Sales and administrative expenses	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
Salary and employee expenses	87.6	57.4	106.8	57.4	170.3	58.4
Depreciation and amortization	17.0	11.1	20.1	10.8	26.2	9.0
Debt collection expenses	5.3	3.5	13.8	7.4	36.4	12.5
Transportation and communication expenses	7.7	5.1	11.1	6.0	18.4	6.3
Consultant fee	14.6	9.6	9.6	5.1	5.4	1.9
Others ¹	20.5	13.4	24.8	13.3	34.8	11.9
Total operating expenses	152.7	100.0	186.2	100.0	291.5	100.0
<i>Expenses to total incomes ratio</i>	<i>38.5</i>		<i>32.7</i>		<i>41.3</i>	

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

Total sales and administrative expenses of the Company and its subsidiaries in the years 2020 - 2022 were Baht 152.7 million, Baht 186.2 million and Baht 291.5 million, respectively. The main is salary and employee expenses was Baht 170.3 million, accounted for 58.4% of total sales and administrative expenses and debt collection expenses was Baht 36.4 million, accounted for 12.5% of total sales and administrative expenses.

In the year 2022, sales and administrative expenses were increased Baht 105.3 million, represent were 56.6%. The main of result is increased on salary and employee expenses, in the year 2022, amounting to Baht 63.5 million, accounted for 59.5% form year 2021. The main cause came from the adjustment of employee's salary base and the increasing number

of personnel in various departments to support business growth. In addition, the Company and its subsidiaries have an increasing on debt collection expenses was Baht 22.6 million, accounted for 163.8% form year 2021 as consistent with the growth of the hire purchase portfolio and the efficient debt tracking and collection policy. In addition, the increase in depreciation and amortized expenses was Baht 6.1 million, accounted for 30.3% from year 2021, due to its purchased system, computer, and office equipment for the supporting opened new branch of the parent company and invested in subsidiaries during the year. Thus, the effect to sales and administrative expenses to total incomes ratio was increased from 32.7% in year 2021, to 41.3% in year 2022.

Credit cost

Credit cost includes the sum of expected Credit Loss, Loss from assets foreclose. The details were as follows:

Credit cost	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
Expected credit loss	26.8	47.0	112.0	72.0	160.0	48.0
Loss from assets foreclose	40.9	53.0	43.6	28.0	173.7	52.0
Total	67.7	100.0	155.6	100.0	333.7	100.0
<i>% of average hire purchase receivables (full year)</i>	3.0		4.9		7.6	

Note: The number of negative values indicated the reversal of such item.

Credit cost for the year 2020 – 2022 were Baht 67.7 million and Baht 155.6 million and Baht 333.7 million, respectively. For the year 2022, the Company and its subsidiary have credit cost at 7.6% of average hire purchase receivables, increased from the year 2021 at 4.9%. The mainly increased from the Company had to recorded allowance for expected credit loss for the growth of hire purchase credit

portfolio and set up management overlay based on the management's judgment. In addition, the economic slowdown during the COVID-19 pandemic situation as result of the Company had increased confiscate collateral from the previous year. Thus, the Company's loss on sale collateral or asset foreclose are increased, as the following details:

Expected credit loss

Expected credit loss	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
Expected credit loss	26.2	97.7	127.1	113.4	192.1	120.0
Loss from contract modification	10.1	37.8	1.4	1.3	(0.2)	(0.1)
Bad debt recovery	(9.5)	(35.5)	(16.5)	(14.7)	(31.9)	(19.9)
Total	26.8	100.0	112.0	100.0	160.0	100.0

For the years 2020 - 2022, the Company and its subsidiary's expected credit loss increased by Baht 26.2 million, Baht 127.1 million, and Baht 192.1 million, respectively. In the year 2022, there are increased by Baht 65.0 million from the year 2021, representing was 51.1%. The increase in the Company had to recorded allowance for expected credit loss for the growth of hire purchase credit portfolio and the increase in the proportion of non-performing loans due to the economic slowdown during the COVID-19 pandemic situation. Also, The Company and its subsidiary have non-performing loans to total loan receivables in the year 2022 were increased by 4.56% from 3.47% in the year 2021. the effect of the Company changed write-off policy in

accordance with the Ministerial Regulation No. 374 about the write-off, which affect to the increasing of the write-off amount. In addition, the Company has a policy to additional write-off for debtor who has not been able to seize their collateral and are on the process of legal proceedings with overtime. However, in the year 2021 - 2022, the Company and its subsidiary's bad debt recovery was Baht 9.5 million, Baht 16.5 million, and Baht 31.9 million. In the year 2022, there are increased by Baht 15.4 million from the year 2021, accounted for 93.3%. Due to the Company and its subsidiary have policy for debt collection officers to obtain cash inflows after bad debt write-off or repossession process.



Loss from assets

Loss from assets foreclosed	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
Loss on impairment of foreclosed assets at the end of period	5.2	12.7	7.5	17.2	53.7	30.9
Loss on disposal of foreclosed assets	35.7	87.3	36.1	82.8	120.0	69.7
Bad debt recovery	40.9	100.0	43.6	100.0	173.7	100.0

Loss from assets foreclosed include 1) 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 as present in the assets foreclosed stated in the financial statements at the end of the year reflected the appropriate value that the Company expected to receive. 2) 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.

In 2020 - 2022, the Company and its subsidiaries had loss on asset foreclose by Baht 40.9 million, Baht 43.6 million and Baht 173.7 million, respectively. In the year 2022, their included loss on the impairment of foreclosed assets was Baht 52.3 million, accounted for 30.1% of loss on assets foreclosed. And loss on sale asset foreclose was Baht 121.4 million, accounted for 69.9% of loss on assets foreclosed. which consistent with the increasing number of confiscated trucks. The balance of foreclosed are as follows;

Table presented the confiscated and sold vehicles during the years.

The number of confiscated and sold vehicles during the year	2020	2021	2022
Trucks sold			
• Confiscated during previous period	10	13	25
• Confiscated within the same period	209	241	467
Motorcycle sold			
• Confiscated within the same period	-	-	34
Total assets foreclosed sold within the year	219	254	526
confiscated trucks during the year	222	266	645
confiscated motorcycle during the year	-	-	77
Total assets foreclosed during the year	222	260	722
Total balance of assets foreclosed the end of year	13	25	221
Confiscated and sold vehicles in the same period (percent)	95.4%	94.8%	95.2%

In the year 2020 - 2022, the Company and its subsidiary have Loss on impairment of foreclosed assets at the end of period by Baht 5.2 million, Baht 7.5 million, and Baht 53.7 million, respectively as following the outstanding balance of asset foreclosed at the end of year 2021 – 2022 by 13 cars, 25 cars and 221 cars, respectively.

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 2022, the Company sold confiscated trucks that were confiscated and sold in the same period at 95.2% of total confiscated trucks sold, in 2021 which are same percentage in prior period at 94.8%

Financial Expenses

Financial expenses were one of main costs of the Company and its subsidiaries's business which consisted of cost of interest expense of various types of borrowings. In 2020 - 2022, the Company and its subsidiaries's financial expenses were Baht 41.1 million, Baht 40.0 million, and Baht 23.5 million,

respectively. The increase in financial cost was consistent with the increase in the interest-bearing debt of the Company and its subsidiaries's which mainly consisted of debentures, loans from financial institutions and loans from relating persons.

In 2020 - 2022, the Company and its subsidiaries's interest rate paid were 5.29%, 4.59%, and 5.77%, respectively. The interest rate paid of the Company in year 2022 increased from year 2021 mainly result from the Company has the decreasing of interest 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 - 5.70, maturity in 2 -3 years as result to the interest rate paid of the Company tended to increase.

Table of comparison of interest rates of loans from financial institutions, loans from related persons, loans from other persons and debentures as of 31 December 2022.

Source of fund	Interest rate range (% per year)		
	Short term	Long term	Weighted average ^{/1}
Loans from financial institutions	-	4.65 - 5.65	5.399
Loans from related persons	4.25	-	4.250
Loans from other persons	-	5.90	5.900
Debenture	-	5.25 - 5.70	5.448

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 2022.

^{/1} The weighted average was calculated by using the borrowing balance as of 31 December 2022 in weighting.

Net Profits

The Company and its subsidiaries's net profits in 2020 - 2022 were Baht 135.1 million, Baht 187.4 million, and Baht 65.2 million. The increasing of net profit according is increased in interest income from hire purchase receivables. Net profit ratio was 30.39%, 29.63%, and 7.63%, respectively.

The increasing net profits were consistent with the increasing hire purchase interest incomes.

The mainly from the increase in the expected credit loss which was the result of the growth of hire purchase receivable portfolio together with 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 Company and its subsidiaries at the end of 2020 - 2022 amounted to Baht 2,755.1 million, Baht 4,034.5 million, and Baht 5,511.4 million, 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 and its subsidiaries.

Main Assets	31 December 2020		31 December 2021		31 December 2022	
	THB million	%	THB million	%	THB million	%
Cash and cash equivalents	128.4	4.7	141.6	3.5	290.2	5.3
Hire purchase receivables - net	2,444.0	88.7	3,633.8	90.0	4,725.6	85.7
Land, building and equipment - net	70.9	2.6	96.2	2.4	121.1	2.2
Rights of use assets - net	20.3	0.7	28.3	0.7	28.9	0.5
Foreclosed assets - net	6.7	0.2	11.3	0.3	85.8	1.6
Other assets ^{/1}	84.8	3.1	123.3	3.1	259.8	4.7
Total assets	2,755.1	100.0	4,034.5	100.0	5,511.4	100.0

^{/1} Other assets included deferred tax assets and restricted bank deposits etc.

Hire purchase receivables

The net of hire purchase receivables (less of allowance for expected credit loss) of the Company and its subsidiaries at the end of 2020 - 2022 amounted to Baht 2,444.0 million, Baht 3,633.8

million, and Baht 4,725.6 million, accounted for 88.7%, 90.0% and 85.7% of total assets, respectively. The details were as follows;

Hire purchase receivables – net	31 December 2020	31 December 2021	31 December 2022
	THB million	THB million	THB million
Hire purchase receivables	2,542.0	3,795.8	4,957.2
<u>Less:</u> Allowance for expected credit loss	(98.0)	(162.0)	(231.6)
Hire purchase receivables - net	2,444.0	3,633.8	4,725.6

At the end of 2021, the Company's net of hire purchase receivables were Baht 1,189.8 million or by 48.7% from end of 2020. At the end of 2022, the Company and its subsidiaries' net of hire purchase receivables were Baht 1,091.7 million or by 30.0% from end of 2021.

In 2021, the Company's new loans were Baht 2,287.8

million increased by Baht 983.3 million or by 75.4% from end of 2020. In 2022, the Company's new loans were Baht 2,737.5 million, increased by 449.7 million Baht or by 19.7% from end of 2021. The Company focus on controlling quality of loans by increase in the strictness of loan approval consideration and during the year 2022, a its subsidiary operate hire purchase for new motorcycles.

Quality of receivables of the Company and its subsidiaries

The Company and its subsidiaries classified the credit risk of each receivable under Thai Financial Reporting Standard 9 (TFRS9) to assess the quality

and manage of the receivables. The receivables as of 31 December 2020 - 2022 were classified by state of credit risk as follow;

Staging	31 December 2020		31 December 2021		31 December 2022	
	THB million	%	THB million	%	THB million	%
Hire purchase receivables where there has not been a significant increase in credit risk	1,992.6	78.4	3,046.4	80.2	3,851.6	77.7
Hire purchase receivables where there has been a significant increase in credit risk	452.3	17.8	617.6	16.3	879.8	17.7
Hire purchase receivables that are credit - impaired	97.0	3.8	131.8	3.5	225.8	4.6
Total	2,541.9	100.0	3,795.8	100.0	4,957.2	100.0
<u>Less:</u> allowance for expected credit loss	(98.0)	(3.9)	(162.0)	(4.3)	(231.6)	(4.7)
Hire purchase receivables -net	2,444.0	96.1	3,633.8	95.7	4,725.6	95.3
Performing Loan ratio		96.2		96.5		95.4
NPL ratio		3.8		3.5		4.6
NPL including confiscated trucks ratio		4.1		3.7		6.3

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

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

- Level 1 - Receivables that do not have significant increase in credit risks, such as receivables without outstanding debt or with not more than 30 days outstanding according to the old criteria. The value of allowance for credit loss shall be measured by the expected credit loss in the next 12 months.
- Level 2 - Receivables which have significant increase in credit risks, such as receivables with 31-90 days outstanding according to the old criteria. The allowance for credit loss shall be

measured by the Lifetime Expected Credit Loss.

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

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

loss was included management overlay for the factors which are not captured by the model. During the year 2022 an its subsidiary operate hire purchase for new motorcycles which management judgement is used in estimating the allowance for expected credit losses of debtors in order to cover the losses arising from the default in the future.

The ratio of allowance for expected credit loss to non-performing loans (NPLs) of the Company and its subsidiaries' at the end of 2020 – 2022 were 100.9%, 122.9% and 102.6%, respectively, reflected the adequacy of the Company and its subsidiaries' allowance for expected credit loss.

Assets Foreclosed

Assets foreclosed of the Company and its subsidiaries such as trucks and motorcycles repossessed from contractual customers' default. The assets foreclosed were presented in the financial

statements with the costs less the impairment allowance (if any.) At the end of 2020 – 2022, the Company and its subsidiaries had assets foreclosed - net. The details were as follows:

Life of assets foreclosed (from the date of confiscation)	31 December 2020		31 December 2021		31 December 2022	
	THB million	%	THB million	%	THB million	%
Less than 1 month	6.1	89.7	9.8	86.7	40.0	46.6
1-3 months	0.7	10.3	0.6	5.3	27.4	32.0
4-6 months	-	-	0.9	8.9	15.6	18.1
7-12 months	-	-	-	-	2.8	3.3
Total	6.8	100.0	11.3	100	85.8	100
<u>Less</u> Allowance for impairment	-	-	-	-	-	-
Foreclosed assets - net	6.8		11.3		85.8	

The net of assets foreclosed at the end of 2020 – 2022 amounted to Baht 6.8 million, Baht 11.3 million, and Baht 85.8 million, respectively. The Company

was able to repossessed more vehicle collaterals from the defaulted receivables during COVID-19 pandemic situation since 2021.

Land, building, and equipment

At the end of 2020 - 2022, land, building, and equipment of the Company and its subsidiaries, detail as follow;

Net accounting value	31 December 2020		31 December 2021		31 December 2022	
	THB million	%	THB million	%	THB million	%
Land	35.6	50.2	54.1	56.3	73.0	60.3
Building and renovation	14.3	20.2	17.1	17.8	17.8	14.7
Vehicles	1.6	2.3	0.6	0.6	1.1	0.9
Office supplies, computer equipment	19.4	27.4	24.3	25.3	29.2	24.1
Assets under installation	-	-	0.0	0.0	0.0	0.0
Total land, buildings, and equipment – net	70.9	100.0	96.1	100.0	121.1	100.0

In 2021, the Company had land, building, and equipment increased by Baht 25.2 million or 35.5% from the end of 2020 and in 2022 increased by Baht

25.0 million or 26.0% from the end of 2021 result from the Company bought more land to expand the area of its head office in Nakorn Pathom.

Rights of use assets

At the end of 2020 - 2022, rights of use assets amount to Baht 20.3 million, Baht 28.3 million, and Baht 28.9 million, respectively, due to the Company expanded number of branches so the Company had increased in office lease agreements.

Liabilities

Total liabilities of the Company and its subsidiaries at the end of 2020 - 2022 amounted to Baht 932.1 million, Baht 2,076.1 million, and Baht 3,363.9 million, respectively, detail as follows;

Total liabilities	31 December 2020		31 December 2021		31 December 2022	
	THB million	%	THB million	%	THB million	%
Loans from financial institutions	488.2	52.3	690.4	33.2	246.5	7.3
Debenture	-	-	1,044	50.3	2,664.1	79.2
Loans from related persons	305.6	32.8	150.8	7.3	30.0	0.9
Loans from other persons	9.2	0.1	16.0	0.8	200.0	6.0
Total loans	803.0	86.2	1,901.2	91.6	3,140.6	93.4
Other Liabilities ^{/1}	129.1	13.8	174.9	8.4	223.3	6.6
Total Liabilities	932.1	100.0	2,076.1	100	3,363.9	100.0

^{/1} Other liabilities included trade payables and other payables, lease liabilities, income tax payables and provision of employee benefit etc.

Loan from financial institutions

At the end of 2020 - 2022, the Company and its subsidiaries had balance of short-term and long-term loan from financial institutions amounted to Baht

488.2 million, Baht 690.4 million and Baht 246.5 million, respectively. The types of short-term and long-term loans are as follows:

Loans from financial institutions	31 December 2020		31 December 2021		31 December 2022	
	THB million	%	THB million	%	THB million	%
Short-term loans	255.2	52.3	70.0	10.1	-	-
Long-term loans ¹	233.0	47.7	620.4	89.9	246.5	100.0
Total	488.2	100.0	690.4	100.0	246.5	100.0

¹ Total long-term loans from financial institutions due within 1 year.

At the end of 2021, loan from financial institutions increased by Baht 202.2 million or 41.1% compared with year 2020 due to support the growth of hire purchase portfolio of the Company. At the end of

2022 loan from financial institutions decreased by Baht 443.9 million or 64.3% compared with year 2021 due to gradually repay loan from institutions.

Debenture

At the end of 2020 - 2022, the Company had issued name registered, unsubordinated, unsecured and bond holder representative debentures amounted to Baht 1,044.0 million and Baht 2,664.2 million, respectively, accounted for 50.3% and 79.2%, respectively, of total liabilities. Details as follows;

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

Loans from related persons

Loans from related persons were borrowed from directors, shareholders, and related persons with them. At the end of 2020 - 2022, the Company and its subsidiaries had balance of loans from related

persons were Baht 305.6 million, Baht 150.8 million, and Baht 30.0 million, respectively. They were divided into short-term loans and long-term loans as follows:

Loans from related persons	31 December 2020		31 December 2021		31 December 2022	
	THB million	%	THB million	%	THB million	%
Short-term loans	120.0	39.3	120.0	79.6	30.0	100.0
Long-term loans ^{/1}	185.6	60.7	30.8	20.4	-	-
Total	305.6	100.0	150.80	100.0	30.0	100.0

^{/1} Total long-term loans from related persons due within 1 year.

At the end of 2021, Loans from related persons decreased by Baht 154.8 million or 50.6% compared with year 2020 and at the end of decreased by Baht 120.8 million or 80.1% compared with year 2021. The Company had plan to use such cash flow received

from business operation to gradually repay the loans from related persons and using borrowing from other sources of funding as the main funding for expanding credit portfolio.

Loans from other persons

Loans from other persons	31 December 2020		31 December 2021		31 December 2022	
	THB million	%	THB million	%	THB million	%
Short-term loans	9.2	100.0	16.0	100.0	-	-
Long-term loans ^{/1}	-	-	-	-	200.0	100.0
Total	9.2	100.0	16.0	100.0	200.0	100.0

^{/1} Total long-term loans from related persons due within 1 year.

At the end of 2021, the Company and its subsidiaries had loans from other persons increased by Baht 6.8 million or 73.9% compared with year 2020. At the end of 2022, increased by Baht 184 million or 1,150.0 % compared with year 2020 due to during the

year 2022 its subsidiary has operated hire purchase business, therefore, the Company and its subsidiary seek more sources of funding for expanding credit portfolios.

Shareholders' equity

At the end of 2020 - 2022, shareholders' equity of the Company and its subsidiaries amounted to Baht 1,823.0 million Baht, 1,958.6 million, and Baht 1,965.5 million, respectively. In 2020 the Company had a capital increase total 607.8 million Baht. Moreover,

the good operating performance raised the retained earnings of the Company and its subsidiaries, the retained earnings in 2020 - 2022 amounted to 515.2 million Baht, 650.5 million Baht and 657.7 million Baht, respectively.

	31 December 2020	31 December 2021	31 December 2022
Net profit (million Baht)	135.1	187.5	65.2
Dividend paid (million Baht)	(51.4)	(72.0)	(33.7)
Dividend per share (Baht)	0.055	0.077	0.036

CASH FLOW AND LIQUIDITY ANALYSIS

Cash flow

The change in cash flow of the Company and its subsidiaries during the year 2020 -2022 were summarized as follows:

Cashflow	2020	2021	2022
	THB million	THB million	THB million
Net cash received from (used in) operating activities	(271.6)	(907.8)	(979.5)
Net cash flow received from (used in) investing activities	(12.22)	(61.7)	(94.8)
Net cash flow received from (used in) financing activities	365.7	982.6	1,222.9
Net cash and cash equivalent increase (decrease)	81.9	13.1	148.6
Cash and cash equivalents at beginning of year	46.5	128.4	141.5
Cash and cash equivalents at the end year	128.4	141.5	290.1

During the year 2020 - 2022, the Company and its subsidiaries had the profit before tax amount to Baht 176.2 million, Baht 227.4 million, and Baht 81.5 million, respectively. The Company still used most of cash in hire purchase portfolio expansion. Although the Company approved loan application carefully to prevent risk from debtor quality due to the COVID-19 pandemic situation. This was mainly resulted from an increase in hire purchase receivables during year 2020 - 2022 by Baht 595.3 million, Baht 1,337.7 million and Baht 1,416.8 million Baht, respectively. The Company and its subsidiaries had the net cash flow used in operating activities during the year 2020 - 2022 by Baht 271.5 million, Baht 907.8 million, and Baht 979.5 million, respectively.

The net cash flow used in investing activities of the Company and its subsidiaries during the year 2020 - 2022 amounted to Baht 12.2 million, Baht 61.6 million, and Baht 94.8 million, respectively.



Mainly resulted from in 2021 - 2022 the Company and its subsidiaries had Restricted bank deposits increased by Baht 25.0 million, and Baht 55.0 million, respectively. During the year 2020 - 2022 there were a purchase of lands, improve buildings and computer equipment amounted to Baht 11.0 million, Baht 34.5 million, and Baht 36.4 million, respectively. The net cash flow used in financing activities of the Company and its subsidiaries during the year 2020 - 2022 amounted to Baht 365.7 million, Baht 982.6 million, and Baht 1,222.9 million, respectively. During the year 2020 the Company had cash received from proceed from capital increase amounted to Baht 604.1 million and from Soft Loan amounted to 200.0 million Baht to assisted receivables according to the policy of the Bank of Thailand. During the year 2021 - 2022, mostly cash received from long-term debentures issuance amounted to Baht 1,052.9 million, and Baht 1,627.6 million, respectively, in order to used as working capital for origination and repayment of loans.

Liquidity

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

Liabilities commitments and management of Off-balance sheet liabilities

The Company and its subsidiaries disclosed the details of commitments under section 35 of the notes to the consolidated financial statement for the year ended 31 December 2022.



Financial Summary



Auditor's report summary

The auditor has provided opinions in the auditor's report on the Company's consolidated financial statements for the year 2020 - 2022 as follows:

Financial Statement	Auditor's report summary
The financial statements for the year ended 31 December 2020	<ul style="list-style-type: none"> • 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. • 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 financial performance and cash flows for the year ended the same day are fairly accurate, in essence, in accordance with the Thai Financial Reporting Standards.
The consolidated financial statements for the year ended 31 December 2021	<ul style="list-style-type: none"> • 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. • The auditor unqualified in the auditor's report that the financial statements show the Company and its subsidiaries' financial position as of December 31, 2021 and their financial performance and cash flows for the year ended the same day are fairly accurate, in essence, in accordance with the Thai Financial Reporting Standards.
The consolidated financial statements for the year ended 31 December 2022	<ul style="list-style-type: none"> • 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. • The auditor unqualified in the auditor's report that the consolidated financial statements show the Company and its subsidiaries' financial position as of December 31, 2022 and their financial performance and cash flows for the year ended the same day are fairly accurate, in essence, in accordance with the Thai Financial Reporting Standards.

Summary of the Group's financial statements

Statements of financial position as at 31 December 2020 - 2022

The Company and its subsidiaries present the separate statement of financial position as of December 31, 2020 and present the consolidated statements of financial position as of December 31, 2021 and 2022. Because the Company have been invested in a subsidiary, therefore, the Company and its subsidiaries first prepared the consolidate financial statement in year 2021. The Company and its subsidiaries prepare the financial statements in accordance with the Thai Financial Reporting Standards (TFRS) are as follow;

The statement of financial position	31 December 2020		31 December 2021		31 December 2022	
	THB Million	%	THB Million	%	THB Million	%
Assets						
<u>Current assets</u>						
Cash and cash equivalents	128.4	4.7	141.6	3.5	290.1	5.3
Current portion of hire purchase receivables - net	795.4	28.9	1,126.9	27.9	1,516.5	27.5
Assets foreclosed net	6.7	0.3	11.3	0.3	85.8	1.6
Other receivables	12.6	0.5	14.6	0.4	45.6	0.8
Other current assets	4.7	0.2	7.2	0.2	11.4	0.2
Total current assets	947.8	34.4	1,301.6	32.3	1,949.4	35.4
<u>Non - current assets</u>						
Hire purchase receivables – net of current portion	1,648.7	59.9	2,506.9	62.1	3,209.1	58.2
Restricted bank deposits	38.0	1.4	63.0	1.5	118.0	2.1
Investment in subsidiary	-	-	-	-	-	-
Land, buildings and equipment - net	70.9	2.6	96.2	2.4	121.1	2.2
Right-of-use assets - net	20.3	0.7	28.3	0.7	28.9	0.5
Intangible assets - net	5.2	0.2	6.3	0.2	8.9	0.3
Deferred tax asset	23.2	0.8	30.4	0.7	73.7	1.3
Other non-current assets	1.1	0.04	1.8	0.1	2.3	0.0
Total non-current assets	1,807.4	65.6	2,732.9	67.7	3,562.0	64.6
Total assets	2,755.1	100.0	4,034.5	100.0	5,511.4	100.0
Liabilities						
<u>Current liabilities</u>						
Short-term loans from a financial institution	255.2	9.3	70.0	1.7	-	-
Short-term loans from related persons	120.0	4.4	120.0	3.0	30.0	0.5
Short-term loans from others	9.2	0.3	16.0	0.4	-	-
Trade and other payables	59.5	2.2	90.0	2.2	132.9	2.4
Current portion of long-term loans from financial institutions		5.2	230.2	5.7	98.9	1.8
Current portion of long-term loans from related persons		5.1	30.8	0.8	-	-
Long-term debentures - net	-	-	-	-	846.7	15.4

The statement of financial position	31 December 2020		31 December 2021		31 December 2022	
	THB Million	%	THB Million	%	THB Million	%
Current portion of lease liabilities	7.5	0.3	10.1	0.3	13.5	0.2
Income tax payable	24.7	0.9	29.6	0.7	25.0	0.5
Other current liabilities	18.6	0.7	17.4	0.4	21.7	0.4
Total current liabilities	781.0	28.3	614.1	15.2	1,168.7	21.2
<u>Non - current liabilities</u>						
Long-term loans from financial institutions - net of current portion	88.3	3.2	390.2	9.7	147.6	2.7
Long-term loans from related persons - net of current portion	44.0	1.6	-	-	-	-
Long-term debentures - net of current portion	-	-	-	-	200.0	3.6
Lease liabilities - net of current portion	-	-	1,044.0	25.9	1,817.5	33.0
Lease liabilities - net of current portion	12.4	0.5	18.0	0.4	16.1	0.3
Provision for long-term employee benefits	6.4	0.2	9.8	0.2	14.0	0.2
Total non-current liabilities	151.1	5.5	1,462.0	36.2	2,195.2	39.8
Total liabilities	932.1	33.8	2,076.1	51.5	3,363.9	61.0
Shareholders' equity						
Issued and fully paid up	935.0	33.9	935.0	23.2	935.0	17.0
Share premium	372.8	13.5	372.8	9.2	372.8	6.8
Appropriated - statutory reserve	12.4	0.5	21.8	0.5	26.2	0.5
Unappropriated	502.8	18.3	628.8	15.6	631.5	11.4
Equity attributable to the Company	1,823.0	66.2	1,958.4	48.5	1,965.5	35.7
Non-controlling interests of the subsidiary	-	-	-	-	182.0	3.3
Total shareholders equity	1,823.0	66.2	1,958.4	48.5	2,147.5	39.0
Total liabilities and shareholders' equity	2,755.1	100.0	4,037.5	100.0	5,511.4	100.0

Statement of comprehensive income for the years ended 31 December 2020 - 2022

The Company and its subsidiaries present the separate statement of comprehensive income for the year ended 31 December 2020 and present the consolidated financial statement of comprehensive income for the year ended 31 December 2021 and 2022. Because the Company have been invested in a subsidiary, therefore, the Company and its subsidiaries first prepared the consolidate financial statement in year 2021. The Company and its subsidiaries prepare the financial statements in accordance with the Thai Financial Reporting Standards (TFRS) are as follow;

Statements of comprehensive income	2020		2021		2022	
	THB Million	%	THB Million	%	THB Million	%
Revenues						
Interest income from hire purchase	355.6	80.0	503.9	79.7	706.2	82.7
Fee and service income	77.9	17.5	119.9	19.0	140.2	16.4
Other income	11.0	2.5	8.6	1.3	7.3	0.9
Total revenues	444.5	100.0	632.4	100.0	853.7	100.0
Expenses						
Selling and administrative expenses	152.7	34.4	186.2	29.4	291.5	34.1
Expected credit loss	26.8	6.0	112.0	17.7	160.0	18.8
Gain on disposals of assets foreclosed	40.9	9.2	43.6	6.9	173.7	20.3
Total expenses	220.4	49.6	341.8	54.0	625.2	73.2
Profit from operating activities	224.1	50.4	290.6	46.0	228.5	26.8
Finance cost	(47.9)	(10.7)	(63.2)	(10.0)	(147.0)	(17.3)
Profit before income tax expenses	176.2	39.6	227.4	36.0	81.5	9.5
Income tax expenses	(41.1)	(9.2)	(40.0)	(6.3)	(16.3)	(1.9)
Profit for the year	135.1	30.3	187.4	29.7	65.2	7.6
Other comprehensive income:						
Items not to be recognised in profit or loss in subsequent periods:						
Actuarial gain – net income tax	0.4	0.1	(0.7)	0.1	-	-
Total comprehensive income for the year	135.5	30.5	186.7	29.6	65.2	7.6
Profit attributable to						
Equity attributable to the Company	135.5		186.7		79.1	
Non-controlling interests of the subsidiaries	-		-		(14.0)	
Total comprehensive income attributable to						
Equity attributable to the Company	135.5		186.7		79.1	
Non-controlling interests of the subsidiaries	-		-		(14.0)	
Earnings per share						
Earnings per share (Baht / Shares)	0.18		0.20		0.07	
Weighted average number of ordinary shares (Shares)	763,565,574		935,000,000		935,000,000	

Cash flow statements for the year ended 31 December 2020 - 2022

The Company and its subsidiaries present the separate statement of cash flow for the year ended 31 December 2020 and present the consolidated financial statement of comprehensive income for the year ended 31 December 2021 and 2022. Because the Company have been invested in a subsidiary, therefore, the Company and its subsidiaries first prepared the consolidate financial statements in year 2021. The Company and its subsidiaries prepare the financial statements in accordance with the Thai Financial Reporting Standards (TFRS) are as follow;

Cash flow statements	2020	2021	2022
	THB Million	THB Million	THB Million
Cash flows from operating activities			
Profit before income tax	176.2	227.4	81.5
<i>Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities</i>			
Depreciation and amortization	16.9	20.1	26.2
Expected credit loss	36.3	128.5	191.8
Losses on confiscation assets	58.5	69.1	208.4
Gain on disposals of assets foreclosed	(17.6)	(25.5)	(34.6)
Gain (loss) on disposals equipment	(0.1)	(0.5)	(1.7)
Loss on write-off assets	-	-	0.3
Gain on disposal of right of use asset - vehicle	-	-	0.2
Provision for long-term employee benefits	2.0	2.5	4.6
Interest income from hire purchase	(355.6)	(503.9)	(706.2)
Finance cost	47.9	63.1	147.0
Loss from operating activities before changes in operating assets and liabilities	(35.2)	(19.2)	(82.5)
<i>Decrease (increase) in operating assets</i>			
Hire purchase receivables	(595.3)	(1,337.7)	(1,416.8)
Assets foreclosed	14.7	21.0	(39.9)
Other receivable	(5.4)	(2.6)	(30.8)
Other current assets	(2.4)	(2.5)	(4.2)
Other non-current assets	(0.1)	(0.6)	(0.5)
<i>Increase (decrease) in operating liabilities</i>			
Trade and other payables	45.9	22.9	24.6
Other current liabilities	1.1	(1.3)	4.3
Long-term employee benefits	-	-	(0.4)
<i>Cash flows used in operating activities</i>	(1,320.0)	(1,319.9)	(1,546.2)
Cash received from interest income from hire purchase	454.2	454.2	631.1
Cash paid for income tax	(42.0)	(42.6)	(64.4)
Net cash flows used in operating activities	(907.8)	(907.8)	(979.5)

Cash flow statements	2020	2021	2022
	THB Million	THB Million	THB Million
Cash flows from investing activities			
Increase in restricted bank deposits	-	(25.0)	(55.0)
Cash paid for acquisitions of land, buildings and equipment	(11.0)	(34.5)	(36.4)
Cash paid for acquisitions of intangible assets	(1.2)	(3.1)	(5.2)
Cash received from disposals of equipment	-	0.9	1.8
Net cash flows used in investing activities	(12.2)	(61.7)	(94.8)
Cash flows from financing activities			
Decrease in short-term loans from financial institutions	(248.1)	(185.2)	(70.0)
Decrease in short-term loans from related persons	-	-	(90.0)
Increase (decrease) in short-term loans from others	(20.0)	6.8	(16.0)
Cash received from long-term loans from financial institutions	200.0	740.0	200.0
Repayment of long-term loans from financial institutions	(50.7)	(352.5)	(574.0)
Repayment of long-terms loans from related persons	(64.4)	(154.8)	(30.8)
Repayment of long-terms loans from others	-	-	200.0
Cash received from issuance of debentures	-	1,052.9	1,627.6
Cash paid for expenses of issuance from debentures	-	(10.7)	(15.1)
Repayment of liabilities under lease and hire purchase agreements	(7.5)	(9.5)	(12.5)
Cash received from capital increase	604.1	-	-
Cash received from non-controlling interests of the subsidiary	-	-	196.0
Dividend paid	-	(51.4)	(72.0)
Interest expense	(47.6)	(52.8)	(120.3)
Net cash flows from financing activities	365.7	982.6	1,222.9
Net increase in cash and cash equivalents	81.9	13.1	148.6
Cash and cash equivalents at beginning of year	46.5	128.4	141.5
Cash and cash equivalents at the end of year	128.4	141.5	290.1

Financial Highlights

Significant ratio	Unit	2020	2021	2022
Liquidity ratio				
Liquidity ratio	(Time)	1.21	2.12	1.67
Profitability Ratio				
Interest rate received	(%)	15.53	15.90	16.14
Interest rate paid	(%)	5.29	4.59	5.77
Interest rate spread	(%)	10.24	11.31	10.37
Net interest margin	(%)	13.44	13.91	12.78
Net profit margin	(%)	30.39	29.63	7.63
Return on equity	(%)	9.31	9.92	3.17
Efficiency Ratio				
Return on assets	(%)	5.54	5.53	1.36
Total assets turnover	(Time)	0.19	0.19	0.18
Financial Ratio				
Debt to equity ratio	(Time)	0.51	1.06	1.57
Lend to borrowing ratio	(Time)	3.09	1.97	1.56
Lending to loan ratio	(Time)	0.96	0.98	0.93
Dividend payout ratio	(%)	31.09	38.55	38.99
Loan Asset Quality Ratio				
Non accrued receivables over total receivables	(%)	3.82	3.47	4.56
NPL ratio and assets foreclosed to total assets	(%)	4.08	3.77	6.29
Allowance of expected credit loss over total NPL	(%)	100.89	122.87	102.55
Allowance of expected credit loss over total assets	(%)	3.85	4.27	4.67
Bad debt to total assets	(%)	1.76	1.64	2.80

General information and other key information



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 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 2022)
Paid-up capital	:	935,000,000 baht (Information as of 31 December 2022)
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 District, Nakhon Pathom Province 73000
Phone number	:	034 109 200
Homepage	:	www.microleasingplc.com
Capital	:	3,000,000 Baht
Paid-up capital	:	3,000,000 Baht
Company name	:	Micro Fin Company Limited
Symbol	:	MFIN
Registration number	:	0735565000690
Type of business	:	Supervised Personal Loan
Head Office address	:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000
Phone number	:	034 109 200
Homepage	:	www.microleasingplc.com
Capital	:	50,000,000 Baht
Paid-up capital	:	50,000,000 Baht

1.3 Joint venture company

Company name	:	Micro Plusleasing Company Limited
Symbol	:	MPLUS
Registration number	:	0735565002854
Type of business	:	Hire purchase financing for motorcycle
Head Office address	:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000
Phone number	:	034 109 200
Homepage	:	www.microleasingplc.com
Capital	:	400,000,000 Baht
Paid-up capital	:	400,000,000 Baht

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 Rachadapisek Road.Klongtoey, Klongtoey, Bangkok
	Phone	:	02 264 9090
	Fax	:	02 264 0789-90
	Website	:	www.ey.com/th
(3)	Debenture Registrar	:	Siam Commercial Bank
	Location	:	9 Ratchadapisek Road, Jatujak, Bangkok 10900 Thailand
	Phone	:	02 544 1000
	Website	:	www.scb.co.th
(4)	Debenture Registrar	:	CIMB THAI
	Location	:	44 Langsuan Road, Lumpini, Pathum Wan, Bangkok 10330
	Phone	:	02 626 7777
	Website	:	www.cimbthai.com
(5)	Debenture Representative	:	Asia Plus Advisory Company Limited
	Location	:	11th Floor, Sathon City Building, No. 175 South Sathorn Road Thungmahamek, Sathorn, Bangkok
	Phone	:	02 680 4002 - 3
	Fax	:	02 670 9291
	Website	:	www.asiaplusadvisory.co.th
(6)	Company Secretary	:	Mr.Kandanai Chonsuwat
	Location	:	863/3 Petchkasem Road, Sanamchan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom Province 73000
	Phone	:	034 109 200

- (7) Investor Relations : **Ms.Thanaporn Waewsuwun**
 Location : 863/3 Petchkasem Road, Sanamchan Sub-district,
 Mueang Nakhon Pathom District, Nakhon Pathom
 Province 73000
 Phone : 034 109 200
- (8) Internal Audit Department : **Mr.Thanut Pholwattana**
 Location : 863/3 Petchkasem Road, Sanamchan Sub-district,
 Mueang Nakhon Pathom District, Nakhon Pathom
 Province 73000
 Phone : 034 109 200

3 SERVICE BRANCH

Branch	Phone	Address
Nakorn Pathom (Head Office) (Mon - SAT 8.00 - 17.00)	(034)-109200	863/3 Petchkasem Road, Sanamchan, Mueang Nakhon Pathom, Nakhon Pathom Province 73000
Ratchburi Branch (Mon - SAT 8.00 - 17.00)	(032)-327885	157/20 Petchkasem Road, Na Mueang, Mueang Ratchaburi 70000
Kanchanaburi Branch (Mon - SAT 8.00 - 17.00)	(034)-624486	70/13 Moo. 8 Kaeng Sian, Mueang Kanchanaburi, Kanchanaburi Province 71000
Suphanburi Branch (Mon - SAT 8.00 - 17.00)	(035)-056086	33/19 Moo. 4 Sanam Chai, Mueang Saphanburi, Suphanburi Province 72000
Nakornratchasima Branch (Mon - SAT 8.00 - 17.00)	(044)-222052	150/12 Moo. 1 Suranari, Mueang Nakornratchasima, 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

Branch	Phone	Address
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
Udo Thani Branch (Mon - SAT 8.00 - 17.00)	(034)-109200 Ext 7170	140/136, K3 Building, Lane Station Road, Mak Khaeng Mueang Udon Thani, Udon Thani Province 41000
Chiang Mai Branch (Mon - SAT 8.00 - 17.00)	(034) 109 200 Ext 7180	418/16 Panna Oasis, Chiang Mai-Lampang Road Nong Pa Khrang Chiang Mai. Chiang Mai Province 50000
Roi – ET Branch (Mon - SAT 8.00 - 17.00)	(034) 109 200 Ext 7190	287/20 Moo.7 Niwet, Thawat Buir, Roi Et Province 45170
Rayong Branch (Mon - SAT 8.00 - 17.00)	(034)109-200,7200-01	133/60 Moo 2 Thap Ma Mueang Rayong Rayong 21000
Sukhothai Branch (Mon - SAT 8.00 - 17.00)	(034) 109-200 Ext 7210-11	330/5 Moo 9 Pak Khwae Sukhothai Mueang, Sukhothai 64000
Bangkok Branch (Mon - SAT 8.00 - 17.00)	(034)109-200,7220-21	890 Thoetthai Road Bang Khae Bangkok 10160
Sakon Nakhon Branch (Mon - SAT 8.00 - 17.00)	(034)109-200,7230-31	592/6 Charoen Mueang Road That Choengchum Mueang Sakon Nakhon Sakon Nakhon 47000
Chaiyaphum Branch (Mon - SAT 8.00 - 17.00)	(034)109-200,7240-41	148/3 Moo 6 Nai Mueang Mueang Chaiyaphum Chaiyaphum 36000
Surin Branch (Mon - SAT 8.00 - 17.00)	(034)109-200,7250-51	Surin Build 2 (Build 1) Soi Sukprasert Nok Mueang Mueang Surin , Surin 32000

4 AUDITING FEE

The Company paid auditing fee for the review of financial statement of 2022 to EY Offices Company Limited as follows:

Fees (Baht)	2022
Auditing fee for financial statement review	3,240,000
Other service fees	560,000
Total	3,800,000

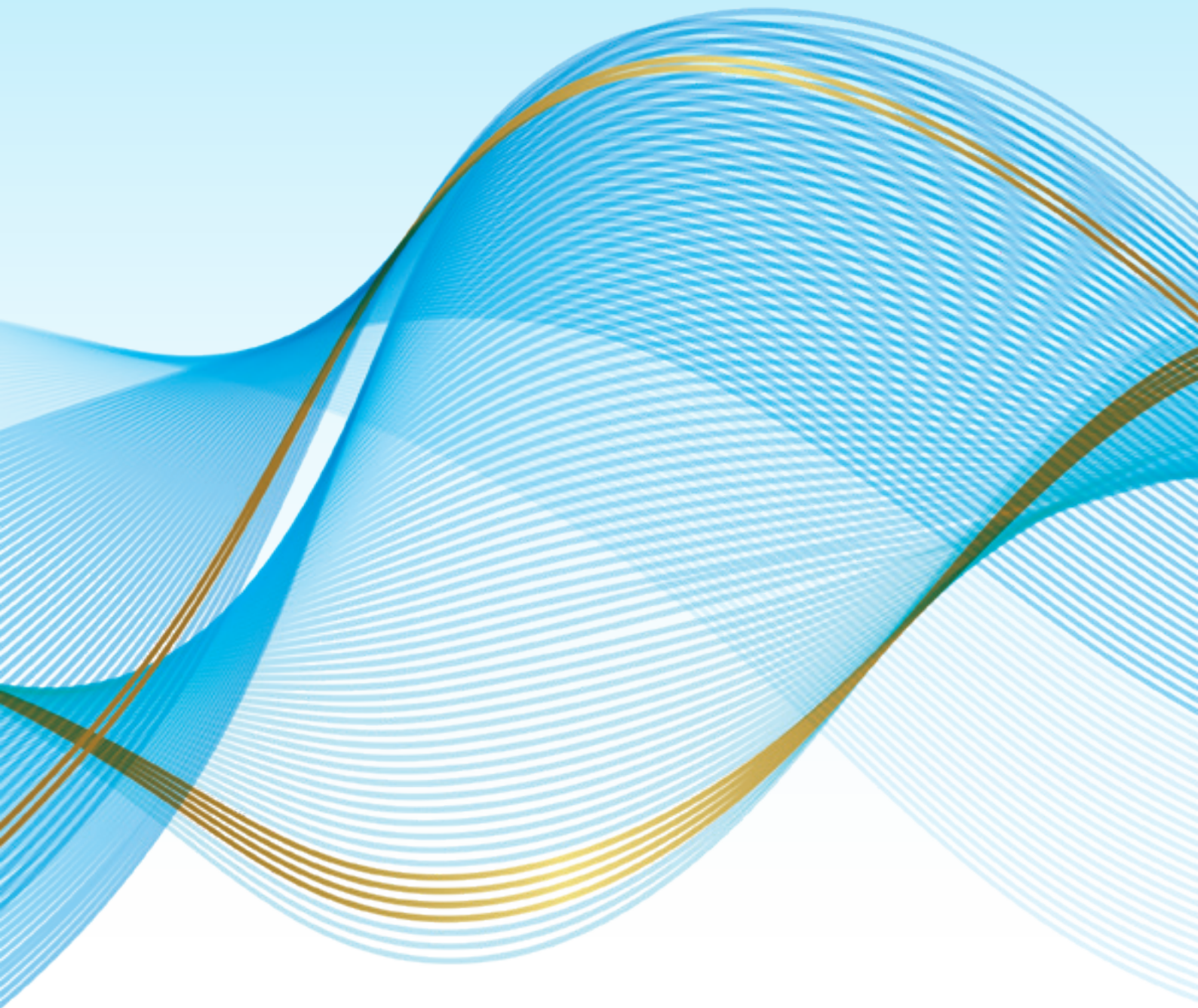
5 LEGAL DISPUTE

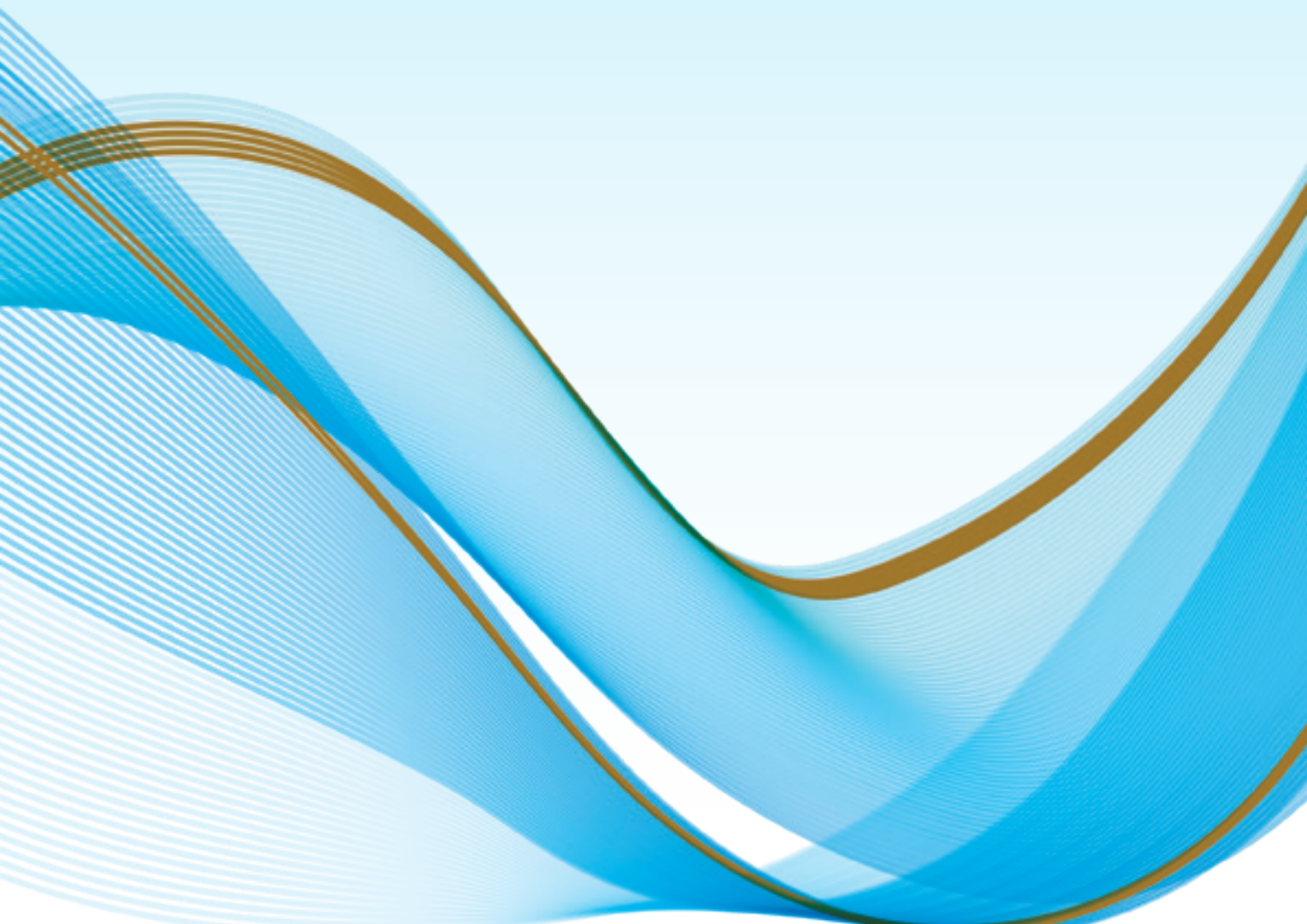
As of December 31, 2022 the Company does not have any legal dispute which may affect the Company's assets in excess of 5 % shareholders' equity. According to the financial statements for ended December 31, 2022 and there are no other legal disputes that may materially affect the Company's business operations. There are also no other legal disputes that are not arising from the normal business operations of the company.

Part 2

Corporate

Governance





Corporate Governance Policy



1. GOOD CORPORATE GOVERNANCE POLICY

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

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

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

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

the duties and responsibilities to Managing Director and the Management clearly, including monitoring the performance of duties of the Managing Director and the Management.

- The Board of Directors sets up the Board Charter as the practices of duties for every director, regularly reviews the Charter at least once a year and regularly reviews the roles and responsibilities of directors and executives to be in accordance with the corporate direction.

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

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

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

Mission :

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

Core Value: Morality Candidness Industriousness Robustness Objectivity

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

Practic 3: Establish and support the effective committees

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

- The Board of Directors composes of qualified directors who can contribute to the Company's business and has at least 1 independent director out of total 3 directors but must not be less than 3 persons. The number and qualification of independent directors shall comply with the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand ("SET"). The Board shall supervise to ensure that the independent directors can work with all committees efficiently and are able to provide their opinions independently.
- The Company selected an Independent Director to be the Chairman of the Board of Directors.
- The Company has a policy that does not allow the Chairman of the Board of Directors to be the same person as the Managing Director in order to balance the power in operations and shall clearly define the separating roles and duties of each position.
- The details of the Board of Directors' composition, including the qualification of directors, term of office, authority, duties and responsibilities, and performance evaluation are defined in the charter of each committee. The information about the number of directors, number of years in term of office, and the position holding in other listed companies of directors, is disclosed in the Company's Annual Report and web site.
- The Board of Directors appointed the Nomination and Remuneration Committee mostly consisting of independent directors in order to consider the criteria and methods to recruit the qualified directors who can contribute to the effective committee composition. The roles of the Nomination and Remuneration Committee are defined in such committee charter.
- The Board of Directors supervises all directors in taking responsibility for their duties and time management by stating in the charter and informing every director to acknowledge them. This includes the defined appropriate number of listed companies in which each director can hold position and the number of meetings needed to be attended in order to increase the efficiency of their performance.

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

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

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

1. The performance evaluation of the Board as a group is divided into 6 topics as follows:
 - 1) Structure and qualification of the Board
 - 2) Role, duty and responsibility of the Board
 - 3) Board meetings

- 4) Director's performance of duty
 - 5) Relationship with Management and
 - 6) Self-development of directors and executives development
2. Performance evaluation of the Board as an individual (self-evaluation) is divided into 3 topics as follows:
 - 1) Structure and qualification of the Board.
 - 2) Board meetings.
 - 3) Role, duty and responsibility of the Board.
 3. Performance evaluation of committee as a group is divided into 6 topics as follows:
 - 1) Structure and qualification of committees in defined issues are appropriate and support the efficiency of the committee's performance.
 - 2) Meetings of the committees take action in various issues so that the committees can perform their duties in the meetings efficiently.
 - 3) Roles, duties, and responsibilities of the committees give importance to and provide time to consider and review various issues sufficiently.

The score level counts from 1 – 5 from Strongly disagree or No action taken in that issue to Strongly agree or Excellent action taken on that issue. The result of each performance evaluation form for committee in 2021 is as follows:

In 2022 Evaluation Form	Average score (Full 5 points)
Performance evaluation form of the Board as a group	4.71
Performance evaluation form of the Board (as individual: self-evaluation)	4.78
Performance evaluation form of the Committee as a group (Audit Committee)	4.98
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)	4.96
Performance evaluation form of the Committee (as individual: self-evaluation)	4.97
Performance evaluation form of the Committee as a group (Risk Management Committee)	4.06
Performance evaluation form of the Committee (as individual: self-evaluation)	4.25

Performance Evaluation of Managing Director

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

Practice 4: Recruiting and developing senior executives and personnel management

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

- The Board of Directors shall supervise the defining of remuneration structure and performance evaluation of senior executives to be appropriately conducted, taking into consideration the sufficiency of duties and responsibilities, the estimated compensation rate in the same industry, the performance of the Company and the performance and competency of each senior executive.
- The Board of Directors shall supervise to ensure that the structure and relationship of shareholders are not the obstacles of the Board's performance of duty. When there is a change of directors or there are new directors coming, they shall be introduced to the business nature and business direction of the Company.
- The Board of Directors shall monitor the management and personnel development to ensure the appropriate number, knowledge, skills, experiences and motivation. Training and knowledge providing shall also be conducted to relevant people in the corporate governance system of the Company, such as directors, audit directors, executives, and company secretary.

In 2022, the company has been investing in enhancing the human capital at all levels, for both the employees at the head quarter and also the employees at 25 branches nationwide. The modern hybrid training platform by using classroom training, online training, coaching & giving feedback, and on-the-job training aiming to upskill and reskill our employee professional skills such as digital skills and leadership skills to foster the construction of a more sustainable future.

Practice 5: Promote innovation and business conduct with responsibility

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

Shareholders : The Company commits to conduct business to grow sustainably in order to add value

to the Company which results in the good return for shareholders.

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

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

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

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

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

Practice 6: Supervise the risk management system and internal control

- The Board of Directors appoints the Audit Committee to support the Board of Directors in supervising the Company to have the good corporate governance system and to provide honest opinions on financial statement, internal control system, and risk management, in order to effectively achieve the objectives and provide opportunities to Management and auditors to consult for potential risks and to make the financial reporting reliable. The scope of authority, duties and responsibilities of the Audit Committee is stated in the Audit Committee Charter.
- The Board of Directors defines the Risk Management Policy and appointed the Risk Management Committee to supervise risk management of the Company.

- The Board of Directors shall follow up and manage conflict of interest that may occur between the Company and the management, committees or shareholders, including the protection of the improper use of the Company's assets, data and opportunities and transactions with persons connecting with the Company in the improper manner.
- The Company's Anti-Corruption Policy prohibited its directors, committees, executives and employees of the Company from demanding, conducting or accepting the corruptions for the benefits of their own, families, friends, or acquaintances. They must strictly comply with the law, regulations, and requirements relating to the anti-corruption to create reliability to business stakeholders that the Company shall conduct business with integrity, transparency and fairness.
- The Company defined more than one channel for whistleblowers for more convenience. The whistleblowing channels are disclosed in the Company's website or annual reports. The whistleblowing can be made to the Company's Audit Committee. The complaints and whistleblowing information sent to the Company shall be kept confidential. The Audit Committee will order to verify the information and define solutions (if any) and report to the Board of Directors.
- 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 2022

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 7: Retain financial creditability and information disclosure

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

Practice 8: Support the shareholders' participation and communication

- The Board of Directors shall supervise to ensure that shareholders participate in significant issues by sending the meeting invitation and relevant information to shareholders and publicize them on the Company's website prior to the meeting date for a period as required by law or relevant regulations so that shareholders can have time to study the information in advance of the meeting date. The Company defines the requirement for minor shareholders should they want to propose the additional meeting agenda or the nomination of candidates for director positions.
- The Board of Directors opens opportunities for shareholders to submit questions before the meeting date by setting the requirement for sending questions in advance and publicize the requirement on the Company's website.
- The Board of Directors shall supervise to assure the shareholders' meetings be conducted properly, transparently, efficiently and open for shareholders to exercise their rights and get equal opportunities to independently share their opinions, suggestions or questions relevant to the agendas before voting on any agenda. All relevant directors and executives must attend the

meetings to answer the shareholders' questions in the meetings.

- The Board of Directors shall supervise to ensure that the meeting resolutions disclosure and minutes taking of shareholders' meetings are disclosed correctly and completely according to the relevant requirements.

2. CORPORATE GOVERNANCE FOR SUBSIDIARY AND/OR ASSOCIATE COMPANIES

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



Please find more details corporate governance for subsidiary and/or associate companies on the Company's website

www.microleasingplc.com

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

be traded during 1 month period before the financial statement is disclosed to the public. This requirement includes spouses or cohabitants and 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-

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.

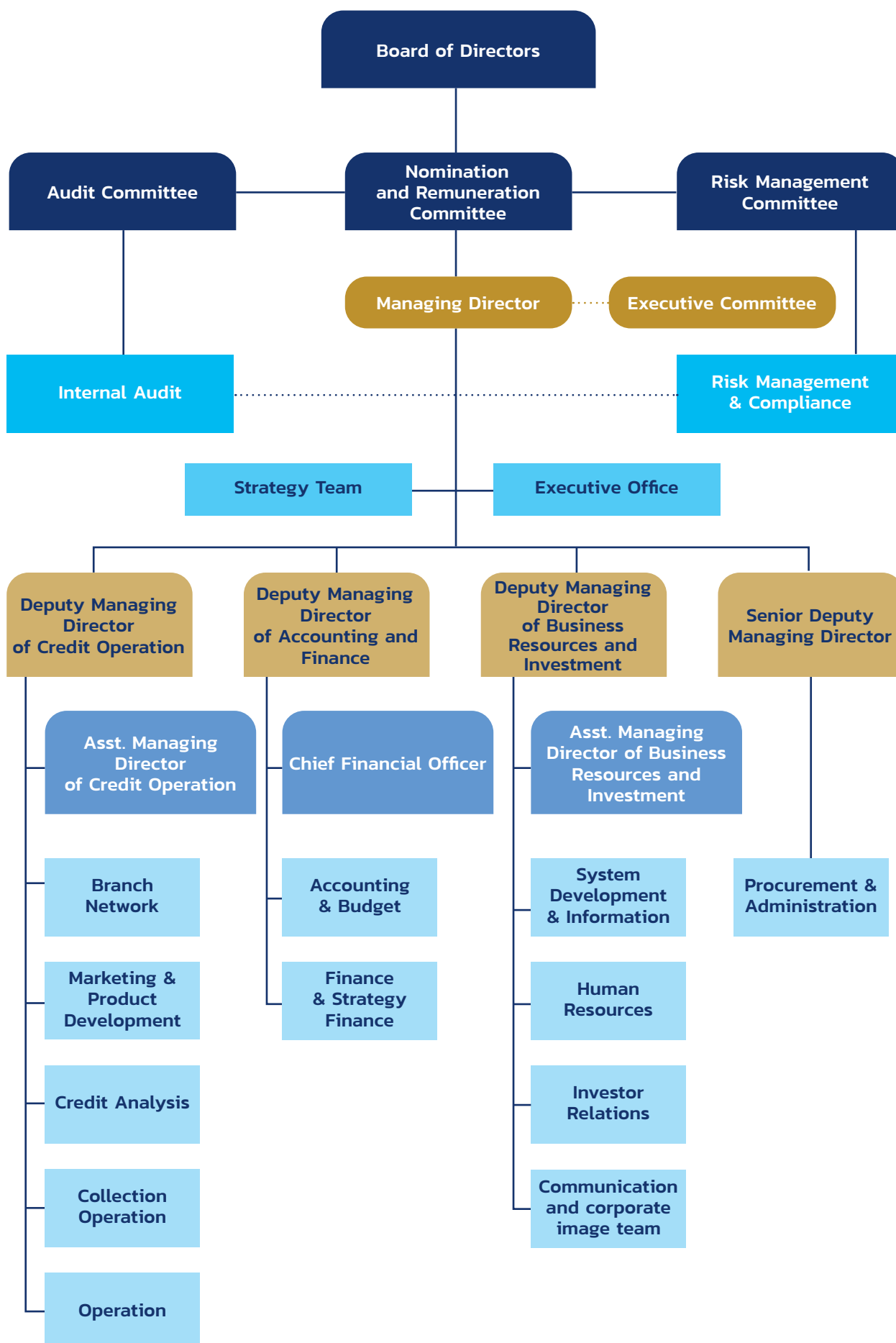


Please find more details in Code of Conduct on the Company's website
www.microleasingplc.com

Corporate Governance Structure and material facts related



MANAGEMENT STRUCTURE



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, 2022 the Board of Directors consisted of 11 Directors as follows:

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

Authorized Director

The authorized directors of the Company according to the company certificate dated December 16, 2022 are Mr. Wisarn Boornasuntikoon 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 2021 and 2022 are as follows:

Board of Directors List		No. of attendance / Total meetings	
		2021	2022
1	Assistant Professor Krit Umpote	8/8	12/12
2	Mr. Weidt Nuchjalearn	8/8	12/12
3	Mr. Chalong Luengprasit	8/8	12/12
4	Mr. Pijak Chantaviroj	8/8	12/12
5	Mr. Thammasak Auchyawat	8/8	12/12
6	Mr. Wisarn Booranasuntikoon	8/8	12/12
7	Mrs. Rotsanan Yingthaweesak	8/8	12/12
8	Mr. Keittipong Toemkunanon	8/8	12/12
9	Mr. Tanyakon Autchayawat	8/8	12/12
10	Mr. Jedsada Auchyawat	8/8	12/12
11	Mr. Kitsada Auchyawat	8/8	12/12

2) Audit Committee

As of December 31, 2022 the Audit Committee consisted of 3 Directors as follows:

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

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

Siam University and Master's Degree of Accounting from Chulalongkorn University 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	
		2021	2022
1	Mr. Chalong Luengprasit	5/5	7/7
2	Mr. Weidt Nuchjalearn	5/5	7/7
3	Mr. Pijak Chantaviroj	5/5	7/7

3) Nomination and Remuneration Committee

As of December 31, 2022 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	Mr. 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	
		2021	2022
1	Mr. Chalong Luengprasit	5/5	5/5
2	Mr. Thammasak Auchyawat	5/5	5/5
3	Mr. Pijak Chantaviroj	5/5	5/5

4) Risk Management Committee

As of December 31, 2022 the Risk Management Committee consisted of 7 Directors as follows:

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

Meeting Attendance of Risk Management Committee

Meeting Attendance of Risk Management Committee is as follows:

Risk Management Committee list	No. of meeting attendance/ Total meetings	
	2021	2022
1 Mr. Weidt Nuchjalearn	6/6	5/5
2 Mr. Wisarn Booranasuntikoon	6/6	5/5
3 Mr. Tanyakon Autchayawat	7/7	5/5
4 Mr. Jedsada Auchyawat	7/7	5/5
5 Mr. Preeda Iramaneerat	7/7	5/5
6 Mr. Kandanai Chonsuwat	7/7	5/5
7 Mr. Wisan Wethayanukool	6/6	5/5

5) Executive Committee

As of December 31, 2022 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 Iramaneerat	Executive Director
6	Mr. Kantdanai Chonsuwat	Executive Director
7	Mr. Wisan Wethayanukool	Executive Director

Meeting Attendance of Executive Committee

Meeting Attendance of Executive Committee is as follows:

Executive Committee list	No. of meeting attendance/ Total meetings	
	2021	2021
1 Mr. Wisarn Boornasuntikoon	13/13	12/12
2 Mrs. Rotsanan Yingthaweesak	13/13	12/12
3 Mr. Tanyakon Autchayawat	13/13	12/12
4 Mr. Jedsada Auchyawat	13/13	12/12
5 Mr. Preeda Iramaneerat	13/13	12/12
6 Mr. Kantdanai Chonsuwat	13/13	12/12
7 Mr. Wisan Wethayanukool	13/13	12/12

2. EXECUTIVES

As of December 31, 2022, the Company had 7 Executives as follows:

	Name – Last name	Position
1	Mr. Wisarn Boornasuntikoon	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 Iramaneerat	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.

4. DIRECTOR'S SHAREHOLDING INFORMATION

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

Name - lastname	Position	No. of shares		
		31 December 2021	31 December 2022	+ / -
1 Assistant Professor Krit Umphot Spouse and underage children	Chairman/ Independent Director	-	-	-
2 Mr. Weidt Nuchjalearn Spouse and underage children	Vice Chairman / Independent Director	-	-	-
3 Mr. Chalong Luengprasit Spouse and underage children	Independent Director	100,000	100,000	-
4 Mr. Pijak Chantaviroj Spouse and underage children	Independent Director	440,000	440,000	-
5 Mr. Wisarn Boornasuntikoon Spouse and underage children	Director	120,000	120,000	-
6 Mr. Thammasak Auchyawat Spouse and underage children	Director	218,274,000	218,910,000	(636,000)
7 Mrs. Rotsanan Yingthaweesak Spouse and underage children	Director	14,548,000	14,548,000	-
8 Mr. Thanyakorn Autchayawat Spouse and underage children	Director	57,230,000	57,230,000	-
9 Mr. Jedsada Auchyawat Spouse and underage children	Director	128,750,000	128,750,000	-
10 Mr. Kitsada Auchyawat Spouse and underage children	Director	128,750,000	128,750,000	-
11 Mr. Keittipong Toemkunanon Spouse and underage children	Director	29,963,200	28,000,000	(1,963,200)
12 Mr. Preeda Iramaneerat Spouse and underage children	Deputy Managing Director of Resources and Investment	4,513,300	4,613,300	(100,000)
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	385,300	320,700	(64,600)

5. REMUNERATION FOR DIRECTORS AND EXECUTIVES

1) Remuneration for Directors

- a) Monetary compensation
The 2022 Annual General Meeting of Shareholders

held on April 22, 2022 set the policy of remuneration payment to the Board of Directors and Sub-Committees 2022. Determine the remuneration of the Board of Directors in the form of monthly monetary compensation as follows:

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

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

The 2021 compensation paid to Directors as of December 31, 2022 as follows:

Directors	Monthly compensation	Meeting allowance					Total expenses of 2022
		Executive Director	Audit Director	Nomination and Remuneration Director	Risk Management Director		
1 Assistant Professor Krit Umpote	720,000	240,000	-	-	-		960,000
2 Mr. Weidt Nuchjalearn	560,000	120,000	105,000	-	100,000		885,000
3 Mr. Chalong Luengprasit	480,000	120,000	210,000	100,000	-		910,000
4 Mr. Pijak Chantaviroj	480,000	120,000	105,000	50,000	-		755,000
5 Mr. Wisarn Booranasuntikoon	-	-	-	-	-		-
6 Mr. Thammasak Auchyawat	240,000	120,000	-	50,000	-		410,000
7 Mrs. Rotsanan Yingthaweesak	-	-	-	-	-		-
8 Mr. Tanyakon Autchayawat	-	-	-	-	-		-
9 Mr. Jedsada Auchyawat	-	-	-	-	-		-
10 Mr. Kitsada Auchyawat	240,000	120,000	-	-	-		360,000
11 Mr. Keittipong Toemkunanon	240,000	120,000	-	-	-		360,000
Total	2,960,000	960,000	420,000	200,000	100,000		4,640,000

b) Other compensation
- None -

2) Compensation for Executives

a) Monetary compensation

The monetary compensation paid to executives was as follows:

The monetary compensation paid to executives was as follows:	2020		2021		2022	
	Number (person)	Compensation (million Baht)	Number (person)	Compensation (million Baht)	Number (person)	Compensation (million Baht)
Salary and Bonus	10	18.3	7	15.6	7	15.7
Others ^{/1}	10	0.3	7	0.3	7	0.3
Total	10	18.6	7	15.9	7	16.0

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

b) Other compensation
- None -

6. PERSONNEL

1) Number of all employees

As of December 31, 2020 – 2022, the Company's number of employees was as follows:

Department/ Devision	Number of employees (person)		
	31 Dec 2020	31 Dec 2022	31 Dec 2022
1 Executive Office Department	7	6	6
2 Marketing and Product Development	5	6	6
3 Branch Management Department	8	13	15
4 Credit Analysis Department	8	9	19
5 Human Resources Department	7	10	7
6 Accounting and Budget Department	17	9	12
7 Debt Collection Department	16	21	26
8 Credit Operation Department	14	13	10
9 Information Technology Department	13	16	16
10 Investor Relations Department	1	1	2
11 Internal Audit Department	2	3	6
12 Finance and Strategy Finance	-	8	6
13 Procurement and Administration Department	-	3	5
14 Risk Management and Compliance	-	3	3
15 Corporate Communications and Image Department	-	-	3
16 Branches	82	108	115
Total	180	229	257

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

2) Compensation for employees

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

management allowance, travel allowance, phone allowance, provident fund and social security fund contribution, etc. in accordance with the Company's employment policy. In 2022, the Company paid monetary compensations to employees (excluding executives) as follows:

Compensations for employees (Million Baht)	2020	2021	2022
Salary and bonus	70.6	70.5	98.1
Others ^h	5.8	6.0	8.3
Total	76.4	76.5	106.4

Remark: ^hOther compensations include cost of living allowance, position allowance, professional allowance, area management allowance, travel allowance, phone allowance, provident fund and social security fund contribution.

3) Provident Fund

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

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

4) Labor dispute in the previous 3 years

- None -

5) Human Resources Management and Development Policy

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, Online Training, Coaching and Giving Feedback and On-The-Job training together.

4. Sustainability

Work on succession planning, career management, career advancement, management of performance, compensation, welfare and benefits, development of quality of life and working environment to encourage employees to have good morale and motivate them to perform at their full potential and to have satisfaction and engagement to the organization.

5. Management

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

6. Moral and ethical promotion

Encourage employees to be 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.

7. STRUCTURE OF BOARD OF DIRECTORS AND SCOPE OF RESPONSIBILITY

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

1. The Board of Directors

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

1. The Board has authority, duties and responsibilities to manage and conduct business of the Company in compliance with the law, objectives and regulations of the Company, and shareholders'

meeting resolutions, with integrity and concern for the Company's interests.

2. Manage to set up at least 3 Board of Directors meetings per year.
3. Define objectives, direction, policy, business plan and budget of the Company, including monitoring and supervising the administration and management of the Company and its subsidiaries (if any) to follow the defined policy, operating plan and budget, in accordance with relevant laws, notifications, requirements and regulations of the Capital Market Supervisory Board, the Securities and Exchange Commissions and the Stock Exchange of Thailand, such as the connected transaction, the acquisition or disposition of important assets, as long as not in conflict or inconsistent with other laws.
4. Conduct the Company to have the suitable and efficient accounting system, the credible financial and accounting reporting, and to establish the appropriate and sufficient internal control system and internal audit system.
5. Consider and define the Risk Management Policy for the whole organization and supervise to have the risk management system or process with the supportive measures and controlling methods to properly reduce the impact on the Company's business.
6. Consider and define the management structure, have authority to appoint committees, Managing Director, and other sub committees as deemed appropriate, including defining the scope of their authority and duties.

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

7. Prepare the annual report and be responsible for the preparation and disclosure of financial statements to reflect the financial status and operating performance of the previous year and present them to the shareholders' meeting for consideration and approval.
8. The Board may authorize one or many directors or any other person to act on behalf of the Board as long as they are under the Board's control or may authorize such person to have authority as deemed appropriate and within the time frame as deemed appropriate. The Board can cancel, revoke, change or amend such authorization as deemed appropriate.

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

2 Audit Committee

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

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

report must be signed by the Chairman of Audit Committee and contains at least the following information:

- 7.1. Comments on the accuracy, completeness and creditability of the Company's financial report.
 - 7.2. Comments on the sufficiency of the Company's internal control system.
 - 7.3. Comments on the compliance with the Securities and Exchange law, the Stock Exchange requirements and the laws relating to the Company's business.
 - 7.4. Comments on the suitability of auditors.
 - 7.5. Comments on transaction with conflict of interest.
 - 7.6. The number of Audit Committee meetings and meeting attendance of each Audit Director.
 - 7.7. Comments or overall notices that the Audit Committee receives from performing duties stated in the charter.
 - 7.8. Other issues that shareholders and general investors should be aware of within the scope of duties and responsibilities assigned by the Board of Directors.
8. Perform other actions as assigned by the Board of Directors agreed by the Audit Committee.

3 Nomination and Remuneration Committee

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

Nomination

1. Consider and propose the structure, size and composition of the Board of Directors to suit the size, type and complication of business and Company's strategy.
2. Consider and define the qualification of persons to hold positions of Directors, Committees, Managing Director, taking into account the variety of knowledge, expertise, skills, experience and time allocation that contribute to Company's business.
3. Review the succession plan of Managing Director and key executives to ensure the continuity of business.

4. In the case that a director position is vacant:

- If a Director position is vacant due to retirement of rotation, the Nomination and Remuneration Committee shall recruit and select qualified candidates for Director and nominate for Board of Directors' approval and then propose to the Annual General Meeting of Shareholders' approval.
- If a Director position is vacant apart from the retirement of rotation, the Nomination and Remuneration Committee shall recruit and select qualified candidates for Director and nominate for Board of Directors' approval and appointment.

Remuneration Consideration

1. Propose the structure and composition of remuneration for Company Directors, Managing Director and Senior Executives regularly every year.
2. Consider and review performance evaluation form of Company Directors and Managing Director and propose for Board of Directors' approval and evaluation processing. The Nomination and Remuneration Committee will use this form to consider and define the remuneration further.
3. Consider and define the policy and criteria of remuneration that are appropriate to the duty, responsibility and performance evaluation including performance of the Company, Directors, Managing Directors and Senior Executives, and propose for Board of Directors' approval and then propose for shareholders' meeting approval (as the case may be); for example, to review the appropriateness of current criteria, to consider the remuneration information of other companies in the same industry, to define appropriate criteria that contributes to the expected performance to be fair and in return to people who help the company achieve success.
4. Consider the appropriateness and approve the offer for sale of new securities or warrants to purchase shares for directors and employees at more than 5% of total number of securities to be allocated, taking into account the conditions to motivate directors and employees to perform to create long-term value added for shareholders and to retain qualified personnel. Such securities or warrants must not be too high and be fair to shareholders. No director in the Nomination and Remuneration Committee shall get more than 5% of the offered allocated securities in order to be entitled to make approval.

4 Risk Management Committee

The Board of Directors meeting (after becoming the public company) no. 5/2019 held on December

13, 2019 had a resolution that defined the 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 order to prevent impact from various internal and external risk factors which can affect company business.
4. Review the risk management guideline framework to be assured that the corporate has appropriate and sufficient risk management. Propose the risk management guideline framework to Board of Directors for acknowledgement and consideration when defining the policies and guidelines for continuous organization development.
5. Evaluate performance of the Risk Management Committee and provide suggestions to develop and improve structure, roles, duties, and other suggestions to propose for Board of Directors' acknowledgement and approval.
6. The Risk Management Committee has authority to appoint the Risk Management working team and define their duties and responsibilities.
7. Perform other duties as assigned by the Board of Directors.

5 Executive Committee

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

of Directors, including implementing the Board of Directors' orders from time to time.

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

1. Consider and define policies and important plans in various aspects to be in accordance with the corporate governance, such as Corporate Governance Policy, Anti Corruption Policy, policy on related transactions, Code of Conduct, Risk Management Policy, Human Resource Policy, Information Technology Security Policy, and other policies as deemed necessary and appropriate to further propose for Board of Directors' approval.
2. Prepare annual business plan that reflects short-term and long-term goals and strategic plan that defines goals at the corporate level, unit level, and functional level, and propose for Board of Directors' approval. In this regard, the business plan shall be reviewed regularly to be updated with the changing situation.
3. Define service plan, marketing plan, financial plan, and human resource plan, to be in accordance with the Company's policy, strategy, and annual business plan. Prepare budget and define regulation, requirement, announcement and operational guideline to support the implementation of the above plans to achieve the defined objectives.
4. Perform duty according to the normal process of Company business, such as the investment expenditures approval, material management, procurement, consideration of setting hire purchase interest rate and discount policy, amortization of bad debts, amortization of fixed assets, donation for public charity, rewarding, financial transaction with financial institutions, etc., within the defined financial limit.
5. Control, monitor and supervise the operations to be in accordance with the defined policies, plans, annual business plans, and measures effectively and efficiently.
6. Evaluate performance of the Executive Committee, give suggestion to improve its structure, roles, authority, duties and other suggestions and propose to the Board of Directors for acknowledgement and consideration.
7. Have authority to manage, control and supervise operations relating to the Company's normal business operations to be in accordance with the the Company's business plan and to operate for solid result according to the Company's policy,

strategy, annual business plan, direction, and other measures approved by the Board of Directors. The Executive Committee has authority to authorize other person to perform the duty as long as such authorization complies with the regulations, requirements or orders defined by the Board of Directors.

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

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

6 Managing Director

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

1. Supervise the company business operation to comply with the law, objectives, regulations, code of conduct of the Company, and other resolutions approved by the Board of Directors and/ or shareholders' meeting with integrity and concern for Company's interests.
2. Prepare and propose business plan, investment plan and annual budgeting plan to the Board of Directors and implement the plans to achieve the objectives with strategy and business plans approved by the Board of Directors.
3. Responsible for the overall management and consider management policies for various functions of the Company to ensure the operation to achieve defined target within the framework of policy, business plan and budgeting plan as approved by the Board of Directors and /or shareholders' meeting.
4. Define, change, revise and cancel regulations, orders, announcements, requirements, penalty

code and internal control system so as to be the guideline of practices for every employee and to ensure that the internal management of the corporate complies with the Company's policy.

5. Have authority to sign in any documents related to the operations or the normal commercial transactions of the Company within the scope and authority of Managing Director.
6. Approve and/or delegate the authority to perform juristic acts binding the company in normal transactions including transactions that the Managing Director is authorized by the Board of Directors to perform on their behalf. This includes any transaction which is not directly binding on the assets of the company.
7. Consider and approve the implementation or approve the operational spending according to the Company's approval authority regulation or annual expenditure budget as approved by the Board of Directors.
8. Consider and appoint consultants necessary for the Company's business conduct within the approved budget and have authority to appoint attorneys to prosecute or enter a lawsuit related to the company.
9. Consider and approve the recruitment, employment, appointment, exchange, transfer and dismissal of executives and employees in any positions lower than Managing Director. The defined scope of authority and appropriate compensation of the Assistant Managing Director position and up must be directly reported to the Board of Directors for acknowledgement. The position level of internal audit head shall be processed under the Audit Committee's approval.
10. Supervise employees to work in accordance with the policy, regulations, and corporate governance, and support the development of knowledge, skills, and competency of employees to increase the overall organizational potential.
11. Conduct business and mission as assigned by the Board and according to the Board of Directors' policy. Managing Director does not have authority to approve any issues or connected transactions that are not in normal commercial terms, transactions of acquisition and disposition of significant assets of the Company and/or transactions that Managing Director or any persons who may have conflict, gain/loss or conflict of interest in other forms shall do with the Company, unless it is an approval of transactions that comply with the

policy and criteria that the Board considered and approved.

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

7 Audit Committee with knowledge and experiences in financial statement review

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

8 Recruitment and Appointment of Board of Directors and Top Management

8.1 Board of Directors

Composition of Board of Directors

1. The Board of Directors consist of not less than 5 directors. Not less than half of total directors must have residence in Thailand.
2. In the Structure of The Board of Directors, at least 1 out of 3 of total number of directors, but not less than 3 or as required by relevant law, must be independent directors.

3. The Board of Directors will select one independent director to be the Chairman of the Board of Directors. If the Board of Directors considers appropriate, they may select one or many company directors to be Vice Chairman and may appoint a Secretary of the Board of Directors to help the Board about meeting arrangement, meeting agenda preparation and sending meeting documents, and taking minutes of meeting.

4. The Company has policy not to allow the Chairman of the Board of Directors to be the same person as Managing Director in order to balance power of operation and to have clearly separated roles and duties.

Qualification of Company Director

1. A Director must be an individual who has knowledge and experiences that can contribute to business operation and has integrity, honesty, ethics and sufficiently time to fully dedicate his knowledge and competency to perform duty for the Company.

2. A Director must have qualification and does not have any prohibited characteristics according to the Public Limited Companies Law, the Securities and Exchange Law, or criteria defined by the Securities and Exchange Commission, and shall not have any characteristics that reflects the inappropriateness to gain reliability to manage business of which shareholders are the public as defined by the Securities and Exchange Commission.

3. The Board of Directors shall perform their duties and use their judgment independently to consider and make decision on any issues. Each director has duty and independence to raise questions, express opinion, vision, or objection in the case of conflicts, in order to manage the Company to be sustainable and become the business leader for the best interest of the Company and stakeholders.

4. A Director cannot conduct business, hold shares or take partnership or hold a Director position in other juristic persons that have the same condition and are competitors of the Company's business, whether it is for that Director's or others' interests, unless the shareholders' meeting was informed before the resolution to appoint the position.

5. A Director must inform the Company without delay if he/she has any gain and loss in the contracts issued by the Company either directly or indirectly, such as the share holding in a counterparty of the contract, the investment in debentures, etc.

6. Holding an Independent Director position, a director must have qualification as required

in the relevant notification of the Capital Market Supervisory Board and any amendment in the future.

7. Each Director can hold a position in not more than 5 other listed companies in consideration of the appropriate position and business nature.

Qualification of Independent Director

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

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

1. Hold not more than 1% of total number of shares with voting rights of the Company, parent company, subsidiary companies, associate companies, major shareholders, or controller of the Company. The shares holding of the related persons to that independent director are included.

2. Is not or was not a director taking part in business management, employee, staff, consultant receiving regular salary or controller of the company, parent company, subsidiary companies, associate companies, subsidiary companies of same level, major shareholder, or controller of the company unless having been discharged from such positions for at least 2 years.

3. Is not a person having blood relations or legal relations by registration of other directors, executives, major shareholders, controllers of the Company, or any person who shall be proposed to be director, executive or controllers of the Company or subsidiary companies.

4. Does not have or never had business relationship with the Company, parent company, subsidiary companies, associate companies, major shareholder, or controller of the Company in a manner that may impede his/her independent exercise of judgment and is not or was not a shareholder who is significant or has controlling power over a person who is in business relationship with the Company, parent company, subsidiary companies, associate companies, major shareholders or controllers of the company unless having been discharged from such positions for at least 2 years.

5. Is not or was not an auditor of the Company, parent company, subsidiary companies, associate companies, major shareholder, or controller of the Company, and is not a significant shareholder, controller, or partner of the audit office to which

the auditor of the Company, parent company, subsidiary companies, associate companies, major shareholder, or controller of the Company belong unless having been discharged from such positions for at least 2 years.

6. Is not or was not any professional service provider or legal consultant or financial consultant receiving service fees of more than 2 million Baht per year from the company, parent company, subsidiaries, associates, major shareholders or controllers of the company, and is not the significant shareholder or controller or partner of such professional service provider unless having been discharged from such position for at least 2 years.
7. Is not a director appointed as a representative of Managing Director, major shareholder or a shareholder related to major shareholders.
8. Does not conduct business of the same nature and in significant competition with the Company or subsidiaries or is a significant partner in partnership or a director taking role in business management, employee, staff, consultant receiving regular salary or holding shares of more than 1% of total number of shares with voting rights of other companies that conduct the same business and are significant competitors of the Company or its subsidiaries.
9. Does not have any other characteristics that prevent the independent opinion expression about the Company's management.

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

Appointment and Term of Office

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

3. Directors retiring by rotation may be re-elected to the position.
4. In the case that a director position is vacant due to other reasons than retiring by rotation, the Nominatin and Remuneration Committee shall select an individual whose qualification meets requirements of the Public Limited Companies Law to take the director place in the following Board meeting. If the term of such director left is less than 2 months, the replacing director shall be in that position until the end of that term.
5. The term of office of Independent Director should be no longer than continual 9 years from the date of the first appointment. For an Independent Director to stay longer in the position, the Board should reasonably consider the need for such case.

Vacation of Office

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

8.2 Audit Committee

Composition of Audit Committee

1. The Audit Committee consists of not less than 3 independent directors, of which at least 1 is an Audit Director who has knowledge, understanding and experiences in accounting or finance and continuously acknowledges the causes that have effect on the changes in financial reporting.
2. The Board of Directors or Audit Committee review and select one Audit Director to be the Chairman of Audit Committee and may appoint an Audit Committee Secretary to help their work in meeting appointment, preparing meeting agenda, sending meeting documents and taking minutes of meeting.

Qualification of Audit Director

1. Audit Director is independent director who has qualifications required by the Public Limited Companies Law, the Securities and Exchange Law, and announcements, requirements, and/or

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

Vacation of Office

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

8.3 Nomination and Remuneration Committee

Composition of Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee consists of not less than 3 executive directors. At least half of total Nomination and Remuneration Directors must be independent directors. The Nomination and Remuneration Committee must not be the Chairman of the Board or Managing Director.
2. The Nomination and Remuneration Committee selects one Nomination and Remuneration Director, who is independent director, to be the Chairman of the Nomination and Remuneration Committee and appoints a Secretary of Nomination and Remuneration Committee to help their work in meeting appointment, preparing meeting agenda, sending meeting documents and taking minutes of meeting.

Qualification of Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee must have qualification as required by Limited Company Law, Public Limited Companies Law, Securities and Exchange Law, and announcement, regulations and/or regulations of the 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.

8.4 Risk Management Committee

Composition of the Risk Management Committee

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

Qualification of Risk Management Committee

1. The Risk Management Committee must have qualification and no prohibited characteristics according to the Limited Companies and Public Limited Companies Laws, the Securities and Exchange Law, and regulations set by the 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.

8.5 Executive Committee

Composition of Executive Committee

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

Qualification of Executive Committee

1. The Executive Committee must have qualification and does not have any prohibited characteristics according to the Public Limited Companies Law, the Securities and Exchange Law, and regulations set by the Securities and Exchange Commission and the Stock Exchange, and other relevant laws.
2. The Executive Committee must be individuals who have knowledge and experiences that can contribute to business operation and has integrity,

honesty, ethics and sufficient time to fully dedicate his knowledge and competency to perform duty for the Company.

Appointment and Term of Office

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

Vacation of Office

1. The office of Executive Director can become vacant when:
 - (1) The term of office is ended.
 - (2) A director dies.
 - (3) A director resigns.
 - (4) A director is disqualified or has a prohibited characteristics defined by law.
 - (5) The Board of Directors meeting has a resolution for a director to leave.
 - (6) A director becomes bankrupt, quasi-incompetent or incompetent person.
 - (7) A director gets imprisoned or gets a final sentence of imprisonment, except for petty offence or offence committed by negligence.
- 2.2. Any Executive Director who wants to resign can submit resignation to the Chairman of the Executive Committee.

8.6 Managing Director

In selecting personnel to be appointed as the Managing Director, the Nomination and Remuneration Committee shall consider the qualification and competency of such person based on the criteria

and recruiting methods of the Company. The person who can be nominated for the Managing Director position can be an external or internal person of the company and must hold the position in the level of assistant managing director up. Such person can apply for the selection

8. APPROVAL AUTHORITY FOR SIGNIFICANT TRANSACTION

The Structure of the Company's committees
The Board of Directors Meeting no. 6/2022 on 14th July 2022 had a resolution to approve the Authority Table to provide flexibility to authorized persons in regular general operations of the Company as follows:

Approval authority	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee	Managing Director	Deputy Managing Director	Assistant Managing Director and CFO	Note
1. Business plan and annual budget	Approve	-	-	-	-	-	-	-	-
2. Changes in annual business plan for more than 20% of approved budget	Approve	-	-	-	-	-	-	-	-
3. Changes in annual business plan for not more than 20% of approved budget	-	-	Approve	-	-	-	-	-	-
4. Investment within annual budget approved by the Board	-	-	-	-	-	Approve	-	-	-
5. Funding Management Approval									
• Applying for credit lines and conditions for using credit lines from financial institutions including the issuance of bills of exchange	Approve	-	-	-	-	-	-	-	-
6. Credit consideration									
• Over 50 million Baht budget	Approve	-	-	-	-	-	-	-	-
• Not over 50 million Baht budget	-	-	-	-	Approve	-	-	-	-
• Not over 10 million Baht budget	-	-	-	-	-	Approve	-	-	-

Approval authority	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee	Managing Director	Deputy Managing Director	Assistant Managing Director and CFO	Note
7. Financial Banking									
• Account opening – closing with financial institution	Approve	-	-	-	-	-	-	-	-
• Deposit with bank/ investment financial institution	Approve	-	-	-	-	-	-	-	-
• Loan agreement approval	Approve	-	-	-	-	-	-	-	-
• Approval of disbursements	-	-	-	-	-	-	-	Approve	-
8. Purchasing, leasing licenses. Renewal of Fixed Asset Use Rights									
• More than 10,000,000 Baht	Approve	-	-	-	-	-	-	-	-
• Not more than 10,000,000 Baht/Time	-	-	-	-	Approve	-	-	-	-
9. Real estate purchasing									
	Approve	-	-	-	-	-	-	-	-
10. Lease of land or building (extend agreement value)									
• More than 1,000,000 Baht	Approve	-	-	-	-	-	-	-	-
• Not more than 1,000,000 Baht	-	-	-	-	Approve	-	-	-	-
• Not more than 500,000 Baht	-	-	-	-	-	Approve	-	-	-
• Not more than 100,000 Baht	-	-	-	-	-	-	Approve	-	-



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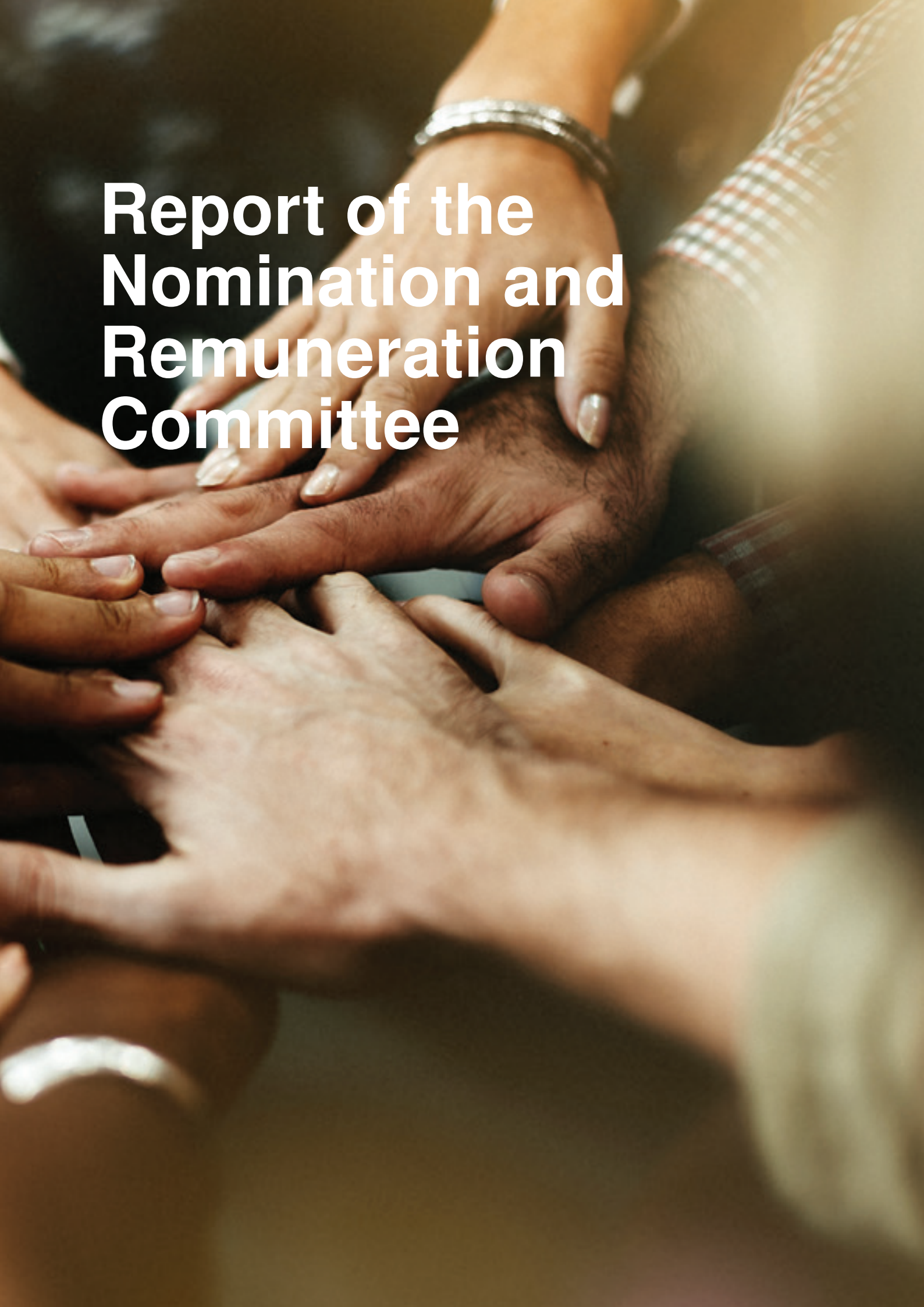
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Report of the Nomination and Remuneration Committee

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

The Nomination and Remuneration Committee		Attended/Number of Meeting in 2023
Mr. Chalong Luengprasit	Chairman of the Committee	5/5
Mr. Thammasak Auchyawat	Member of the Committee	5/5
Mr. Pijak Chantaviroj	Member of the Committee	5/5

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

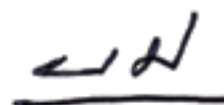
In 2020, the Nomination and Remuneration Committee held 5 meetings (average of 100% of the directors attended) to consider the nomination and remuneration issues to propose to the Board of Directors for approval as summarized below:

1. Consider and nominate the qualified persons for the Company Director positions and for the Audit Committee, the Risk Management Committee, and the Investment & Compliance for the Corporate Affiliates Sustainability Committee according to the nomination criteria and process which the consideration on the knowledge and experience that in accordance with the company's strategies and goals.
2. Reviewed the remuneration package and other benefits for the Company's Directors and members of sub-committees in comparison with the industry's standard and appropriate for their responsibilities and in accordance with their performance and company's performance to propose to the Board of Directors review before presenting to the Annual General Meeting Of Shareholders for approval.
3. Consider and nominate the qualified persons for the company's and affiliates' managing director positions including the remuneration package for affiliates' managing director and executive positions to propose to the Board of Directors' approval before appointment.
4. Review the company's and affiliates' organization chart to ensure an alignment with the company's and Micro Group's vision and mission by taking consideration of the macro and micro economic and consider the succession plan for

the managing director and executive positions for smooth operation of the business.

5. Review and consider the criteria and guidelines for the performance evaluation of the Managing Director to decide whether to renew the contract and to review the managing director's annual compensation package.
6. Consider the criteria and review the details of the self-assessment of the Board of Directors and sub-committees. According to the rules of the Stock Exchange of Thailand (revised version: January 2021)
7. Perform the performance evaluation of the Nomination and Remuneration Committee for the year 2022 in order to enhance operational efficiency, to achieve company objectives, and report to the Board of Directors for acknowledgment.

In summary, the Nomination and Remuneration Committee has fully and carefully performed such above duties and responsibilities as assigned by the Board of Directors and gave a straightforward opinion based on equality treatment, fairness and transparency in accordance with good corporate governance principles for the best interests 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 operations to align with the mentioned objectives, the Board of Directors have appointed the Risk Management Committee, comprising of 7 top executives and department heads who have knowledge and experiences in risk management. In 2022, the Risk Management Committee had arranged seven meetings to supervise and monitoring the performance of risk management, with key operational highlights as follows:

Name of Risk Management Committee Members		The Number of Meetings Attended / The Number of Meetings Held
1. Mr. Weidt Nuchjalearn	Chairman	5/5
2. Mr. Wisarn Booranasuntikoon	Member	5/5
3. Mr. Preeda Iramaneerat	Member	5/5
4. Mr. Jedsada Auchyawat	Member	5/5
5. Mr. Kandanai Chonsuwat	Member	5/5
6. Mr. Tanyakon Autchayawat	Member	5/5
7. Mr. Wisan Wethayanukool*	Member	5/5

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. 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.
4. 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.

5. 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 2022. Such financial statements were prepared according to general accepted accounting principles and such financial statements were regularly prepared according to the financial reporting standard and appropriate accounting policy. The discretion and estimates were used carefully and reasonably as needed. The information disclosure in the financial statement appendix was sufficient.

The Board of Directors realized the importance of the duties and responsibilities that must continuously be in accordance with the good corporate governance policy in order to conduct the business with efficiency, transparency and credibility and established proper and effective control system, risk management system in order to rationally assure that the accounting information was correctly and completely recorded and adequate to sustain the Company's assets as well as to prevent any frauds or significantly irregular operations. The Board of Directors has appointed the Audit Committee comprising qualified independent directors to review the quality of financial report and internal control system. The opinion of the Audit Committee is reported in the Audit Committee's Report in this annual report.

The Board of Directors has viewed that the overall internal control system that is adequate and appropriate could ensure that the financial statements of the year ending 31 December 2022 was reliable along with the financial reporting standards and was conducted precisely according to the related laws and regulations.



(Mr. Wisarn Boornasuntikoon)
Chairman of Executive Committee /
Managing Directors



(Assistant Professor Krit Umpote)
Chairman of the Board
of Directors/ Independent

Internal Control and Risk Management



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 Revenue cycle, debtor, loan giving and receiving payment;
 - 2.2 Debt collection processes.
 - 2.3 Human Resource Management.
 - 2.4 Insurance broker and life insurance process.
 - 2.5 Generation control of information technology;

In 2022, 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 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 observation 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 TRANSACTIONS IN 2021 AND 2022

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2021	2022	
<p>1. Mr. Kitsada Auchyawat ("Mr. Kitsada")</p> <p>Relationship with Company</p> <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. 	<p><u>Long-term loans</u></p> <p>The Company borrowed money from Mr. Kitsada to enhance financial liquidity.</p>			The Company borrowed long-term loans from Mr. Kitsada to grant loans to customers and to use as cash flow for the continuous business operation. The interest rate paid was closed to the loan interest rate from commercial banks.
	Long-term loans			
	Long-term loans at beginning period	44.0	30.8	Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties.
	Add additional loans in between period.	-	-	
	Deduct repayment in between period.	(13.2)	(30.8)	
	Long-term loans at ending period.	<u>30.8.0</u>	<u>0.0</u>	<p><u>Audit Committee's comment</u></p> <p>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.</p>
	Interest paid	2.19	2.24	
	<p><u>Credit guarantee</u></p> <p>Mr. Kitsada is the credit guarantor of the company.</p>			The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mr. Kidsada under the conditions of the banks. The Company did not pay any expenses for such guarantee.
	Short-term loans	10.0	10.0	
	Long-term loans	440.0	240.0	
				<p><u>Audit Committee's comment</u></p> <p>Such transaction was for the interest of the Company and the Company did not have any expenses on the guarantee.</p>

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2021	2022	
2. Mrs. Rotsanan Yingthaweesak (“Mrs. Rotsanan”) Relationship with Company • 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 money from Mrs. Rotsanan to enhance financial liquidity.			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.
	Long-term loans			
	Long-term loans at beginning period	141.6	0.0	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.	(141.6)	(0.0)	
	Long-term loans at ending period.	<u>0.0</u>	<u>0.0</u>	<u>Audit Committee’s comment</u> The long-term loan transaction was to support the Company’s normal business operation.
	Interest paid	4.43	0.0	
				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>Credit guarantee</u> Mrs. Rotsanan 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 Mrs. Rotsanan under the conditions of the banks. The Company did not pay any expenses for such guarantee.
	Short-term loans	10.0	10.0	
Long-term loans	440.0	240.0		
			<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.	
3. Mr. Keittipong Toemkunanon (“Mr. Keittipong”) Relationship with Company • Hold the positions of Director. • The Company’s shareholder holding 2.99% of total paid-up shares.	<u>Short-term loans</u> The Company borrowed money from Mr. Keittipong to enhance financial liquidity.			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.
	Short-term loans			
	Short-term loans at beginning period	20.0	20.0	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.	-	(20.0)	
	Short-term loans at ending period.	<u>20.00</u>	<u>0.0</u>	<u>Audit Committee’ s comment</u> 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.
	Interest paid	0.86	0.32	

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2021	2022	
	<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> The transaction supported the Company's business operation with the lease where the rental lease was appropriate, and the terms of payment matched the business. Such transaction, thus, was necessary and justifiable.
	<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.
	Short-term loans Long-term loans	- 200.0	- 0.0	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.
4 Miss Korawan Anusanee ("Miss Korawan") Relationship with Company • 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.			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 Short-term loans at beginning period <u>Add</u> additional loans in between period. <u>Deduct</u> repayment in between period. Short-term loans at ending period.	15.0 - - <u>15.0</u>	15.0 - - <u>15.0</u>	Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties.
	Interest paid	0.65	0.64	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.

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2021	2022	
5. Miss Jintana Phadungphol ("Miss Jintana") Relationship with the Company <ul style="list-style-type: none"> Spouse of the father of Mr. Keitttipong who holds the positions of Director. The Company's shareholder holding 0.52% of total paid-up shares. 	Short-term loans 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.
	Short-term loans			
	Short-term loans at beginning period	70.0	70.0	
	<u>Add</u> additional loans in between period.	-	-	Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties.
	<u>Deduct</u> repayment in between period.	-	(70.0)	
6. Mrs. Raksina Raksakulchon ("Mrs. Raksina") Relationship with the Company <ul style="list-style-type: none"> Sister of Mr. Thammasak. The Company's shareholder holding 0.3% of total paid-up shares. 	Short-term loans at ending period.	<u>70.0</u>	<u>0.00</u>	
	Interest paid	3.06	0.92	Audit Committee's comment 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.
6. Mrs. Raksina Raksakulchon ("Mrs. Raksina") Relationship with the Company <ul style="list-style-type: none"> Sister of Mr. Thammasak. The Company's shareholder holding 0.3% of total paid-up shares. 	Short-term loans 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	
	<u>Add</u> additional loans in between period.	-	-	Such transaction was for normal business operations and was charged at the price and condition comparable to a transaction with third parties.
	<u>Deduct</u> repayment in between period.	-	-	
	Short-term loans at ending period.	<u>15.0</u>	<u>15.0</u>	
	Interest paid	0.65	0.64	Audit Committee's comment 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.

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2021	2022	
<p>7. Mr. Thammasak Auchyawat ("Mr. Thammasak")</p> <p>Relationship with Company</p> <ul style="list-style-type: none"> Major shareholder holding 23.41% 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. 	<p><u>Credit guarantee</u></p> <p>Mr. Thammasak took his fixed deposit with value of 100 million Baht as collateral and was the co-guarantor for the Company's credit.</p> <p>Short-term loans</p> <p>Long-term loans</p>	<p>100.0</p> <p>10.0</p> <p>740.0</p>	<p>0.0</p> <p>10.0</p> <p>540.0</p>	<p>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. Audit Committee's comment Such transaction was for the interest of the Company and the Company did not have any expenses on the guarantee.</p>
<p>8. Mr. Surachai Toemkunanon ("Mr. Surachai")</p> <p>Relationship with Company</p> <ul style="list-style-type: none"> Father of Mr. Keittipong who is the Director. The Company's shareholder holding 0.83% of total paid-up shares. 	<p><u>Credit guarantee</u></p> <p>Mr. Surachai took his fixed deposit of 50 million Baht value as a collateral for the Company's credit.</p> <p>Long-term loans</p>	<p>50.0</p>	<p>0.0</p>	<p>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.</p> <p><u>Audit Committee's comment</u></p> <p>Such transaction was for the interest of the Company and the Company did not pay any expenses for such guarantee.</p>
<p>9. Mr. Tanyakorn Autchayawat ("Mr. Tanyakorn")</p> <p>Relationship with Company</p> <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. 	<p><u>Credit guarantee</u></p> <p>Mr. Tanyakorn was the co-guarantor of the Company's credit.</p> <p>Short-term loans</p> <p>Long-term loans</p>	<p>10.0</p> <p>740.0</p>	<p>10.0</p> <p>540.0</p>	<p>The Company received credit from commercial banks as cash flow for business operation. Such credit was guaranteed by Mr. Tanyakorn under the conditions of the banks. The Company did not pay any expenses for such guarantee.</p> <p><u>Audit Committee's comment</u></p> <p>Such transaction was for the interest of the Company and the Company did not pay any expenses for such guarantee.</p>

Persons who may have conflict / Relationship	Type of transaction	Transaction value (million Baht)		Necessity and justification of transaction
		2021	2022	
<p>10. Mr. Jedsada Auchyawat (Mr. Jedsada")</p> <p>Relationship with Company</p> <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. 	<p>Credit guarantee</p> <p>Mr. Jedsada was the co-guarantor of the Company's credit.</p> <p>Short-term loans</p> <p>Long-term loans</p>	<p>10.0</p> <p>440.00</p>	<p>10.0</p> <p>240.0</p>	<p>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.</p> <p>The Company did not pay any expenses for such guarantee.</p> <p>Audit Committee's comment</p> <p>Such transaction was for the interest of the Company and the Company did not pay any expenses for such guarantee.</p>
<p>11. Mr. Weidt Nuchjalearn ("Mr. Weidt")</p> <p>Relationship with Company</p> <ul style="list-style-type: none"> Hold the positions of Independent Director and Audit Committee. 	<p>Advisor to the Executive Committee</p> <p>Mr. Weidt Nuchjalearn of Advisor to the Executive Committee the Board of Directors meeting no.8 held on 16th October 2020.</p>	<p>0.60</p>	<p>0.61</p>	<p>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.</p> <p>Audit Committee's comment</p> <p>Such transaction was necessary and justifiable, to support the Company's normal business operation and did not make the Company lose any interest.</p>
<p>12. Mr. Chackarin Umpote ("Mr. Chackarin")</p> <p>Relationship with Company</p> <ul style="list-style-type: none"> Son of Mr. Krit Umpote Hold the positions of Chairman and Independent Director. 	<p>Legal Counsellor</p> <p>Mr. Chackarin Umpote of Legel Counsellor company the Board of Directors meeting no.9 held on 13th November 2020</p>	<p>0.96</p>	<p>0.98</p>	<p>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.</p> <p>Audit Committee's comment</p> <p>Such transaction was necessary and justifiable, to support the Company's normal business operation and did not make the Company lose any interest.</p>

- (3) Executives and employees must comply with the Company's regulations and business ethics which shall be held important and strictly abided by to contribute to the Company's creditability and reliability for all stakeholders. The information and understanding of compliance have been publicized for employees throughout the Company.

4. PROCESS OF MAKING CONNECTED TRANSACTION

In making any connected transaction, the Company shall comply with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission in all respects. The Company set the process of making connected transactions as follows:

- (1) The Company shall use the same pricing criteria and trade terms and conditions as the ones used with general customers. Any giving or receiving of financial support must be necessary and justifiable and must have fair agreement and condition for the best interests of the Company.
- (2) In the case there is no pricing criteria for reference, the Company shall consider comparing the price of product or service to the price from external source under the same or similar conditions. The Company may utilize the report of independent appraiser to compare the prices for significant connected transactions.
- (3) The Audit Committee shall be the commentator for the entering to transaction, its necessity, justification, and suitability of the price of such transaction and shall present to the Board of Directors and/or shareholders' meeting, depending on the case. Such comments shall be used as information for consideration on such transaction approval. In the case that the Audit Committee does not have expertise in considering any potential connected transactions, the Company shall assign any persons who have knowledge and specialization and are independent from the Company and persons with conflict of interest, such as auditor, independent appraiser, or legal offices, etc., to be the commentator on such transactions. Comments of experts shall be used in the consideration of the Audit Committee and/or Board of Directors or shareholders, depending on the case, to ensure that such transaction entering shall not be the manipulation or transfer of interests between companies or subsidiary or persons with conflict of interest of the Company or subsidiary but shall be the transaction that the Company has considered for the best interest of shareholders.
- (4) Directors, executives or connected persons can do any transaction with the Company or subsidiary only when such transaction is approved by the Board of Directors or the shareholders' meeting in accordance with the requirement of the Stock Exchange of Thailand or the Securities and Exchange Commission depending on the case.
- (5) The Company must disclose the information of any transactions with potential conflict of

interest or connected transactions according to the requirement of the Stock Exchange of Thailand and the Securities and Exchange Commission and disclose related transactions with the Company in accordance with the accounting standards.

- (6) Connected transactions shall be reviewed by the internal audit and reported to the Audit Committee. The measure was implemented to control, check, and review the random transactions every quarter to assure that they occur really, correctly, and truly according to the contract or policy or condition.

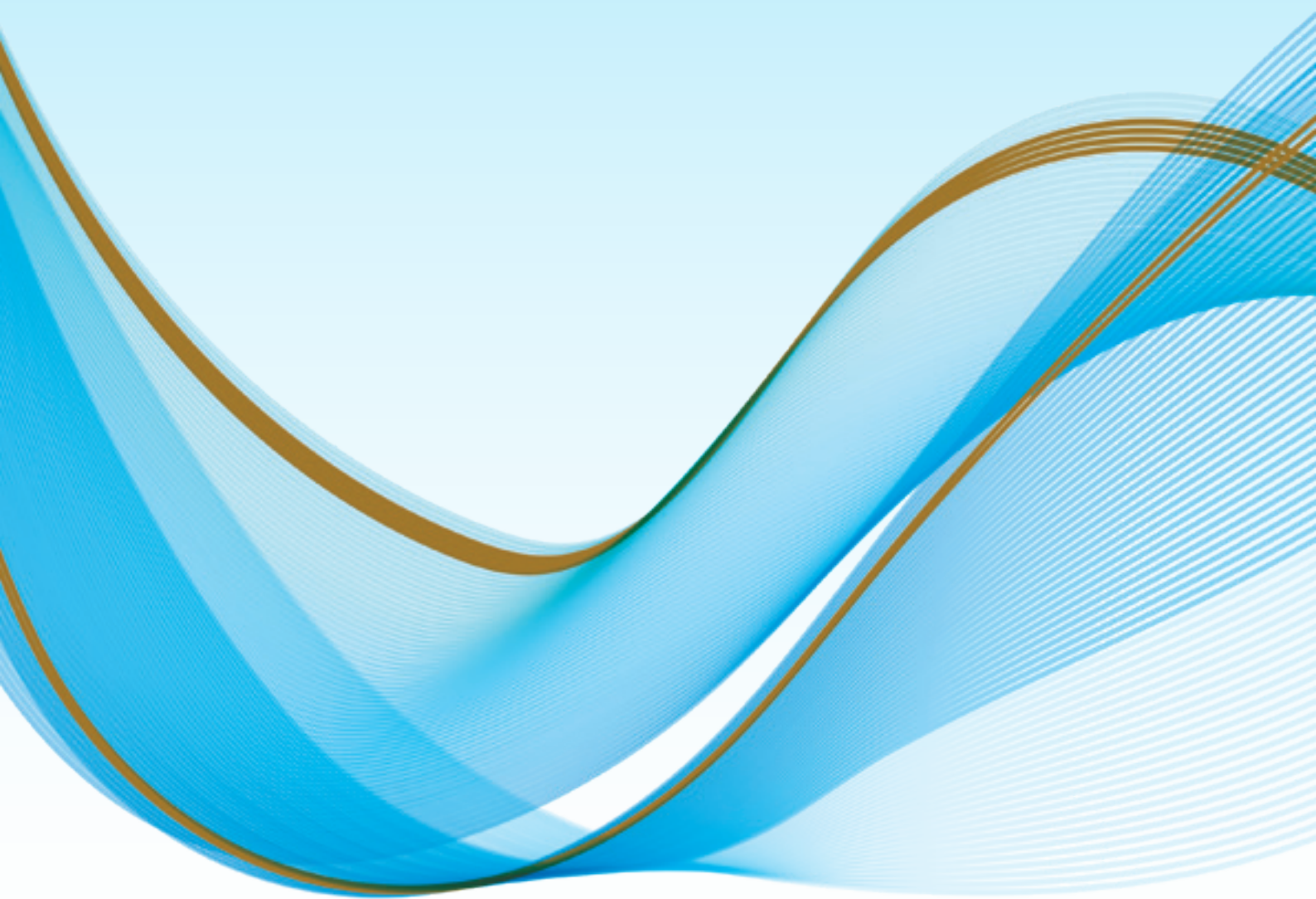
In addition, the Board of Directors' resolution (after becoming a public company) no. 1/2019 on 19th September 2019 approved the principles of trade terms and conditions in general for the transaction between the Company or subsidiary and its director, executive, or related person. The management can approve the connected transactions between the Company and/or subsidiary and director, executive, or related person (whether it be the ongoing transactions at present or the potential transactions in the future) without any approval from the Board of Directors' meeting and shareholders' meeting should such transaction be a trade agreement in the same manner as a person would do with a general counterpart in the same situation with trade bargaining power without influence in their presence as a director, executive or related person. The management shall prepare the report summarizing the connected transaction between director, executive, or related person to present in the Audit Committee meeting and the Board of Directors meeting every quarter or as demanded by the Audit Committee.

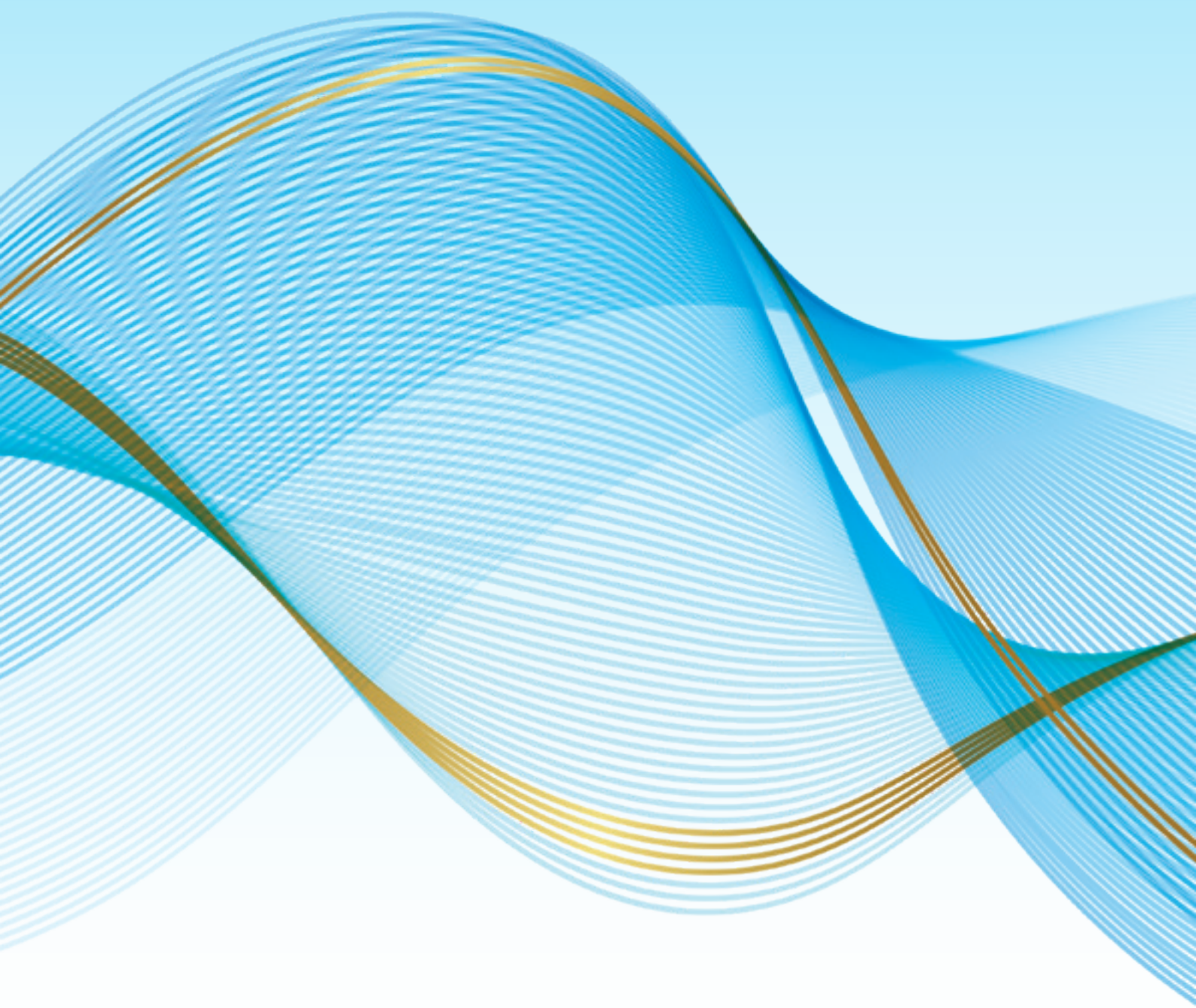
5. POLICY AND TREND OF CONNECTED TRANSACTION IN THE FUTURE

The Board of Directors' resolution (after becoming a public company) no. 1/2019 on 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.

Part 3

Financial Statement





Micro Leasing Public Company Limited and subsidiaries
Report and financial statements
31 December 2022





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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 and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Micro Leasing Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Micro Leasing Public Company Limited and its subsidiaries and of Micro Leasing Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Allowance for expected credit loss of hire purchase receivables

As discussed in Note 7 to the consolidated financial statements, as at 31 December 2022, the Group had hire purchase receivables of Baht 4,957 million (accounting for 90 percent of total assets) and allowances for expected credit loss amounting to Baht 232 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.



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I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relating to loan origination, loan repayment, the assessment of probability of default and loss given default, exposure at default as well as the calculation of allowance for expected credit loss of hire purchase receivables, and tested, on a sampling basis, the relevant controls over the information technology systems. Moreover, I assessed and tested the reasonableness of the expected credit loss model, the rules and criterias applied by the Group in the assessment of significant increase in credit risk, including data used in the model design, the effectiveness of model for significant group of receivables, the governance process over the model development by reviewing model documentation, testing, on a sampling basis, the accuracy and completeness of the data used in model development, and assessing the methods and assumptions applied in the calculation. I assessed the reasonableness of macroeconomic factors and probability-weighted in each scenario. Moreover, I examined the allowances for expected credit loss by testing, on a sampling basis, the classification of hire purchase receivables based on the change in credit risk since initial recognition and recalculating the allowance for expected credit loss as at the end of the accounting period, including testing the completeness of the data used in the calculation of the allowance for expected credit loss.

Recognition of interest income from hire purchase

For the year 2022, the Group recognised interest income from hire purchase amounting to Baht 706 million (accounting for 83 percent of total income), which is considered main income of the Group. The Group recognised interest income using the effective interest rate method, and the income is generated from loans provided to a large number of customers and high volume of transactions. I therefore focused my audit on whether interest income from hire purchase receivables is recognised correctly, appropriately in a timely manner.



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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 technology systems, by inquiring of management to gain an understanding, assessing the methods applied by the management including testing, on a sampling basis, the accuracy of the data and the calculation. In addition, I applied a sampling method in selecting hire purchase agreements to consider whether the recording loans transactions and the recognition of income complied with the conditions stipulated in the relevant agreements and is adjusted in line with the effective interest rate according to the income recognition policy. I also performed analytical procedures on interest income and tested, on a sampling basis, significant adjustments made through journal vouchers.

Other Information

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

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

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

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

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

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



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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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.

A handwritten signature in black ink, appearing to read 'Somjai Khunapasut'.

Somjai Khunapasut
Certified Public Accountant (Thailand) No. 4499

EY Office Limited
Bangkok: 24 February 2023

Micro Leasing Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2022 and 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	6	290,144,840	141,528,780	184,777,594	138,949,580
Current portion of hire purchase receivables - net	7	1,516,513,702	1,126,939,900	1,389,746,954	1,126,939,900
Assets foreclosed - net	8	85,832,595	11,308,567	84,426,466	11,308,567
Other receivables		45,563,285	14,606,735	8,184,060	14,585,806
Other current assets		11,389,459	7,182,295	7,154,258	7,176,053
Total current assets		1,949,443,881	1,301,566,277	1,674,289,332	1,298,959,906
Non-current assets					
Hire purchase receivables - net of current portion	7	3,209,106,700	2,506,916,763	2,841,839,266	2,506,916,763
Restricted bank deposits	9	118,000,000	63,001,000	118,000,000	63,001,000
Investment in subsidiaries	10	-	-	256,999,500	2,999,800
Land, buildings and equipment - net	11	121,110,206	96,147,288	116,288,611	96,073,609
Right-of-use assets - net	12.1	28,908,704	28,296,276	26,272,547	28,296,276
Intangible assets - net	13	8,839,148	6,340,300	8,116,049	6,145,300
Deferred tax assets	14.1	73,727,597	30,400,113	66,612,037	30,400,113
Other non-current assets		2,270,525	1,810,892	1,927,724	1,810,892
Total non-current assets		3,561,962,880	2,732,914,632	3,436,055,734	2,735,645,753
Total assets		5,511,406,761	4,034,480,909	5,110,345,066	4,034,605,659

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

Micro Leasing Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2022 and 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	-	70,000,000	-	70,000,000
Short-term loans from related persons	16	30,000,000	120,000,000	30,000,000	120,000,000
Short-term loans from others	17	-	16,000,000	-	16,000,000
Trade and other payables	18	132,887,226	89,963,500	112,558,334	89,911,432
Current portion of long-term loans					
from financial institutions	19	98,856,000	230,246,933	98,856,000	230,246,933
Current portion of long-term loans from related person	20	-	30,800,000	-	30,800,000
Current portion of long-term debentures	22	846,688,520	-	846,688,520	-
Current portion of lease liabilities	12.2	13,549,712	10,077,317	12,502,840	10,077,317
Income tax payable		25,024,415	29,639,775	23,478,368	29,639,775
Other current liabilities		21,687,254	17,355,443	20,741,658	17,348,008
Total current liabilities		1,168,693,127	614,082,968	1,144,825,720	614,023,465
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	19	147,621,000	390,214,325	147,621,000	390,214,325
Long-term loans from others					
- net of current portion	21	200,000,000	-	-	-
Long-term debentures - net of current portion	22	1,817,463,974	1,043,976,129	1,817,463,974	1,043,976,129
Lease liabilities - net of current portion	12.2	16,068,489	18,058,939	14,487,841	18,058,939
Provision for long-term employee benefits	23	14,045,474	9,788,601	13,077,834	9,788,601
Total non-current liabilities		2,195,198,937	1,462,037,994	1,992,650,649	1,462,037,994
Total liabilities		3,363,892,064	2,076,120,962	3,137,476,369	2,076,061,459

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

Micro Leasing Public Company Limited and its subsidiaries

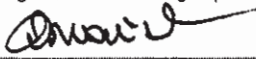

Statements of financial position

As at 31 December 2022 and 2021

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Shareholders' equity				
Share capital				
Registered				
935,000,000 ordinary shares of Baht 1 each	935,000,000	935,000,000	935,000,000	935,000,000
Issued and fully paid up				
935,000,000 ordinary shares of Baht 1 each	935,000,000	935,000,000	935,000,000	935,000,000
Share premium	372,804,000	372,804,000	372,804,000	372,804,000
Retained earnings				
Appropriated - statutory reserve	24	26,200,000	21,800,000	26,200,000
Unappropriated		631,498,172	628,755,947	638,864,697
Equity attributable to the Company		1,965,502,172	1,958,359,947	1,972,868,697
Non-controlling interests of the subsidiaries		182,012,525	-	-
Total shareholders' equity		2,147,514,697	1,958,359,947	1,972,868,697
Total liabilities and shareholders' equity		5,511,406,761	4,034,480,909	5,110,345,066

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

Directors



บริษัท ไมโครเลซิง จำกัด (มหาชน)
Micro Leasing Public Company Limited

Micro Leasing Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December 2022 and 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Interest income from hire purchase		706,190,051	503,928,250	671,029,607	503,928,250
Fee and service income		140,218,582	119,878,700	105,209,218	119,878,700
Other income		7,330,659	8,554,420	22,450,503	8,569,497
Total revenues		853,739,292	632,361,370	798,689,328	632,376,447
Expenses					
Selling and administrative expenses		291,535,036	186,140,922	251,857,485	185,971,746
Expected credit loss	26	159,980,069	112,038,453	126,116,337	112,038,453
Loss from assets foreclosed	27	173,698,342	43,581,026	171,338,490	43,581,026
Total expenses		625,213,447	341,760,401	549,312,312	341,591,225
Profit before finance cost and income tax expenses					
tax expenses		228,525,845	290,600,969	249,377,016	290,785,222
Finance cost	28	(146,999,294)	(63,157,856)	(145,096,918)	(63,157,856)
Profit before income tax expenses		81,526,551	227,443,113	104,280,098	227,627,366
Income tax expenses	14.2	(16,375,869)	(39,978,700)	(17,960,603)	(39,978,700)
Profit for the year		65,150,682	187,464,413	86,319,495	187,648,666
Other comprehensive income:					
<i>Items not to be recognised in profit or loss in subsequent periods</i>					
Actuarial loss		-	(911,270)	-	(911,270)
Less: Income tax	14.2	-	182,254	-	182,254
Other comprehensive income for the year (loss)		-	(729,016)	-	(729,016)
Total comprehensive income for the year		65,150,682	186,735,397	86,319,495	186,919,650
Profit attributable to					
Equity attributable to the Company		79,137,223	187,464,413	86,319,495	187,648,666
Non-controlling interests of the subsidiaries		(13,986,541)	-	-	-
		65,150,682	187,464,413		
Total comprehensive income attributable to					
Equity attributable to the Company		79,137,223	186,735,397	86,319,495	186,919,650
Non-controlling interests of the subsidiaries		(13,986,541)	-	-	-
		65,150,682	186,735,397		
Earning per share					
Basic earning per share	30	0.07	0.20	0.09	0.20

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

Micro Leasing Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity
For the years ended 31 December 2022 and 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 subsidiaries	Total
			Appropriated - statutory reserve	Unappropriated			
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 (loss)	-	-	-	(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)	-	-	-	(51,424,064)	(51,424,064)	-	(51,424,064)
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
Balance as at 1 January 2022	935,000,000	372,804,000	21,800,000	628,755,947	1,958,359,947	-	1,958,359,947
Increase in non-controlling interests	-	-	-	-	-	-	-
from investments in subsidiaries (Note 2.2)	-	-	-	-	-	196,000,000	196,000,000
Appropriated profit to statutory reserve (Note 24)	-	-	4,400,000	(4,400,000)	-	-	-
Profit (loss) for the year	-	-	-	79,137,223	79,137,223	(13,986,541)	65,150,682
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year (loss)	-	-	-	79,137,223	79,137,223	(13,986,541)	65,150,682
Dividend paid - subsidiary	-	-	-	-	-	(934)	(934)
Dividend paid (Note 31)	-	-	-	(71,994,998)	(71,994,998)	-	(71,994,998)
Balance as at 31 December 2022	935,000,000	372,804,000	26,200,000	631,498,172	1,965,502,172	182,012,525	2,147,514,697

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

Micro Leasing Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity
 For the years ended 31 December 2022 and 2021

	Separate financial statements				(Unit: Baht)
	Issued and paid-up capital	Share premium	Retained earnings		
			Appropriated - statutory reserve	Unappropriated	
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 (Note 24)	-	-	9,400,000	(9,400,000)	-
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
Balance as at 1 January 2022	935,000,000	372,804,000	21,800,000	628,940,200	1,958,544,200
Appropriated profit to statutory reserve (Note 24)	-	-	4,400,000	(4,400,000)	-
Profit for the year	-	-	-	86,319,495	86,319,495
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	86,319,495	86,319,495
Dividend paid (Note 31)	-	-	-	(71,994,998)	(71,994,998)
Balance as at 31 December 2022	935,000,000	372,804,000	26,200,000	638,864,697	1,972,868,697

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

Micro Leasing Public Company Limited and its subsidiaries

Cash flow statements

For the years ended 31 December 2022 and 2021

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before income tax	81,526,551	227,443,113	104,280,098	227,627,366
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	26,199,592	20,078,667	25,384,075	20,077,125
Expected credit loss	191,811,765	128,489,042	157,948,032	128,489,042
Loss on confiscation assets	208,347,421	69,123,816	206,014,767	69,123,816
Gain on disposals of assets foreclosed	(34,649,079)	(25,542,790)	(34,676,278)	(25,542,790)
Gain on disposals of equipment	(1,750,617)	(484,110)	(1,750,617)	(484,110)
Loss on write-off assets	320,332	-	320,332	-
Gain (loss) on disposal of right of use assets	238,075	-	(529,729)	-
Provision for long-term employee benefits	4,616,123	2,507,934	3,648,483	2,507,934
Interest income from hire purchase	(706,190,051)	(503,928,250)	(671,029,607)	(503,928,250)
Dividend income	-	-	(14,009,066)	-
Finance cost	146,999,294	63,157,856	145,096,918	63,157,856
Loss from operating activities before changes in operating assets and liabilities	(82,530,594)	(19,154,722)	(79,302,592)	(18,972,011)
(Increase) decrease in operating assets				
Hire purchase receivables	(1,416,829,196)	(1,337,720,370)	(939,344,642)	(1,337,720,370)
Assets foreclosed	(39,874,949)	20,983,589	(38,441,621)	20,983,589
Other receivables	(30,775,676)	(2,576,154)	6,488,640	(2,555,225)
Other current assets	(4,207,163)	(2,491,743)	21,795	(2,485,500)
Other non-current assets	(546,039)	(614,765)	(203,238)	(614,765)
Increase (decrease) in operating liabilities				
Trade and other payables	24,599,168	22,896,373	4,322,344	22,844,305
Provision for long-term employee benefits	(359,250)	-	(359,250)	-
Other current liabilities	4,331,811	(1,286,241)	3,393,651	(1,293,677)
Cash flows used in operating activities	(1,546,191,888)	(1,319,964,033)	(1,043,424,913)	(1,319,813,654)
Cash received from interest income from hire purchase	631,095,832	454,228,913	648,681,403	454,228,913
Cash paid for income tax	(64,412,692)	(42,064,218)	(60,333,933)	(42,064,218)
Net cash flows used in operating activities	(979,508,748)	(907,799,338)	(455,077,443)	(907,648,959)

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

Micro Leasing Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2022 and 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Increase in restricted bank deposits	(54,999,000)	(25,001,000)	(54,999,000)	(25,001,000)
Cash paid for acquisitions of land, buildings and equipment	(36,356,862)	(34,501,785)	(31,176,373)	(34,426,564)
Cash paid for acquisitions of intangible assets	(5,230,834)	(3,108,497)	(4,667,487)	(2,913,497)
Cash received from disposals of equipment	1,750,626	963,471	1,750,626	963,471
Cash received from disposals of right of use assets	-	-	933,645	-
Cash paid for investments in subsidiaries	-	-	(253,999,700)	(2,999,800)
Cash received from dividend	-	-	14,009,066	-
Net cash flows used in investing activities	(94,836,070)	(61,647,811)	(328,149,223)	(64,377,390)
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(70,000,000)	(185,229,165)	(70,000,000)	(185,229,165)
Decrease in short-term loans from related persons	(90,000,000)	-	(90,000,000)	-
Increase (decrease) in short-term loans from others	(16,000,000)	6,800,000	(16,000,000)	6,800,000
Cash received from long-term loans from financial institutions	200,000,000	740,000,000	200,000,000	740,000,000
Repayment of long-term loans from financial institutions	(573,984,258)	(352,517,089)	(573,984,258)	(352,517,089)
Repayment of long-term loans from related persons	(30,800,000)	(154,800,000)	(30,800,000)	(154,800,000)
Cash received from long-term loans from others	200,000,000	-	-	-
Repayment of liabilities under lease and hire purchase agreements	(12,439,529)	(9,523,373)	(12,249,037)	(9,523,373)
Cash received from non-controlling interests of subsidiaries	196,000,000	-	-	-
Cash received from issuance of debentures	1,627,600,000	1,052,900,000	1,627,600,000	1,052,900,000
Cash paid for expenses of issuance from debentures	(15,133,200)	(10,723,200)	(15,133,200)	(10,723,200)
Cash paid for dividend	(71,994,998)	(51,424,064)	(71,994,998)	(51,424,064)
Cash paid for dividend - subsidiary	(934)	-	-	-
Cash paid for interest	(120,286,203)	(52,889,536)	(118,383,827)	(52,889,536)
Net cash flows from financing activities	1,222,960,878	982,593,573	829,054,680	982,593,573
Net increase in cash and cash equivalents	148,616,060	13,146,424	45,828,014	10,567,224
Cash and cash equivalents at beginning of year	141,528,780	128,382,356	138,949,580	128,382,356
Cash and cash equivalents at the end of year	290,144,840	141,528,780	184,777,594	138,949,580

Supplemental cash flows information

Non-cash transactions

Asset foreclosed received for debts settlement	552,553,503	213,266,666	547,648,366	213,266,666
Increase in right-of-use assets and lease liabilities	14,020,075	17,795,273	11,202,062	17,795,273

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

Micro Leasing Public Company Limited and its subsidiaries**Notes to consolidated financial statements****For the years ended 31 December 2022 and 2021****1. General information****1.1 Corporate information**

Micro Leasing Public Company Limited ("the Company") was incorporated as a public company limited and domiciled in Thailand. The Group is principally engaged in the providing financial services specifically hire-purchase for six-wheel and ten-wheel trucks and motorcycles. The Company's registered address is 863/3 Phetkasem Road, Sanamchan Sub-District, Muang Nakhon Pathom District, Nakhon Pathom. The Company has 24 branches (31 December 2021: 18 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.

2.2 Basis of consolidation

- a) These consolidated financial statements have been prepared by including the financial statements of Micro Leasing Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"), which operated their business in Thailand (collectively as "the Group") as follows:

Company's name	Nature of business	Percentage of shareholding (Percent)	
		31 December 2022	31 December 2021
Micro Insure Broker Company Limited	Life and non-life insurance broker	99.99	99.99
Micro Fin Company Limited	Finance business (currently not in operation)	99.99	-
Micro Plus Leasing Company Limited	Hire purchase for motorcycles	51.00	-

In October 2021, Micro Insure Broker Company Limited was incorporated as a limited company. It has a registered capital of Baht 3 million.

In January 2022, Micro Fin Company Limited was incorporated as a limited company. It has a registered capital of Baht 50 million.

In March 2022, Micro Plus Leasing Company Limited was incorporated as a limited company. It has a registered capital of Baht 400 million.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and the subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statements of financial position.

2.3 Separate financial statements

The Company has prepared its separate financial statements, which present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 New financial reporting standards that became effective in the current year

During the year 2022, the Group has adopted the revised financial reporting standards and interpretations 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 providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

3.3 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19

The Federation of Accounting Professions has announced Accounting Guidance on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the Bank of Thailand ("BOT"). The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Group may elect to adopt accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C.802/2564 dated 3 September 2021 “Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)”. The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:

1. For debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension (Assistance type 1), the Group may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions as follows:
 - Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
 - Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
 - Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or Stage 1 if the debtor is considered able to comply with the debt restructuring agreement.
 - Loans are classified as loans with significant increase in credit risk (Under-performing or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due counting from the due date.
 - A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
2. For debt restructuring involving only a payment timeline extension, e.g. an extension of payment period, a provision of grace period on principal and/or interest payments, a conversion of short-term debts into long-term debts (Assistance type 2), the Group is required to perform staging assessment and set aside provisions in accordance with the related financial reporting standards. However, the Group may elect to adopt treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT No. BOT.RPD2.C.802/2564 to assess whether a debtor is to move to under-performing stage or Stage 2.

During the year 2022, the Company provided assistance to debtors by only extending the payment period as mentioned in Note 7.2 to the financial statements. Then the Company has adopted the staging assessment and the setting aside of provisions in accordance with the related financial reporting standards. These accounting guidance does not have any significant impact on the Company's financial statements.

4. Significant accounting policies

4.1 Revenue recognition

a) Interest income from hire purchase

The Group 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 Group reverts to calculate interest income on gross carrying amount.

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 rate method and recognised on an accrual basis.

4.3 Financial Instruments

The Group classifies and measures financial assets and financial liabilities as following.

Financial assets

The Group classifies its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with business model of the Group for managing the financial assets and the contractual cash flows characteristics of the financial assets.

All financial assets of the Group are classified and measured at amortised cost because of following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially measured at its fair value plus transaction costs and subsequently measured at amortised cost net of allowance for expected credit loss (if any).

Financial liabilities

The Group classifies and measures its financial liabilities at amortised cost. Financial liabilities are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using effective interest rate method.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Group has a legal right to offset the amounts and intend to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

4.4 Cash and cash equivalents

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

4.5 Hire purchase 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 Group uses a general approach to calculate the expected credit loss on its financial assets, such as deposits at financial institutions and hire purchase receivables.

The Group classifies the financial assets into three groups (three-stage approach) to measure the allowance for expected credit loss, with the classification of the financial assets determined on the basis of the change in credit risk since the initial recognition as follows:

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

For the financial assets where the credit risk has not increased significantly since initial recognition, the Group recognises allowance for expected credit loss at an amount equal to the expected credit loss of the next 12 months. For the financial assets where the remaining lease term are less than 12 months, the Group will use the probability of compliance agreement in accordance with the remaining lease term.

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

For the financial assets where the credit risk has increased significantly since initial recognition but that are not credit-impaired, the Group recognises allowance for expected credit loss at an amount equal to the lifetime expected credit loss of the financial assets.

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

Financial assets that are considered to be credit-impaired, the Group recognises allowance for expected credit loss at an amount equal to the lifetime expected credit loss of the financial assets.

At the end of each reporting period, the Group assesses whether the credit risk of a financial asset has increased significantly since the initial recognition date, by comparing the risk of default on the financial asset at the reporting date with the risk of default at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Group applies both its own internal quantitative and qualitative indicators in assessing deterioration in the credit quality of receivables, such as receivables that are more than 30 days past due. The Group assesses whether there has been a significant increase in credit risk since initial recognition on a collective basis.

Hire purchase receivables are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the hire purchase receivables have occurred. Evidence of a credit-impaired hire purchase receivable includes arrears for over 90 days or indications that the borrower is experiencing significant financial difficulty, the legal status, renegotiation of terms or distressed restructuring.

In subsequent periods, if the credit quality of financial assets improves and the assessment is that the significant increase in credit risk since the initial recognition date that was assessed in the previous period no longer applies, the Group changes from recognising expected credit loss over the expected lifetime to recognising the 12 months expected credit loss.

When the terms of repayment of the hire purchase receivables are renegotiated or the term of the contractual cash flow are modified because the borrower is in financial difficulty, the borrower is considered to be a financial asset with a significant increase in credit risk or credit-impaired, unless there is evidence that the risk of that contractual cash flows will not be recoverable has decreased significantly and there are no indicators of impairment.

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

For a subsidiary operating motorcycle hire-purchase business, since the subsidiary's operation started in 2022, there is no historical loss experience information available. As a result, allowance for expected credit losses is estimated using the average historical loss experience of companies in the same industry and adjusted the additional reserve for business management.

Increase (decrease) in an allowance for expected credit loss is recognised as expenses during the year in profit or loss in the statements of comprehensive income. The Group has a policy to write-off receivables when it has made appropriate efforts at recovery, for which there is clear evidence, and debts remain unsettled.

4.7 Financial assets with modifications of terms/Debt restructuring

When a financial asset's terms of repayment are renegotiated or modified, or debt is restructured, or an existing financial asset is replaced with a new financial asset because a borrower is having financial difficulties, the Group assesses whether to derecognise the financial asset and measures the expected credit loss, as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Group recalculates the gross book value of the financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises a gain or loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and the fair value of the financial asset is recognised in profit or loss.

If the debt restructuring agreements do not meet the criteria for derecognition as of the restructuring date, they continue to be classified as financial assets with significant increases in credit risk (stage 2) until the debtor be able to make payment in accordance with the debt restructuring agreement for not less than 3 months or 3 months installments consecutively, which ever is longer, or as financial assets that are credit-impaired (stage 3) until the debtor be able to make payment in accordance with the debt restructuring agreement for not less than 12 months or 12 installments consecutively, which ever is longer. At that point, they can reclassify as financial assets with no significant increase in credit risk (stage 1). If those debtors meet the criteria for derecognition as of the restructuring date, they are also classified as financial assets with no significant increase in credit risk (stage 1).

4.8 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.

- 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 7.2.

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 subsidiaries

Investment in subsidiaries, 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.

4.12 Leases

At inception of contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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 Group discounted the present value of the lease payments by the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.13 Intangible assets and amortisation

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

The Group amortises intangible assets with finite lives on a systematic basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is recognised as expense in part of profit or loss in the statement of comprehensive income.

The intangible assets of the Group are computer software that have useful lives of approximately 5 years.

4.14 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 Group.

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

4.15 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the land, buildings and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount

An impairment loss is recognised in profit or loss in the statements of comprehensive income (if any).

4.16 Employee benefits

a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

b) Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gain and loss arising from defined benefit plans are recognised immediately in other comprehensive income.

4.17 Income tax

Income tax expense represents the component of corporate income tax currently payable and deferred tax.

a) Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

b) Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.19 Fair value measurement

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

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

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

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

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

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

5.1 Allowance for expected credit loss of hire purchase receivables

The management is required to use judgement in estimating allowance for expected credit loss of hire purchase receivables. The calculation of expected credit loss is based on complex models, use of a series of assumptions, the development of model, the assessments of an increase in credit risk, and probability of loan repayment, as well as the selection of forward-looking information.

For a subsidiary operating motorcycle hire-purchase business, the calculation of expected credit losses is estimated using the assessment of the selected reference information based on the average historical loss experience of the companies in the same industry. The estimates involve numerous variables, therefore, the actual results may differ from the estimates.

5.2 Allowance for impairment of assets foreclosed and loss on confiscation assets

In determining allowance for impairment of assets foreclosed and loss on confiscation assets, the management exercises judgement in estimating the anticipated loss on such assets, based on analysis of various factors, including net realisable value, historical data, the age of the assets and the prevailing economic conditions.

5.3 Land, buildings and equipment and depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual value of the buildings and equipment and to review estimate useful lives and residual value when there are any changes.

In addition, the management is required to review land, buildings and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.4 Leases

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

The management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrowers over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

5.5 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant the Group's management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.6 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5.7 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and long-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Bank deposits - saving accounts	278,663	134,237	174,263	131,658
Bank deposits - current accounts	11,482	7,292	10,515	7,292
Total	290,145	141,529	184,778	138,950

As at 31 December 2022 and 2021, the Group has bank deposits in saving accounts carried interest at rates between 0.15 - 0.35 percent per annum and 0.10 - 0.25 percent per annum, respectively, as determined by commercial banks (The Company only: 0.15 - 0.35 percent per annum and 0.10 - 0.25 percent per annum, respectively).

As at 31 December 2022 and 2021, the Group has outstanding balance amounting to Baht 15.5 million and Baht 19.5 million, respectively (The Company only: Baht 15.1 million and Baht 19.5 million, respectively) represented bank deposits for premiums that the Group received from policy holders. The Group must submit these premiums to insurers, and not use or exploit or deduct any expense from these premiums.

7. Hire purchase receivables

- 7.1 As at 31 December 2022 and 2021, hire purchase receivables have general term of agreements between 12 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 financial statements					
31 December 2022					
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	2,577,625	1,731,536	1,446,114	1,250,608	7,005,883
Less: Unearned income ⁽²⁾	(764,335)	(457,072)	(262,336)	(115,526)	(1,599,269)
Undue output tax	(159,633)	(113,327)	(94,630)	(81,821)	(449,411)
Present value of the minimum lease payment					
receivables	1,653,657	1,161,137	1,089,148	1,053,261	4,957,203
Less: Allowance for expected credit loss	(137,144)	(31,587)	(32,352)	(30,500)	(231,583)
Hire purchase receivables - net	1,516,513	1,129,550	1,056,796	1,022,761	4,725,620

⁽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.

(Unit: Thousand Baht)

Separate financial statements					
31 December 2022					
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	2,314,106	1,490,720	1,243,653	1,147,572	6,196,051
Less: Unearned income ⁽²⁾	(659,488)	(381,035)	(223,597)	(106,072)	(1,370,192)
Undue output tax	(142,863)	(97,524)	(81,360)	(75,075)	(396,822)
Present value of the minimum lease payment					
receivables	1,511,755	1,012,161	938,696	966,425	4,429,037
Less: Allowance for expected credit loss	(122,008)	(24,205)	(24,826)	(26,412)	(197,451)
Hire purchase receivables - net	1,389,747	987,956	913,870	940,013	4,231,586

⁽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.

(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
Less: Unearned income ⁽²⁾	(567,967)	(341,838)	(209,787)	(111,170)
Undue output tax	(118,915)	(82,828)	(70,049)	(73,491)
Present value of the minimum lease payment receivables	1,224,846	841,400	790,913	938,700
Less: Allowance for expected credit loss	(97,906)	(18,972)	(20,115)	(25,009)
Hire purchase receivables - net	1,126,940	822,428	770,798	913,691

⁽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 2022 and 2021, the balances of hire purchase receivables classified by credit risk and allowance for expected credit loss are as follows:

(Unit: Thousand Baht)

Consolidated financial statements	
31 December 2022	
Hire purchase receivables - net of unearned income	Allowance for expected credit loss
Hire purchase receivables where there has not been a significant increase in credit risk	3,851,554
Hire purchase receivables where there has been a significant increase in credit risk	879,818
Hire purchase receivables that are credit - impaired	225,831
Total	4,957,203

51,048

104,717

75,818

231,583

(Unit: Thousand Baht)

Separate financial statements		
31 December 2022		
	Hire purchase receivables - net of unearned income	Allowance for expected credit loss
Hire purchase receivables where there has not been a significant increase in credit risk	3,368,201	35,839
Hire purchase receivables where there has been a significant increase in credit risk	844,942	93,652
Hire purchase receivables that are credit - impaired	215,894	67,960
Total	4,429,037	197,451

(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

The Company entered into schemes to provide assistance to debtors affected by COVID-19. As at 31 December 2022, the Company has outstanding hire purchase receivables under the assistance scheme accounting, which consisted of the receivables below:

- a) The receivables provided with assistance during the year 2020-2021 that hire purchase receivables and the Company provided assistance to them by amending payment conditions or restructuring debts of Baht 21 million. The Company applied the Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 (Assistance type 2) by performing staging assessment and setting aside provisions in accordance with the relevant financial reporting standards (2021: there were outstanding receivables under the assistance scheme totaling Baht 299 million, of which Baht 273 million provided to debtors involved suspending principal and interest payments for certain periods and troubled debt restructuring receivables of Baht 26 million).
- b) The receivables provided with assistance during the year 2022, as at 31 December 2022, there were outstanding receivables extending of repayment period (Assistance type 2) of Baht 8 million for which the Company adopted the accounting treatment on "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19" by staging assessment and setting aside of provisions as required by relative Financial Reporting Standards. Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing) if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period. Loans that are non-performing (NPL) are classified as loans with no significant increase in credit risk (Performing) if the debtor is able to make payment in accordance with the debt restructuring agreement for 12 consecutive months or installments, whichever is the longer period.

7.3 As at 31 December 2022 and 2021, 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.

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 2022 and 2021, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the year ended 31 December 2022			
	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	36,334	73,757	51,911	162,002
Stage changes	2,244	(9,647)	7,403	-
Changes due to revaluation of allowance for credit loss	(3,364)	49,576	78,568	124,780
New financial assets purchased or acquired	41,012	48,701	24,903	114,616
Derecognition of financial assets	(5,193)	(26,512)	(15,389)	(47,094)
Write-off	(19,985)	(31,158)	(71,578)	(122,721)
Ending balance	51,048	104,717	75,818	231,583

(Unit: Thousand Baht)

	Separate financial statements			
	For the year ended 31 December 2022			
	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	36,334	73,757	51,911	162,002
Stage changes	2,244	(9,647)	7,403	-
Changes due to revaluation of allowance for credit loss	(3,364)	49,576	78,568	124,780
New financial assets purchased or acquired	25,703	36,732	16,976	79,411
Derecognition of financial assets	(5,093)	(25,608)	(15,320)	(46,021)
Write-off	(19,985)	(31,158)	(71,578)	(122,721)
Ending balance	35,839	93,652	67,960	197,451

(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

8. Assets foreclosed

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Assets foreclosed - cost	85,833	11,309	84,426	11,309
Less: Allowance for impairment	-	-	-	-
Assets foreclosed - net	85,833	11,309	84,426	11,309

9. Restricted bank deposits

As at 31 December 2022, the Company had restricted bank deposits amounting to Baht 118 million in order to secure against loans from financial institutions as mentioned in Note 15 and 19 (2021: Baht 63 million).

10. Investments in subsidiaries

Detail of investments in subsidiaries as presented in separate financial statements is as follows:

Company's name	Paid-up capital		Percentage of shareholding		Investment value - cost		Dividend income for the year ended 31 December 2022
	2022	2021	2022	2021	2022	2021	
	(Thousand Baht)	(Thousand Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Micro Insure Broker Company Limited	3,000	3,000	99.99	99.99	2,999	2,999	14,009
Micro Fin Company Limited	50,000	-	99.99	-	50,000	-	-
Micro Plus Leasing Company Limited	400,000	-	51.00	-	204,000	-	-
Total					256,999	2,999	14,009

11. Land, buildings and equipment

(Unit: Thousand Baht)

Consolidated 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 2021	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
Additions	18,953	289	2,240	6,233	1,075	7,030	35,820
Disposal/write off	-	-	(1,251)	(1,403)	(5,287)	-	(7,941)
Transfer in (transfer out)	-	1,459	1,836	3,735	-	(7,030)	-
31 December 2022	73,022	27,098	14,851	42,017	13,217	25	170,230
Accumulated depreciation							
1 January 2021	-	7,119	5,919	8,760	16,847	-	38,645
Depreciation for the year	-	1,099	1,261	5,258	959	-	8,577
Disposals/write off	-	-	(19)	-	(999)	-	(1,018)
31 December 2021	-	8,218	7,161	14,018	16,807	-	46,204
Depreciation for the year	-	1,100	1,845	6,962	629	-	10,536
Disposals/write off	-	-	(1,081)	(1,252)	(5,287)	-	(7,620)
31 December 2022	-	9,318	7,925	19,728	12,149	-	49,120
Net book value							
31 December 2021	54,069	17,132	4,865	19,434	622	25	96,147
31 December 2022	73,022	17,780	6,926	22,289	1,068	25	121,110
Depreciation for the year							
2021							8,577
2022							10,536

(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 2021	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
Additions	18,953	-	1,617	3,039	-	7,030	30,639
Disposals/write off	-	-	(1,251)	(1,403)	(5,287)	-	(7,941)
Transfer in (transfer out)	-	1,459	1,836	3,735	-	(7,030)	-
31 December 2022	73,022	26,809	14,153	38,823	12,142	25	164,974
Accumulated depreciation							
1 January 2021	-	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
Depreciation for the year	-	1,093	1,774	6,614	622	-	10,103
Disposals/write off	-	-	(1,081)	(1,252)	(5,287)	-	(7,620)
31 December 2022	-	9,311	7,852	19,380	12,142	-	48,685
Net book value							
31 December 2021	54,069	17,132	4,792	19,434	622	25	96,074
31 December 2022	73,022	17,498	6,301	19,443	-	25	116,289
Depreciation for the year							
2021							8,575
2022							10,103

As at 31 December 2022 and 2021, the Group has certain items of furniture and fixtures, computer, equipment and vehicles which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 24 million and Baht 24 million, respectively.

As at 31 December 2022 and 2021, the Company has mortgaged land and buildings with their net book value of Baht 33 million and Baht 47 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 Group has lease contracts for assets used in its operation. Leases generally have lease terms between 2 - 5 years.

12.1 Right-of-use assets

Movements of the right-of-use assets during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Buildings	Equipment	Motor vehicles	Total
Balance as at 1 January 2021	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
Additions	998	7,728	1,539	3,755	14,020
Disposals	-	-	(238)	-	(238)
Depreciation for the year	(478)	(5,121)	(408)	(7,164)	(13,171)
Balance as at 31 December 2022	804	11,376	1,667	15,062	28,909

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Buildings	Equipment	Motor vehicles	Total
Balance as at 1 January 2021	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
Additions	998	4,910	1,539	3,755	11,202
Disposals	-	-	(238)	(165)	(403)
Depreciation for the year	(478)	(4,913)	(408)	(7,025)	(12,824)
Balance as at 31 December 2022	804	8,766	1,667	15,036	26,273

12.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Lease payments	31,426	29,927	28,610	29,927
Less: Deferred interest expenses	(1,808)	(1,791)	(1,619)	(1,791)
Total	29,618	28,136	26,991	28,136
Less: Portion due within one year	(13,550)	(10,077)	(12,503)	(10,077)
Lease liabilities - net of current portion	16,068	18,059	14,488	18,059

Movements of lease liabilities for the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance at the beginning of year	28,136	19,847	28,136	19,847
Additions	14,020	17,795	11,202	17,795
Interest recognised	1,261	953	1,234	953
Lease payment	(13,700)	(10,459)	(13,482)	(10,459)
Lease payable	(99)	-	(99)	-
Balance at the end of year	29,618	28,136	26,991	28,136

12.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation expenses of right-of-use assets	13,171	9,843	12,824	9,843
Interest expenses on lease liabilities	1,261	953	1,234	953
Total	14,432	10,796	14,058	10,796

The Group had total cash outflows for leases for the years ended 31 December 2022 and 2021 of Baht 14 million and Baht 10 million, respectively. (The Company only: Baht 13 million and Baht 10 million, respectively).

13. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer software		
	Computer software	in process	Total
Cost			
1 January 2021	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
Additions	2,030	2,961	4,991
Transfer in (transfer out)	1,150	(1,150)	-
31 December 2022	15,939	2,244	18,183
Accumulated amortisation			
1 January 2021	5,193	-	5,193
Amortisation during the year	1,659	-	1,659
31 December 2021	6,852	-	6,852
Amortisation during the year	2,492	-	2,492
31 December 2022	9,344	-	9,344
Net book value			
31 December 2021	5,907	433	6,340
31 December 2022	6,595	2,244	8,839
Amortisation recognised for the year			
2021			1,659
2022			2,492

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software		Total
	Computer software	in process	
Cost			
1 January 2021	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
Additions	1,737	2,691	4,428
Transfer in (transfer out)	685	(685)	-
31 December 2022	15,181	2,244	17,425
Accumulated amortisation			
1 January 2021	5,193	-	5,193
Amortisation during the year	1,659	-	1,659
31 December 2021	6,852	-	6,852
Amortisation during the year	2,457	-	2,457
31 December 2022	9,309	-	9,309
Net book value			
31 December 2021	5,907	238	6,145
31 December 2022	5,872	2,244	8,116
Amortisation recognised for the year			
2021			1,659
2022			2,457

As at 31 December 2022 and 2021, the Group's computer software has remaining amortisation period between 1 - 5 years (The Company only: 1 - 5 years).

As at 31 December 2022 and 2021, the Group has certain items of computer software which were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounting to Baht 3 million and Baht 3 million, respectively.

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 financial statements			
			Changes in deferred tax assets or liabilities in profit or loss for the years ended 31 December	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for expected credit loss	46,316	32,400	13,916	12,813
Loss on confiscation/disposal of assets				
foreclosed	36,230	13,347	22,883	3,612
Bad debt written-off	9,515	-	9,515	-
Accumulated taxable loss	8,290	-	8,290	-
Provision for long-term employee				
benefits	2,810	1,958	852	502
Leases contracts	183	128	55	67
Others	35	89	(54)	(8)
Total	103,379	47,922		
Deferred tax liabilities				
Net of deferred fee income, commission				
expenses and initial direct cost of				
hire purchase	26,367	15,737	(10,630)	(8,155)
Expenses for issuance of debentures	3,270	1,785	(1,485)	(1,785)
Others	14	-	(14)	-
Total	29,651	17,522		
Deferred tax assets - net	73,728	30,400	43,328	7,046

(Unit: Thousand Baht)

	Separate financial statements			
			Changes in deferred tax assets or liabilities in profit or loss for the years ended 31 December	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for expected credit loss	39,490	32,400	7,090	12,813
Loss on confiscation/disposal of assets foreclosed	35,954	13,347	22,607	3,612
Bad debts written-off	9,515	-	9,515	-
Provision for long-term employee benefits	2,616	1,958	658	502
Lease contracts	176	128	48	67
Others	35	89	(54)	(8)
Total	87,786	47,922		
Deferred tax liabilities				
Net of deferred fee income, commission expenses and initial direct cost of hire purchase	17,904	15,737	(2,167)	(8,155)
Expenses for issuance of debentures	3,270	1,785	(1,485)	(1,785)
Total	21,174	17,522		
Deferred tax assets - net	66,612	30,400	36,212	7,046

14.2 Income tax expenses

Income tax expenses for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge for the year	60,036	59,626	54,505	59,626
Adjustments of prior year's tax	(332)	(12,601)	(332)	(12,601)
Deferred tax:				
Deferred tax relating to origination and reversal of temporary differences	(43,328)	(7,046)	(36,212)	(7,046)
Income tax expenses reported in the statements of comprehensive income	16,376	39,979	17,961	39,979

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax relating to actuarial loss	-	(182)	-	(182)

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit before tax	81,527	227,443	104,280	227,627
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	16,306	45,488	20,856	45,525
Effects of net tax - exempt income, additional expenses deduction allowed and non-deductible expenses	437	7,057	(2,563)	7,055
Adjustments of prior year's tax	(332)	(12,601)	(332)	(12,601)
Unused tax loss not recognised as deferred tax assets	-	35	-	-
Utilised unused tax loss	(35)	-	-	-
Income tax expenses reported in the statements of comprehensive income	16,376	39,979	17,961	39,979

15. Short-term loans from financial institutions

As at 31 December 2022, the Company has no loans in the form of promissory notes from domestic commercial banks (2021: Baht 70 million which carried interest at MLR minus fixed rate per annum. The principal repayment of loans were due within 3 months from the drawdown date, with interest payment was due on a monthly basis).

As at 31 December 2022, the Company has Baht 660 million for short-term and overdraft credit facilities from financial institutions which have not yet been drawn down (2021: Baht 940 million).

The above mentioned credit facilities 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. In addition, 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 to total hire purchase receivables.

16. Short-term loans from related persons

As at 31 December 2022, the Company has short-term loans from related persons amounting to Baht 30 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 (2021: Baht 120 million).

17. Short-term loans from others

As at 31 December 2022, the Company has no short-term loans from others (2021: Baht 16 million carried interest at fixed rate per annum with monthly interest payment. The principal repayment of loans were due within 1 year from the drawdown date).

18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade payables	51,705	38,537	44,986	38,550
Other payables	1,066	1,977	1,066	1,977
Accrued expenses	33,224	19,919	22,810	19,853
Accrued interest	27,814	8,810	27,814	8,810
Insurance premium suspenses	18,328	19,600	15,135	19,600
Others	750	1,121	747	1,121
Total	132,887	89,964	112,558	89,911

19. Long-term loans from financial institutions

Repayment term	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	2022	2021
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
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
c) Long - term loans with credit line of Baht 100 million, (2022: Baht 200 million) repayable monthly within 4 years from the drawdown date, carrying interest rate at MLR less fixed rate per annum, interest payable monthly.	61,863	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.	184,614	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	246,477	620,461
Less: Current portion	(98,856)	(230,247)
Long - term loans from financial institutions - net of current portion	147,621	390,214

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 to total hire purchase receivables, maintaining of major shareholders ratio.

As at 31 December 2022, the Company has Baht 500 million for long-term loans from financial institutions which have not yet been drawn down (2021: Baht 400 million).

20. Long-term loans from related persons

As at 31 December 2022 and 2021, loans from directors carry interest at fixed rate per annum, principal repayable within 5 years from the drawdown date with interest payment is due on monthly basis.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2022	2021
Long-term loans from related persons	-	30,800
Less: Current portion	-	(30,800)
Long-term loans from related persons - net of current portion	-	-

21. Long-term loans from others

As at 31 December 2022, the Company's subsidiary has long-term loans from others, carrying interest at fixed rate per annum with monthly interest payment. The principal repayment of loans are due within 4 years from the drawdown date (repayable within 2026).

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	2022	2022
Long-term loans from others	200,000	-
Less: Current portion	-	-
Long-term loans from others - net of current portion	200,000	-

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after retirement, were as follows:

	(Unit: Thousand Baht)		
	For the years ended 31 December		
	Consolidated financial	Separate financial	Consolidated and
	statements	statements	separate financial
	2022	2022	2021
Provision for long-term employee			
benefits at beginning of year	9,789	9,789	6,369
Recognised in profit or loss:			
Current service cost	4,449	3,482	2,423
Interest cost	166	166	86
Recognised in other comprehensive			
income:			
Actuarial (gain) loss arising from			
Demographic assumption			
changes	-	-	(745)
Financial assumption changes	-	-	(313)
Experience adjustments	-	-	1,969
Benefit paid during the year	(359)	(359)	-
Provision for long-term employee			
benefits at end of year	14,045	13,078	9,789

The Group does not expect to pay long-term employee benefits during the next year.

As at 31 December 2022 and 2021, the weighted average duration of the liabilities for long-term employee benefit is 8 years and 9 years, respectively (the Company only: 9 years and 9 years, respectively).

The principal actuarial assumptions were as follows:

	(Units: Percent per annum)		
	Consolidated financial	Separate financial	Consolidated and
	statements	statements	separate financial
	2022	2022	2021
Discount rate	1.70 - 2.88	1.70	1.70
Future salary increase rate	5.00	5.00	5.00
Turnover rate	0 - 20	0 - 20	0 - 20

The result of sensitivity analysis for significant assumptions that affect the increasing (decreasing) of present value of long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)					
	Consolidated		Separate		Consolidated and	
	financial statements		financial statements		separate financial statements	
	2022		2022		2021	
	Increase rate 0.5%	Decrease rate 0.5%	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)	Provision increase (decrease)	Provision increase (decrease)
Discount rate	(523)	561	(482)	517	(342)	368
Salary increase rate	607	(571)	564	(531)	354	(333)
Turnover rate	(563)	170	(519)	160	(370)	121

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2022, the Company appropriated profit of Baht 4.4 million to statutory reserve (2021: Baht 9.4 million).

25. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure and maximise shareholder value. As at 31 December 2022, the Group's debt to equity ratio is 1.71:1 (2021: 1.06:1) and the Company's debt to equity ratio is 1.59:1 (2021: 1.06:1).

26. Expected credit loss

Expected credit loss and loss from contract modification of hire purchase receivables for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Expected credit loss	192,034	127,083	158,170	127,083
Loss from contract modification	(222)	1,406	(222)	1,406
Bad debt recovery	(31,832)	(16,451)	(31,832)	(16,451)
Total	159,980	112,038	126,116	112,038

27. Loss from assets foreclosed

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Loss on confiscation assets	208,347	69,874	206,014	69,874
Gain on disposal of assets foreclosed	(34,649)	(26,293)	(34,676)	(26,293)
Total	173,698	43,581	171,338	43,581

28. Finance cost

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest expenses on borrowings	145,738	62,205	143,863	62,205
Interest expenses on lease liabilities	1,261	953	1,234	953
Total	146,999	63,158	145,097	63,158

29. Expenses by nature

For the years ended 31 December 2022 and 2021, significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Salary, wages and other employee				
benefits	171,756	106,749	139,355	106,749
Expected credit loss	159,980	112,038	126,116	112,038
Loss from assets foreclosed	173,698	43,581	171,338	43,581
Professional fees	5,438	5,992	4,652	5,977
Depreciation and amortisation	26,199	20,078	25,384	20,077
Debt collection fees	34,922	17,116	34,922	17,115
Travelling and accommodation				
expenses	12,047	6,987	10,740	6,987
Telecommunication expenses	6,233	4,125	5,628	4,124
Utilities expenses	1,805	1,308	1,787	1,308

30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

31. Dividend paid

On 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.

On 22 April 2022, the Company's Annual General Meeting of shareholders approved dividend payment of Baht 0.077 per share, totaling Baht 72 million from operating result for the year 2021. The Company paid the dividend to shareholders on 20 May 2022.

32. Segment information

The Group's principal operations involves 3 operating segments in (1) hire purchase of trucks business, (2) hire purchase of motorcycles business and (3) insurance brokerage business.

The Group's operating geographical area is carried on only in Thailand. The chief operating decision maker has been identified as managing director, is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements.

Segment revenue and profit information

Revenue and profit information regarding the Group's operating segments for the year ended 31 December 2022 is as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2022					Consolidated financial statement
	Hire purchase of trucks business	Hire purchase of motorcycles business	Insurance broker business	Other business	Elimination	
Net interest income	671,030	35,160	-	-	-	706,190
Fee and service income	105,209	3,593	67,628	-	(36,211)	140,219
Other operating income	22,450	310	99	62	(15,591)	7,330
Selling and administrative expenses	(251,858)	(36,532)	(40,072)	(16)	36,943	(291,535)
Expected credit loss	(126,116)	(33,864)	-	-	-	(159,980)
Loss from assets foreclosed	(171,338)	(2,360)	-	-	-	(173,698)
Finance cost	(145,097)	(1,941)	-	-	39	(146,999)
Profit (loss) before income tax	104,280	(35,634)	27,655	46	(14,820)	81,527
Income tax	(17,961)	7,090	(5,496)	(9)	-	(16,376)
Profit (loss) before non-controlling interests	86,319	(28,544)	22,159	37	(14,820)	65,151

Segment assets

The segment assets of the Group as at 31 December 2022 are as follows:

	Hire purchase of trucks business	Hire purchase of motorcycles business	Insurance broker business	Other business	(Unit: Thousand Baht) Elimination	Consolidated financial statement
Segment assets	5,110,345	596,437	32,221	50,051	(277,647)	5,511,407
Segment liabilities	3,137,476	224,980	21,258	15	(19,837)	3,363,892

As at 31 December 2021 and for the year ended 31 December 2021, the subsidiaries had not started its operation, therefore the Group did not present segment information separately.

Information about major customers

The Group has no major customer with reserve of 10 percent or more of an entity's revenues during the years ended 31 December 2022 and 2021.

33. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group monthly contribute to the fund at the rate of 2 percent of basic salary. The fund, which is managed by Eastspring Asset Management (Thailand) Co., Ltd., will be paid to employees upon termination in accordance with the fund rules of the Group. For the year 2022, the Group contributed Baht 1.4 million in the consolidated financial statements and Baht 1.1 million in the separate financial statements (2021: Baht 1.0 million in the consolidated financial statements and Baht 1.0 million in the separate financial statements).

34. Related party transactions

The relationships between the company and its related parties

Name of related parties	Relationship
Micro Insure Broker Company Limited	Subsidiary company
Micro Fin Company Limited	Subsidiary company
Micro Plus Leasing Company Limited	Subsidiary company

During the years, the Group had significant business transactions with directors, related persons and related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group, directors, related persons and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	2022	2021	2022	2021	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
Fee and service income	-	-	32,660	-	As agreed
Other income - dividend	-	-	14,009	-	As declared
Other income	-	-	1,562	15	As agreed
Selling and administrative expenses	-	-	120	-	As agreed
<u>Transactions with related parties</u>					
Interest expenses - directors	559	7,493	559	7,493	As agreed
Interest expenses - related persons	2,195	4,370	2,195	4,370	As agreed
Rental expenses - director	360	360	360	360	As agreed
Service expenses - director	610	600	610	600	As agreed
Service expenses - related person	980	960	980	960	As agreed
Interest expenses - lease liabilities	29	10	29	10	As agreed

As at 31 December 2022 and 2021, the balances of the accounts between the Company, related persons and related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Subsidiaries</u>				
Other receivables - related parties	-	-	307	-
Investment in subsidiaries	-	-	256,999	2,999
Trade and other payables	-	-	15,034	13
<u>Related persons</u>				
Short-term loans - director	-	20,000	-	20,000
Short-term loans - related persons	30,000	100,000	30,000	100,000
Long-term loans - director	-	30,800	-	30,800
Lease liabilities - director	870	150	870	150

As at 31 December 2022 and 2021, the balances and movements of the loans between the Company, directors and related persons are as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements				
2022				
Loans	Balance at the beginning of the year	Increase	Decrease	Balance at the end of the year
Directors	50,800	-	(50,800)	-
Related persons	100,000	40,000	(110,000)	30,000
Total	150,800	40,000	(160,800)	30,000

(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

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	22,339	19,644	19,534	19,644
Post-employment benefits	1,067	2,119	790	2,119
Total	23,406	21,763	20,324	21,763

35. Commitments of service agreements

The Group has committed to service agreements, terms of payment generally are between 1 - 3 years. As at 31 December 2022 and 2021, the Group has future minimum payments required under the non-cancellable agreements as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
Payment	2022	2021	2022	2021
Within 1 year	3,846	429	867	429
Over 1 year	2,338	-	147	-

36. Risk management

The Group's financial instruments principally comprises 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 Group may incur a financial loss due to the counter party of the Group fail to fulfill an obligation of financial instruments. The Group is exposed to credit risk primarily with respect to hire purchase 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 Group is exposed to credit risk primarily with respect to hire purchase receivables. The Group manages the risk by adopting appropriate credit control policies and procedures. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. Therefore, the Group does not expect to incur material financial loss.

In addition, the Group prepared expected credit loss model and reconsiders expected credit loss model by periodically reviews of the parameters and the data used in order to ascertain appropriateness of the model.

b) Deposits with banks and financial institutions

The Group is exposed to credit risk on deposits with banks and financial institutions is limited because the Group deposits with only banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

Maximum exposure to credit risk of financial assets

Maximum exposure to credit risk is the amount of financial assets without taking account of any collateral held or other credit enhancements to increase creditability. For financial assets recognised in statements of financial position, maximum exposure to credit risk is the amount before allowance for expected credit loss.

Credit quality analysis

The table below shows the credit quality of financial assets exposed to credit risk, the amounts presented for financial assets are gross carrying amount before allowances of expected credit loss.

	(Unit: Million Baht)			
	Consolidated financial statements			
	31 December 2022			
	Financial assets where credit risk			
	No significant increase	Significant increase	Credit - impaired	Total
Deposits with banks and financial institutions				
Investment grade	408	-	-	408
Total	408	-	-	408
Allowance for expected credit loss	-	-	-	-
Hire purchase receivables				
0 day overdue	2,962	14	-	2,976
1 - 30 days overdue	889	59	2	950
31 - 60 days overdue	-	587	2	589
61 - 90 days overdue	-	220	3	223
Over 90 days overdue	-	-	219	219
Total	3,851	880	226	4,957
Allowance for expected credit loss	51	105	76	232

(Unit: Million Baht)

Consolidated financial statements				
31 December 2021				
Financial assets where 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	36	74	52	162

(Unit: Million Baht)

Separate financial statements				
31 December 2022				
Financial assets where credit risk				
	No significant increase	Significant increase	Credit - impaired	Total
Deposits with banks and financial institutions				
Investment grade	303	-	-	303
Total	303	-	-	303
Allowance for expected credit loss	-	-	-	-
Hire purchase receivables				
0 day overdue	2,525	14	-	2,539
1 - 30 days overdue	843	59	2	904
31 - 60 days overdue	-	561	2	563
61 - 90 days overdue	-	211	3	214
Over 90 days overdue	-	-	209	209
Total	3,368	845	216	4,429
Allowance for expected credit loss	36	93	68	197

(Unit: Million Baht)

	Separate financial statements			
	31 December 2021			
	Financial assets where 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

Collateral and any operations to increase creditability

The Group has held collateral and any operations to increase creditability of exposure to credit risk. For hire purchase receivables, the Group has held collateral, e.g. trucks and motorcycles as specified under hire purchase agreements.

36.2 Market risk

The Group's market risk is from interest rate risk. As the Group has no foreign currency assets and liabilities, and no investments in securities, market risk therefore consists of only interest rate risk.

Interest rate risk

The Group has risk that valuation of financial instruments may impact due to change of market interest rate.

The Group manages the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels.

Significant financial assets and liabilities as at 31 December 2022 and 2021, classified by type of interest rate, are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date (if this occurs before the maturity date).

(Unit: Million Baht)

Consolidated financial statements						
2022						
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Maturity or repricing date					
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	279	11	290	0.15 - 0.35
Hire purchase receivables ⁽¹⁾	1,654	3,303	-	-	4,957	7.71 - 33.90
Restricted bank deposits	118	-	-	-	118	0.35 - 1.00
Financial liabilities						
Short-term loans from related persons	30	-	-	-	30	4.25
Trade and other payables	-	-	-	133	133	-
Long-term loans from financial institutions	-	-	246	-	246	4.65 - 5.65
Long-term loans from other	-	200	-	-	200	5.90
Long-term debentures	847	1,817	-	-	2,664	5.25 - 5.70
Lease liabilities	14	16	-	-	30	3.06 - 5.93

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

(Unit: Million Baht)

Consolidated financial statements						
2021						
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Maturity or repricing date					
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	135	7	142	0.1 - 0.25
Hire purchase receivables ⁽¹⁾	1,225	2,571	-	-	3,796	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						
2022						
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Maturity or repricing date					
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	174	11	185	0.10 - 0.35
Hire purchase receivables ⁽¹⁾	1,512	2,917	-	-	4,429	12.16 - 25.10
Restricted bank deposits	118	-	-	-	118	0.35 - 1.00
Financial liabilities						
Short-term loans from related persons	30	-	-	-	30	4.25
Trade and other payables	-	-	-	113	113	-
Long-term loans from financial institutions	-	-	246	-	246	4.65 - 5.65
Long-term debentures	847	1,817	-	-	2,664	5.25 - 5.70
Lease liabilities	13	14	-	-	27	3.06 - 5.93

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

(Unit: Million Baht)

Separate financial statements						
2021						
Transactions	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Maturity or repricing date					
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	132	7	139	0.1 - 0.25
Hire purchase receivables ^(f)	1,225	2,571	-	-	3,796	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.

Interest rate sensitivity analysis

The sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on the portion of floating rate of deposits with banks and financial institutions, and long-term loans affected as at 31 December 2022 are as follow:

	Consolidated financial statements		Separate financial statements	
	Increase/ (decrease)	Effect on profit - increase (decrease) before tax	Increase/ (decrease)	Effect on profit - increase (decrease) before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Deposits with banks and financial institutions	1.0%	3,073	1.0%	1,647
	(1.0%)	(3,073)	(1.0%)	(1,647)
Long-term loans from financial institutions	1.0%	(5,386)	1.0%	(5,386)
	(1.0%)	5,386	(1.0%)	5,386

The above analysis has been prepared assuming that the amounts of the floating rate deposits with banks and financial institutions, and loans and all other variables remain constant over one year. Moreover, the floating rates of these deposits and loans are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest for the full 12 - month period of the sensitivity calculation.

36.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to liquidate their financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the incurrence of a financial loss.

The Group manages liquidity risk by means of appropriate structuring of short-term and long-term sources of capital. In addition, the Group has a policy to maintain liquidity to ensure that it has sufficient liquidity to meet both present and future requirements.

The maturity profile of the Group's financial instruments as at 31 December 2022 and 2021 is as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements			
	2022			
	At call	Within 1 year	Over 1 year	Total
Financial assets				
Cash and cash equivalents	290	-	-	290
Hire purchase receivables ⁽¹⁾	-	1,654	3,303	4,957
Restricted bank deposits	-	-	118	118
Financial liabilities				
Short-term loans from related persons	-	30	-	30
Trade and other payables	-	133	-	133
Long-term loans from financial institutions	-	99	147	246
Long-term loans from other	-	-	200	200
Long-term debentures	-	847	1,817	2,664
Lease liabilities	-	14	16	30

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

(Unit: Million Baht)

Transactions	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.

(Unit: Million Baht)

Transactions	Separate financial statements			
	2022			
	At call	Within 1 year	Over 1 year	Total
Financial assets				
Cash and cash equivalents	185	-	-	185
Hire purchase receivables ⁽¹⁾	-	1,512	2,917	4,429
Restricted bank deposits	-	-	118	118
Financial liabilities				
Short-term loans from related persons	-	30	-	30
Trade and other payables	-	113	-	113
Long-term loans from financial institutions	-	99	147	246
Long-term debentures	-	847	1,817	2,664
Lease liabilities	-	13	14	27

(1) The balance of hire purchase receivables due within 1 year included credit-impaired receivables.

(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.

37. Fair values measurement

As at 31 December 2022 and 2021, the Group had no financial assets or financial liabilities that were measured at fair value. However, the Group had financial assets and liabilities that were measured at cost which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements					
2022					
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	290	290	290	-	-
Hire purchase receivables	4,726	4,475	-	-	4,475
Restricted bank deposits	118	118	-	118	-
<u>Financial liabilities for which fair value are disclosed</u>					
Short-term loans from related persons	30	30	-	-	30
Trade and other payables	133	133	-	133	-
Long-term loans from financial institutions	246	246	-	246	-
Long-term loans from other	200	200	-	200	-
Long-term debentures	2,664	2,672	-	2,672	-

(Unit: Million Baht)

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					
2022					
Book value	Fair value				
	Total	Level 1	Level 2	Level 3	
Financial assets for which fair value are disclosed					
Cash and cash equivalents	185	185	185	-	-
Hire purchase receivables	4,232	3,985	-	-	3,985
Restricted bank deposits	118	118	-	118	-
Financial liabilities for which fair value are disclosed					
Short-term loans from related persons	30	30	-	-	30
Trade and other payables	113	113	-	113	-
Long-term loans from financial institutions	246	246	-	246	-
Long-term debentures	2,664	2,672	-	2,672	-

(Unit: Million Baht)

Separate financial statements					
2021					
Book value	Fair value				
	Total	Level 1	Level 2	Level 3	
Financial assets for which fair value are disclosed					
Cash and cash equivalents	139	139	139	-	-
Hire purchase receivables	3,634	3,502	-	-	3,502
Restricted bank deposits	63	63	-	63	-
Financial liabilities for which fair value are disclosed					
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	-

Fair value hierarchy for financial assets and liabilities as at 31 December 2022 and 2021 is stipulated in Note 4.19.

The Group's methods and assumptions used in estimated the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, restricted bank deposits, short-term loans, and trade and other payables, their carrying amounts in the statement of financial position approximate their fair value.
- b) For hire purchase receivables, fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- c) For loans and debentures with maturity over 1 year and fixed interest payables, their fair value is estimated by discounting expected future cash flows by the current market interest rate of the loans with similar terms and conditions.

During the current year, there were no transfers within the fair value hierarchy.

38. Events after the reporting period

On 24 February 2023, the Company's Board of Directors Meetings 2/2023 passed a resolution to propose to the Annual General Meeting for an approval of annual dividend payment of Baht 0.036 per share or totaling Baht 34 million from operating result for the year 2022, including the appropriation of profit to statutory reserve amounting to Baht 4.4 million.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2023.



Board Profile



ASSISTANT PROFESSOR KRIT UMPOTE

Independent Director and Chairman

Educational Qualifications:

- M.S.B.A Indiana University, USA
- Master of Public Administration (M.P.A.) 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
Independent Director and Chairman Micro Leasing Public Company Limited
- 2000 - Present
Facilitator in Resident Thai Institute of Directors Association
- 2000 – 2021
Independent Director and Chairman of the Audit Committee, TBSP Public Company Limited
- 2015 – 2021
Independent Director, Chairman of the Corporate Governance Committee and Member of Audit Committee Thiensurat Public Company Limited

Age: 82 years

Date of appointment director:
17 April 2020

Position in Non-Listed Company:
- None -

Shareholding proportion (30/12/2022):
- None -

Relationship with the Executive:
- None -



MR. WISARN BOORNASUNTIKOOON

Director, Chairman of Executive Committee,
Member of Risk Management Committee,
and Managing 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:

- 2022 - Hot Issue for Directors : What Directors Need to Know about Digital Assets (DA) Class 3/2022
 - Subsidiary Governance Program (SGP) Class 1/2022
 - Director Certification Program (DCP) Class 303/2021
 - Risk Management Program for Corporate Leaders (RCL) Class 25/2021
 - Course Successful Formulation & Execution of Strategy (SFE) Class 37/2021
 - Director Refreshment training Program

Experience

Position in other listed Company:

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

Position in Non-Listed Company:

- 2022 - Present
Director, Micro Plus Leasing Company Limited
- 2020 - 2021
Advisor of Aseptic Pak (Thailand) Company Limited
- 2013 - 2019
Deputy Managing Director, Krungthai Leasing Company Limited
- 2005 - 2012
Managing Director, Center Auto Lease Company Limited (Companies in the financial business group CIMB Thai Bank Public Company Limited)

Age: 63 years

Date of appointment director:
24 December 2020

Shareholding proportion
(30/12/2022):
0.01%

Relationship with the
Executive:
- None -



Age: 68 years

Date of appointment director:
17 September 2019

**Shareholding proportion
(30/12/2022):**
23.41 %

**Relationship with the
Executive:**

Father of
Mr. Tanyakon Autchayawat
Mr. Jedsada Auchyawat
Mr. Kitsada Auchyawat

MR. THAMMASAK AUCHYAWAT

Director and Member of Nomination and Remuneration Committee

Educational Qualifications :

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

Training Course:

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

Experience

Position in other listed Company:

- 2019 - Present
Director and Member of Nomination and Remuneration Committee Micro Leasing Public Company Limited

Position in Non-Listed Company:

- 2022 - Present
Director, Micro Plus Leasing Company Limited



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:

- 2022
Advanced Audit Committee Program (AACP) Class 44/2022
- 2019
Director Certification Program (DCP) Class 269/2019
- 2009
Director Accreditation Program (DAP) Class 78/2009

Experience

Position in other listed Company:

- 2019 - Present
Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee
Micro Leasing Public Company Limited

Position in Non-Listed Company:

- 2013 - Present
Managing Director
Baan Jarungklin Company Limited

Age: 59 year

Date of appointment director:
17 September 2019

Shareholding proportion
(30/12/2022):
0.01%

Relationship with the Executive:
- None -



Age: 69 year

Date of appointment director:
1 November 2020

**Shareholding proportion
(30/12/2022):**
- None -

**Relationship with the
Executive:**
- None -

MR. WEIDT NUCHJALEARN

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

Educational Qualifications:

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

Training Course:

- 2017
Security Management and Leadership for Executives Program (SML), Class 9/2017, National Defence College
- 2015
Director Accreditation Program (DAP), Class SEC/2015
- 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
Independent Director, Vice Chairman, Chairman the Risk Management Committee and Member of Audit Committee 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 Siamrajathane Public Company Limited
 - Independent Director, Chairman and Member of Audit Committee Siam Technical Concrete Public Company Limited
 - 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:

- **Oct 2022 - Present**
Director Erawan Insurance Public Company Limited
 - **Oct 2022 - Present**
Director TIP ISB Company Limited
 - **Feb 2022 - Present**
Director, Bewealth Consultant Company Limited
 - **2020 - Present**
Expert Financial Advisory Center (TCG . F.A. Center)
 - **2018 - Present**
Chairman Hinsitsu (Thailand) Company Limited
 - **2017 - Present**
Chairman Thaitechnoglass Group Company Limited
 - **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
- 



Age: 53 years

Date of appointment director:
17 September 2019

Shareholding proportion (30/12/2022):
0.05%

Relationship with the Executive:
- None -

MR. 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:

- 2021 - Present
Independent Director, Member of Audit Committee and Member of Nomination and Remuneration Committee Micro Leasing Public Company Limited
- 2019 - 2021
Independent Director, Chairman of the Risk Management Committee, Member of Audit Committee and Member of Nomination and Remuneration Committee Micro Leasing Public Company Limited

Position in Non-Listed Company:

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



MRS. ROTSANAN YINGTHAWEEESAK

Director, Executive Vice President, And Senior Deputy Managing 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:

- 2021 - Present
Director, Executive Vice President and Senior Deputy Managing Director Micro Leasing Public Company Limited
- 2019 - 2021
Director, Executive Vice President, Member of Risk Management Committee and Deputy Managing Director Micro Leasing Public Company Limited

Position in Non-Listed Company:

- None-

Age: 64 years

Date of appointment director:
17 September 2019

Shareholding proportion
(30/12/2022):
1.56 %

Relationship with the Executive:
Spouse's Mother,
Mr.Preeda Iramaneerat



Age: 45 year

Date of appointment director:
17 September 2019

**Shareholding proportion
(30/12/2022):**
2.99%

**Relationship with the
Executive:**
- None -

MR. KEITTIPONG TOEMKUNANON

Director

Educational Qualifications:

- Bachelor of Business Administration, Nakhon Pathom Rajabhat University

Training Course:

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

Experience

Position in other listed Company:

- 2021 - Present
Director Micro Leasing Public Company Limited
- 2019 - 2021
Director, Member of Risk Management Committee, Executive Director and Assistant Managing Director, Micro Leasing Public Company Limited

Position in Non-Listed Company:

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



MR.TANYAKON AUTCHAYAWAT

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

Educational Qualifications:

- Bachelor of Business Administration (Marketing), Siam University

Training Course:

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

Experience

Position in other listed Company:

- 2021 - Present
Director, Member of Risk Management Committee, Executive Director and Assistant Managing Director of Credit Operations Micro Leasing Public Company Limited
- 2019 - 2021
Director, Member of Risk Management Committee, Executive Director and Assistant Managing Director Micro Leasing Public Company Limited

Position in Non-Listed Company:

- 2022 - Present
Director, Micro Fin Company Limited

Age: 44 year

Date of appointment director:
17 September 2019

Shareholding proportion
(30/12/2022):
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



Age: 42 year

Date of appointment director:
17 September 2019

**Shareholding proportion
(30/12/2022):**
13.17 %

Relationship with the Executive:

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

MR.JEDSADA AUCHYAWAT

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

Educational Qualifications:

- Bachelor of Business Administration (Finance), Siam University

Training Course:

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

Experience

Position in other listed Company:

- 2021 - Present
Director, Member of Risk Management Committee, Executive Director and Deputy Managing Director of Credit Operations Micro leasing Public Company Limited
- 2019 - 2021
Director, Member of Risk Management Committee, Executive Director and Assistant Managing Director Micro leasing Public Company Limited

Position in Non-Listed Company:

- 2022 - Present
- Director, Micro Fin Company Limited
- Director, Micro Plus Leasing Company Limited
- 2021 - Present
Director, Micro Insure Broker Company Limited



MR. KITSADA AUCHYAWAT

Director

Educational Qualifications:

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

Training Course:

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

Experience

Position in other listed Company:

- 2021 - Present
Director Micro Leasing Public Company Limited
- 2019 - 2021
Director, Member of Risk Management Committee, Executive Director and Assistant Managing Director Micro Leasing Public Company Limited

Position in Non-Listed Company:

- None-

Age: 37 year

Date of appointment director:
17 September 2019

Shareholding proportion
(30/12/2022):
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



Age: 49 years

Date of appointment director:
- None -

**Shareholding proportion
(30/12/2022):**
0.19 %

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

MR. PREEDA IRAMANEERAT

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

Educational Qualifications:

- Bachelor of Engineering, Chulalongkorn University

Training Course:

- 2022
 - Company Secretary Professional Development Program (2022), Thai Listed Companies Association
 - Fundamental HR Course 2022, NIDA Graduate School
 - 3D Financial Analysis Course 2022, Thammasart Business School
- 2021
 - Data Analyst Course 2021, ATDI Association of Thai Digital Industries
- 2019
 - Director Certification Program (DCP) Class 270/2019
- 2003
 - Mini MBA Program, Kasetsart University

Experience

Position in other listed Company:

- 2021 - Present
 - Member of Risk Management Committee, Executive Director and Deputy Managing Director of Resources and Investment Micro Leasing Public Company Limited
- 2019 - 2021
 - Member of Risk Management Committee, Executive Director and Assistant Managing Director Micro Leasing Public Company Limited

Position in Non-Listed Company:

- 2022 - Present
 - Director, Micro Fin Company Limited
- 2021 - Present
 - Director, Micro Insure Broker Company Limited
- 2015 - 2019
 - Technical Consultant, Duco Technology (Hong Kong) Company Limited



MR. KANDANAI CHONSUWAT

Member of the Management Committee, Executive Director, Deputy Managing Director of Accounting and Finance and Company Secretary

Educational Qualifications:

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

Training Course:

- 2022
 - TLCA CFO Professional Development Program (TLCA CFO CPD)#4/2022 "Understanding digital assets with the role of a CFO", Thai Listed Companies Association
 - TLCA CFO Professional Development Program (TLCA CFO CPD)#5/2022 "Restructuring Business for Growth", Thai Listed Companies Association
 - TLCA CFO Professional Development Program (TLCA CFO CPD)#6/2022 "The role of the CFO in corporate sustainability", Thai Listed Companies Association
- 2021
 - Company Secretary Program (CSP) Class 117/2021
 - Anti-Corruption: The Practical Guide (ACPG) Class 56/2021
 - Company Secretary Professional Development Program (2021), Thai Listed Companies Association
- 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:

- 2021 - Present
 - Member of Risk Management Committee, Executive Director, Deputy Managing Director of Accounting and Finance and Company Secretary Micro Leasing Public Company Limited
- 2019 - 2021
 - Member of Risk Management Committee, Executive Director and Chief Financial Officer Micro Leasing Public Company Limited

Position in Non-Listed Company:

- 2022 - Present
 - Director, Micro Fin Company Limited
 - Director, Micro Plus Leasing Company Limited

Age: 36 years

Date of appointment director:
- None -

Shareholding proportion
(30/12/2022):
0.32 %

Relationship with the Executive:
Grandchildren of
Mr. Thammasak Auchyawat



Age: 38 years

Date of appointment director:

- None -

**Shareholding proportion
(30/12/2022):**

0.03%

**Relationship with the
Executive:**

- None -

MR. WISAN WETHAYANUKOOL

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

Educational Qualifications:

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

Training Course:

- 2022
Successful Formulation & Execution of Strategy (SFE), Class 38/2022
- 2020
Director Accreditation Program (DAP) Class 169/2020
- 2019
 - Company Secretary Program (CSP) Class 99/2019
 - Chief Financial Officer Certification Program (CFO), Class 22/2019
 - Orientation Program (CFO), Class 8

Experience

Position in other listed Company:

- 2021 - Present
Member of Risk Management Committee, Executive Director, and Chief Financial Officer Micro Leasing Public Company Limited
- 2019 - 2021
Member of Risk Management Committee, Executive Director, Assistant Managing Director and Company Secretary Micro Leasing Public Company Limited

Position in Non-Listed Company:

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



Details of directors and executives in related companies

DETAILS OF DIRECTORS AND EXECUTIVES IN RELATED COMPANIES

Name	Micro Leasing Public Company Limited
1. Asst. Prof. Krit Umpote	ID, X
2. Mr. Weidt Nuchjalearn	ID, XS, AC, RM
3. Mr. Chalong Luengprasit	ID, AC, NR
4. Mr. Pijak Chantaviroj	ID, AC, NR
5. Mr. Thammasak Auchyawat	D, S, NR
6. Mr. Wisarn Booranasuntikoon	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. Preeda Iramaneerat	RM, ED
13. Mr. Kandanaï Chonsuwat	RM, ED
14. Mr. Wisan Wethayanukool	RM, ED

XS = Vice Chairman

D = Director

MD = Managing Director

AC = Audit Committee

RM = Risk Management Committee

[illegible]

DETAILS OF DIRECTORS AND EXECUTIVES IN RELATED COMPANIES

Name	
1.	Asst. Prof. Krit Umpote
2.	Mr. Weidt Nuchjalearn
3.	Mr. Chalong Luengprasit
4.	Mr. Pijak Chantaviroj
5.	Mr. Thammasak Auchyawat
6.	Mr. Wisarn Boornasuntikoon
7.	Mrs. Rotsanan Yingthaweesak
8.	Mr. Keittipong Toemkunanon
9.	Mr. Tanyakon Autchayawat
10.	Mr. Jedsada Auchyawat
11.	Mr. Kitsada Auchyawat
12.	Mr. Preeda Iramaneerat
13.	Mr. Kandanai Chonsuwat
14.	Mr. Wisan Wethayanukool

XS = Vice Chairman

D = Director

MD = Managing Director

AC = Audit Committee

RM = Risk Management Committee

RM = Risk Management Committee

[illegible]

Detail of the internal audit supervisor

Internal Audit Supervisor	<ul style="list-style-type: none"> • Mr. Thanat Phonwatana • Age: 43 • 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 • Risk Based Audit • Internal Auditing Certificate Program (IACP)



Assets for Business Operations



ASSETS USED IN BUSINESS UNDERTAKING.

1 Major assets

The major assets used in the business of the Company and its subsidiaries consisted of hire purchase receivables, land, buildings and equipment, and assets foreclosed. The net accounting value after deducting accumulated depreciation and allowance for impairment. As at 31 December 2021 and 2022 as follows;

List	Ownership	Obligation	31 December 2021	31 December 2022
			THB Million	THB Million
Hire purchase receivables	Company owned	Some were collaterals for loans	3,633.8	4,725.6
Land, building and equipment	Company owned	Some were mortgaged with financial institutions	96.1	121.1
Assets foreclosed	Company owned	None	11.3	85.8
Total			3,741.2	4,932.5

1.1 Hire purchase receivables and allowance for expected credit loss

Hire purchase receivables shown as the value of hire purchase receivables after deduct deferred interest income, net of deferred fee income, commission expenses and initial direct cost of hire purchase.

Hire purchase receivables classified by credit risk are as follows;

Hire purchase receivables	31 December 2021		31 December 2022	
	THB Million	Percent	THB Million	Percent
Hire purchase receivables where there has not been a significant increase in credit risk	3,046.4	80.2	3,851.6	77.7
Hire purchase receivables where there has been a significant increase in credit risk	617.6	16.3	879.8	17.7
Hire purchase receivables that are credit - impaired	131.8	3.5	225.8	4.6
Total hire purchase receivables	3,795.8	100.0	4,957.2	100.0
<u>Less:</u> Allowance for expected credit loss	(162.0)		(231.6)	
Hire purchase receivables - net	3,633.8		4,725.6	

Policy of reserved allowance for expected credit loss

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

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

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

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

1.2 Assets foreclosed

Assets foreclosed which are repossessed from hire purchase receivables due to the default, showing the cost deduct allowance for impairment. The assets foreclosed of the Company and its subsidiary as of 31 December 2021 and 2022 classified by type and age since the effective date of Company's ownership are as follows;

Foreclosed assets	31 December 2021		31 December 2022	
	THB million	Percent	THB million	Percent
10-wheel or 12-wheel trucks	6.3	56.0	32.0	37.3
6-wheel truck	2.6	22.8	22.4	26.1
Tractor	1.5	13.1	20.3	23.6
Trailer or semi-trailer	0.9	8.1	8.7	10.2
Others ¹	-	-	1.0	1.2
Motorcycle	-	-	1.4	1.6
Foreclosed assets - net	11.3	100.0	85.8	100.0

¹ Others include water trucks, liquid trucks, special trucks i.e. bulk feed trucks (silo) or hazardous substance etc.

Age of foreclosed assets (from the collateral confiscation date)	31 December 2021		31 December 2022	
	THB million	Percent	THB million	Percent
Less than 1 months	9.8	86.7	40.0	46.6
1 - 3 months	0.6	5.3	27.4	32.0
4 - 6 months	0.9	8.9	15.6	18.7
7 - 12 months	-		2.8	3.3
Total	11.3	100	85.8	100
Less: Allowance for impairment	-		-	
Assets foreclosed - net	11.3		85.8	


1.3 Land, buildings and equipments

Land, buildings and equipments of the Company and its subsidiaries as of 31 December 2021 and 2022 as follows:



Asset type	Ownership	31 December 2021	31 December 2022	Obligation
		Book value (THB million)	Book value (THB million)	
Land	Company owned	54.1	73.0	Mortgaged to financial institutions
Buildings and building improvement	Company owned	17.1	17.8	Mortgaged to financial institutions
Furniture and office equipment	Company owned	4.9	6.9	None
Computer	Company owned	19.4	22.3	None
Motor vehicles	Company owned	0.6	1.1	None
Assets under installation and construction	Company owned	0.0	0.0	None
Total		96.1	121.1	

2 Trademark

As of 31st December 2022, the Company had one trademark as follows:

Trademark / service	Registration date	Item	Protection period
	10 th April 2012	Hire purchase vehicle service	Present – 10 th April 2032 (Renew)

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

3. SUMMARY OF SIGNIFICANT CONTENT OF AGREEMENT RELATING TO OPERATION

1) Loan agreement

As of 31st December 2022, the Company has entered the agreement of loan application with 4 financial institutions and with individuals who may have conflict of interests as following details:

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. 2022	00.00 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%

2nd Financial Institution

Borrower	Company
Credit type	Bank overdraft loan
Credit limit	10 million Baht
Interest rate	MOR-0.5%
Debt burden as of 31st Dec. 2022	None
Borrower	Company
Credit type	Long-term loan
Credit limit	240.00 million Baht
Interest rate	MLR – 0.5% per year
Debt burden as of 31st Dec. 2022	184.614 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 2.563% of the loan amount drawn
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 3.0 • Set NPL ratio not higher than 5%. • Maintain major shareholders ratio at not lower than 50% of total shares.

3rd 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. 2022	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. • 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 • Set NPL ratio not higher than 5%. • Require the ratio of total loan from financial institutions to be not higher than 60%.

4th Financial Institution

Borrower	Company
Credit type	Long-term loan
Credit limit	100.00 million Baht
Interest rate	MLR – 2.375% per year
Debt burden as of 31st Dec. 2022	61.863 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"> • Claims under hire purchase agreement as non-specific debtor of rights Guarantee by using credit limit of major shareholders, directors, and executives

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. 2022	0.00 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.

Within the budget that the Company received from the fourth financial institution, here are conditions and criteria:

Other conditions	<ul style="list-style-type: none"> • Maintain debt to equity ratio at not over 2.5 • 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.
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2) Debenture

As of December 31, 2022, the Company issued long-term debentures. They are shares in the name of the holder, unsubordinated, unsecured, and have a debenture holder's representative. Interest is paid every 3 months as follows:

Issue Date	Symbol	Amount (MB)	Interest rate	Issue Term	Due Date
May 28, 2021	MICRO235A	500.00	5.55%	2 Yrs.	May 28, 2023
October 29, 2021	MIICRO230A	349.30	5.25%	2 Yrs.	October 29, 2023
October 29, 2021	MICRO240A	203.60	5.50%	3 Yrs.	October 29, 2024
April 26, 2022	MICRO244A	321.10	5.40%	2 Yrs.	April 26, 2024
April 26, 2022	MICRO254A	478.90	5.65%	3 Yrs.	April 26, 2025
October 6, 2022	MICRO240B	558.50	5.50%	2 Yrs.	October 6, 2024
October 6, 2022	MICRO250A	269.10	5.70%	3 Yrs.	October 6, 2025

3) 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.

Details of lease classified by type of assets as of 31st December 2022

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	0.8	0.8
Building	Branches of business operations	Monthly	11.4	11.4
Equipment	Office supply	Monthly	1.7	1.7
Vehicles	Cars for Company's business.	Monthly	15.0	15.7
Total			28.9	29.6

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, Assoc. Prof. Mr. 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 2022, the Audit Committee held a total of 7 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	7/7
2. Mr. Pijak Chantaviroj	7/7
3. Mr. Weidt Nuchjalearn	7/7

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 Information technology 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

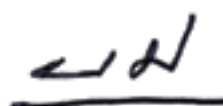
The Audit Committee had verified inter-related transactions, considering the value of transactions, reasons, necessities of making such transactions, the rationality, disclosure of information and other significant information to ensure that the transactions comply with the laws and the Stock Exchange 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. Chalong Luengprasit)
Chairman of the Audit Committee







MICRO LEASING PUBLIC COMPANY LIMITED

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