



Next Capital

Next Capital Public Company Limited

Form 56-1 One Report 2022



***SUSTAINABLE
GROWTH***





CONTENTS

Board of Directors	02
Message from the Chairman of the Board of Directors	04
Message from the Chief Executive Officer	05



SECTION 01

Business structure and operation

The Group Company's structure and operations	09
Risk Management	37
Driving business for sustainability	45
Management Discussion and Analysis (MD&A)	52
General and other important information	74



SECTION 02

COVERATE GOVERNANCE

Corporate Governance	78
Corporate governance structures and important information about the board, sub-committees, management, employees, and others	84
Corporate Governance Report	94
Internal control and related transactions	110



SECTION 03

FINANCIAL STATEMENTS

122



SECTION 04

ATTACHMENT

Attachment 1	176
Details of Directors, Executives and Company Secretary	
Attachment 2	189
Details of the directors of subsidiaries	
Attachment 3	190
Details of internal auditors	
Attachment 4	191
Details of Assets for Business Operations	
Attachment 5	
Corporate governance policies and operation guideline	194
Attachment 6	228
Audit Committee Report	

Board of Directors



1 Mr. Chaiwat Utaiwan

Chairman of the Board/
Independent Director

2 Mrs. Ladawan Charoen-rajabark

Independent Director /
Chairman of the Audit Committee /
Chairman of the Risk Management Committee

3 Mr. Amornyot Panich

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



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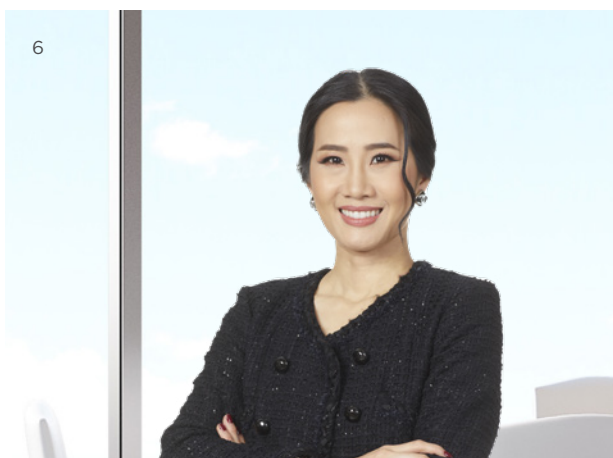
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4 Asst. Prof. Dr. Patipan Sae-Lim
Independent Director /
Member of the Audit Committee /
Member of the Risk Management
Committee

5 Mr. Sura Khanittaweekul
Director /
Member of the Nomination
and Remuneration Committee

6 Ms. Sutida Mongkolsuthree
Director /
Member of the Nomination
and Remuneration Committee

7 Mr. Pruttipang Tayarachkul
Director /
Member of the Risk Management
Committee

8 Mrs. Wassana Pongsangluk
Director

9 Mr. Punnamas Vichitkulwongsa
Director / Member of the Risk
Management Committee /
Chairman of the Executive Committee /
Chief Executive Officer

Message from the Chairman of the Board of Directors



Dear all shareholders and investors,

Following the country's expansion trend which led to new opportunities for careers, jobs and incomes, many financial products and services have been developed to provide people with an access to more capital sources. Nowadays, many Thai people are unable to access banking facilities. Thus, the "underbanked" is another mission which we consider as important in line with the determination that the Next Capital can be financially dependent for the "underbanked" group as part of a support to the foundation of a stable and sustainable Thai economy.

The Next Capital Public Company Limited (hereinafter referred to as NCAP) operates the business of providing career opportunities to people with understanding and care. We are a non-banking financial institution for public loans without deposits in the hire-purchase business but not under the supervision of the Bank of Thailand. We mainly focus on various services to retailers who wish to own motorcycles by making their purchase from dealers under a hire-purchase scheme to customers. Thus, they do not need to invest in cash at one time and it is considered as an alternative funding source for those who have no access to commercial banks or other financial institutions, in line with the concept that motorcycles are essential vehicles for most Thai people. Most of our customers regularly use motorcycles for their living and income generating activities.

The overall hire-purchase motorcycle market value in 2022 is approximately 100 billion baht from the total number of motorcycle sales of 1.8 million units per year. It is considered as a large market with a high growth in the future. Therefore, it is an opportunity for us to expand into new businesses with a progress towards financial services in the year of 2023.

Towards the goals of Next Capital, we are focusing on being financially dependent for the underbanked. Approximately one third of our customers have no NCB or credit bureau history. In this year, Next Capital commits to expand its capabilities to help such group of customers to increase their new customer base for more opportunities of efficient access to capital sources.

In 2023, we will continue to "extend" our being financially dependent to our customers by focusing on customer bases other than the motorcycle hire-purchase business of more than 200,000 persons. We have added the hire-purchase business of second-hand trucks for careers with relatively low risk. We have also expanded to the car title loan business which is a larger market than the motorcycle hire-purchase market. This can meet the needs of new customers of more than 15 million persons who cannot access credit sources in the system through a strategy of digital innovation for better services. The AI can help us analyze customer credits, with our commitment to be one of the leaders in the business of providing comprehensive credit services to meet the needs of all customer groups.

Sincerely,

Chaiwat Uthaiwan

Chairman of the Board of Directors



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Message from the Chief Executive Officer



Dear all shareholders and investors,

I'd like to use this opportunity to reflect on 2022 and share our view, core strategy and plan for 2023.

2022 was a very challenging year for consumer finance industry and our company. We faced a perfect storm.

Loan quality

- Our loan portfolio quality worsened in Q2 and Q3 2022 due to two major reasons. Our customers along with most Thai consumers, especially in lower income segments, experienced unprecedented inflation. Moreover, with the Covid re-opening our customers had pent-up demand on spending. Both factors cause our customer to spend more than usual and therefore have more difficulty to pay loan bills. We sell worsen loan quality across all lenders, including ours.

Increasing competition

- The hire purchase industry saw two new players enter the market in 2022. One player is well-funded and offered high incentives to dealers and front line personnels to gain market share. This leads to higher acquisition costs for the entire industry.

Rising cost of fund

- Leading by the fast rising US interest rate, Thai banks also raised their lending rate, causing higher cost of fund for all non-bank lenders, including us.

Regulator

- In 2022, Office of the Consumer Protection Board announced major regulatory changes controlling the hire purchase industry. The most significant negative impact to our HP MC is the interest cap of 23% per annum. For reference, the industry charge on average effective interest rates of 30% per annum. The lower of interest rate clearly cause significant reduction in interest income for all industry players.

2023 will be a brighter and exciting year for us. We are emerging from the perfect storm with stronger foundations.

- **Loan quality** has significantly improved with 1) our end-to-end revamp of loan quality control and 2) fast improving economic conditions, driven by the rebound in tourism, services and manufacturing industries. As a result, our HP MC loan portfolio quality now (at the end of Jan 2023) is at its best level since our company founding and is certainly among the best in the industry. We aim to keep this high loan quality level moving forward.
- **Competition** in HP MC has become more rational with the EIR23% cap. Acquisition cost is in the declining trend. Available sales volumes increase because many MC dealers who used to offer their own financing, are now turning to use financing players, and NEXT is often their preferred choice.
- **Costs:** our costs mainly consist of three parts
 - 1) Cost of fund (CoF): Given the rise in the Bank of Thailand interest rates, we expect our CoF to increase from last year. Fortunately, per our funding strategy we successfully raised our equity through an over-subscribed right offering (RO) round in the amount of THB2,025 mils in Q3 last year.
 - 2) Acquisition costs: with the new regulatory cap effective interest rate of hire purchase motorcycles at 23%, we expect acquisition costs to reduce significantly in 2023. As of March 2023, we are seeing the costs are trending down as expected already.
 - 3) Operating costs: our cost rationalization plan implemented in 2022 successfully yield cost reduction. Our SG&A to income ratio reduced from average 30% in 2021 to 25% in 2022.

Therefore, we are confident that our hire purchase motorcycle business will yield satisfactory profitable return RoA in 2023.

Process:

Our process optimization and digital transformation journey, which began in 2021, has progressed well as planned. Our loan origination and servicing are now mostly delivered digitally end to end. We can process over 85% of our applications within 20 minutes, resulting in good customer satisfaction.

Technology:

Our investment in technology is paying off with higher cost efficiency, faster service delivery speed and higher customer satisfaction. Our own in-house loan origination system and, credit scoring (both launched in 2022) gives us a competitive advantage with the feature 'pre-approve within 1 minute'. Moreover, our AI-driven Line customer service channel now serves over 93% of customer base without human intervention, yielding cost efficiency and user satisfaction.

People:

We have strengthened our team and people through training, coaching and attraction of key talents. Importantly, our team share the same core value NEXT, which we outline in the later section in this annual report.



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In 2023, Next will continue execute our mission of to grant financial dependence for customers the underbanked.

Financial dependence for customers



Our 2023 core strategy is to 'extend' and grow with quality. We have two key growth areas.

- 1) We 'extend' our capability in hire purchase to a new asset class, truck. Truck A truck is a kind of vehicle to earn a living. As long as a truck is running, it generates sufficient income for our borrowers to pay their loan. We manage our risks by qualifying our borrower well with their source of income, their capability and willingness to repay and reasonable value of collaterals and assets. We further reduce our risks by installing GPS location tracking in every truck.
- 2) We 'extend' our customer base to offer additional beneficial financial services. As of the end of 2022, we have well over 200,000 MC and truck customers that we can upsell and cross sell to.
 - Title loans for MC and trucks – as our customers pay down their loans and may need additional capital, we are here to help by offering top up loans. With our proprietary data, superior risk management and extensive area coverage, we can satisfy our customer's financial needs with fast speed, simple process and also relatively low risks to us. We will of course serve new customers too, but the initial focus will be our existing customers first.
 - Insurance – to help protect our customers and lower risks, we offer a range of insurance to our customers, e.g., lost car insurance, accident insurance Class 1/2/3, credit protection insurance. We will continue adding better and innovative insurance products to our customer in 2023.

2023 will be an exciting year for us. Many challenges are still ahead. Next is ready with stronger foundations. We look forward to delivering good results to our customers, shareholders, and our society. Thank you for believing in us.

Best Regards,

Punnamas V.

CEO

SECTION 01

BUSINESS STRUCTURE AND OPERATION





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1. The Group Company's structure and operations



1.1 Policy and overall business conduct

The Next Capital Public Company, Limited (hereinafter referred to as the “Company”) aims to become one of the leaders in the financial business that can provide services alongside its customers and partners, as well as use technology to drive business under the Digital Transformation Journey Strategy with the core business being the provision of hire-purchase loans for motorcycles and secondhand trucks.

Over the 18 years of business path since its establishment on August 17, 2004, with a registered capital of 8.00 million baht under the name of BAF(Thailand) Co., Ltd. by Mitsui & Co., Ltd. as a Company in the Mitsui Group of Japan to operate the motorcycle hire purchase loans for Yamaha motorcycles only (Captive Finance) until the Company was able to expand the scope of its business to provide hire-purchase loans for other motorcycle brands such as Honda, Vespa, Kawasaki, Suzuki, etc.

In 2020, the Company transformed into a public company and increased its registered capital to 450 million baht and offered shares to the public for the first time (Initial Public Offering: IPO) in November 2020. It was a successful step in driving the organization towards sustainability and preparing to expand its growth towards becoming a fintech leader, as well as driving the Company to grow in the digital economy era.

In 2022, the Company increased its registered capital to 806.50 million baht and has a paid-up registered capital of 675.00 million baht with the Company's major shareholders at the end of 2022 being Com7 Public Company Limited (hereinafter referred to as “COM7”) and Synex (Thailand) Public Company Limited (hereinafter referred to as “SYNEX”) who hold 34.32 and 26.98 percent of the registered and paid-up capital, respectively.

For 2023, the Company has set goals to drive the Company's sustainable growth by taking into account the Environment, Society and Governance, ready to move forward with the use of new technologies and innovations to support the operations to achieve maximum efficiency along with a financial service platform that is flexible and expandable.

1.1.1 Vision, Mission and Goals of the business

Vision

The Company strives to be one of the leaders in the financial business with service excellence and modern systems to support services throughout the country.

Mission

ORGANIZATION

Develop a standardized structure and work process that is transparent and fair for efficiency and effectiveness in conducting business with stability and sustainability.

CUSTOMER

Create satisfaction in service with fairness.

BUSINESS PARTNERS

Build relationships and trust for a long-term business cooperation.

SHAREHOLDER

Create a good return on investment with a sustainable growth.

EMPLOYEE

Develop personnel to have the knowledge and ability to perform their work as well as raise the employee's quality of life.

SOCIETY

Operate business by being involved in the development of society and the environment.





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Core values

The Company's vision and mission is based on the corporate value of "NEXT" as follows:

NEXT

Next

Dare to change and create something new for our customers and organization.

Empathy

Understand and empathize with customers, partners, and colleagues, as well as deliver good value.

eXpertise

Be professional, learn, and develop continuously.

Teamwork

Be united and work as a team.

Ethics

Behave honestly and ethically.

Operating goals

We strive to be number 1 in the mind of our customers (Company of Choice) by cultivating the corporate core values to the personnel and bringing information technology to use in creating new business innovations (Innovative and Creative Business) within 3 years to provide quality loan services to the customers and to build sustainable growth.

1.1.2 Key changes and developments

1

2004



The Company was registered on August 17, 2004 under the name “Baf (Thailand) Co., Ltd.” with a registered capital of 8.00 million baht to conduct a business on providing loans for the hire-purchase of Yamaha motorbikes only. The Company’s headquarter is in Bangkok.

2

2005



The Company increased its registered capital by 2.00 million baht from the previous 8.00 baht, totaling 10.00 million baht with par value of shares at 10 baht each to be used as working capital within the business. The Company called for the full share value and registered the change in the paid-up capital with the Ministry of Commerce on September 27, 2005.

3

2006 - 2013



The Company has registered the establishment of additional branch offices in the Central region, the Northern region, Northeastern, Eastern, Southern, and Western regions, totaling 35 branches, resulting in the Company having 36 branch offices including the head office in 2013.

4

2014



The Company expanded its scope of business from lending to only the hire-purchase of Yamaha motorcycles to providing loans to the hire-purchase of other motorcycle brands, including Yamaha, Honda, Vespa, Kawasaki, and Suzuki. Furthermore, the Company began to provide Business-to-Business (B2B) loan services.

5

2015



The Company registered to set up additional 1 office branch in the central region. The Company terminated the operations of 10 office branches, which include 1 branch in the central region, 2 branches in the eastern region, 2 branches in the northern region, 2 branches in the western region, and 3 branches in the southern region, and resulted in the Company having a total of 27 office branches, including the head office in 2015.

9

2016



- The Company registered to set up additional 1 office branch in the central region. The Company terminated the operations of 2 office branches, 1 branch in the central region and 1 branch in the northeastern region, which resulted in the Company having a total of 26 office branches, including the head office in 2016.
- The Company has moved its head office to Thai Samut Building, 15th floor, Surawong road, Suriyawong sub-district, Bangrak district, Bangkok 10500 in August 2016.



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10



2017

- The Company increased the registered capital of 0.10 million baht from the original registered capital of 10.00 million baht to 10.10 million baht with the par value of 10 baht per share in order to adjust the shareholding structure. The Company called up the full value of the shares and registered the change of the paid-up capital with the Ministry of Commerce on June 7, 2017.
- On June 26, 2017, the Company restructured its shareholding structure, whereby the Mitsui Group reduced its shareholding proportion to 25% and a new group of shareholders took over the Company, namely Com7 Public Company Limited holds 30%, Synex (Thailand) Public Company Limited holds 30%, Vista Investments Limited holds 7.5%, and Mr. Patinya Dheva-aksorn holds 7.5%, which in total equals to 75%, of the registered capital. The new group of shareholders purchased shares from the Mitsui Group at a price of 2,222 baht per share and the Company decreased the registered capital from the original registered capital of 10.10 million baht to 4.02 million baht by reducing the 510,000 preferred shares held by Mitsui Bussan Co., Ltd. And 98,000 shares held by Mitsui & Company (Japanese juristic person) with a par value of Baht 10 per share. Shareholders who bought shares from the Mitsui Group certified that the withholding tax has been made and submitted to the Revenue Department. With respect to the capital reduction, the Company certifies that the withholding tax has been made for the return of capital to foreign juristic shareholders and has been submitted to the Revenue Department as well. In addition, the Company provided an independent legal advisor to review the aforementioned change in shareholder structure and reported the results to the Board of Directors' Meeting No. 5/2020, consisting of independent directors and audit committees,

attended the meeting on June 29, 2020. It can be concluded that 1) the Company has no duty or responsibility or be affected in relation to the payment or non-payment of income tax from the sale of shares under the share purchase-sale agreement between the shareholders and 2) from the date of August 5, 2004, to March 16, 2020, the non-Thai shareholders of the Company amounted to less than half of the Company's registered capital at that time (less than 50% of the Company's registered capital) and therefore it did not operate a business in a manner that violates or does not comply with the Foreign Business Act in any way.

11



2018

- The Company registered to set up additional 1 office branch in the southern region. The Company terminated the operations of 1 office branch in the northern region, which resulted in the Company having a total of 26 office branches, including the head office in 2018.
- In August 2018, Com7 Public Company Limited sold 10,055 shares to Mr. Praphan Phornthanavarsit, which represented 2.50% of the total shares. Synex (Thailand) Public Company Limited sold another 10,055 shares to Mr. Praphan Phornthanavarsit, which represented 2.50% of total shares. This resulted in Mr. Praphan Phornthanavarsit holding 20,110 shares of the total Company shares, which represented 5.00% of the total Company shares.
- On February 20, 2018, the Company increased its registered capital by 295.98 million baht from the previous 4.02 million baht, totaling 300.00 million baht, par value at 10 baht per share, to use as working capital in the business. The Company has called up the full value of the shares and registered the change of the paid-up capital with the Ministry of Commerce.

12

2019



- The Company terminated the operations of 1 office branch in the central region, which resulted in the Company having a total of 25 office branches, including the head office in 2019.
- In March 2019, Mitsui Japan Group sold 12.50% of its shares to Com7 Public Company Limited, and another 12.5% was sold to Synex (Thailand) Public Company Limited, totaling 25% of the registered capital. The shares were bought at 32.664 baht each.
- The Company changed its name from BAF (Thailand) Co., Ltd. to Next Capital Co., Ltd. and the Company name change was registered on July 1, 2019.

13

2020



- In March 2020, the Company's shareholders meeting of 2020 resolved to approve the Company's transformation from a Limited Company to a Public Limited Company. The registered capital was increased by 150.00 million baht from the previous 300.00 million baht, totaling 450.00 million baht to offer to the general public. The par value of each share changed from 10.00 baht to 0.50 baht per share. The Company was listed in the Stock Exchange of Thailand (SET) and has registered the conversion from a limited company to a public limited company in accordance with the Public Limited Companies Act 1992 (including amendments) on March 25, 2020.
- The Company has launched its Initial Public Offering (IPO) for the first time, offering subscription between October 30, 2020, and November 2-3, 2020 at the offering price of 2.20 baht per share, the total number of shares offered for sale 300,000,000 shares totaling 660.00 million baht. SET announced the listing of the Company's securities on November 6, 2020, and the Company's shares began first trading on November 9, 2020.
- Com7 Public Company Limited and Mr. Praphan Phornthanavarsit received 65,375,000 shares from the Company in the Initial Public Offering (IPO) or 21.79 % of the total number of shares offered by the Company and 350,000 shares or 0.12% of the total number of shares offered by the Company at the price of 2.20 baht per share.



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14



2021

- On June 4, 2021, the Board of Directors' meeting resolved to approve the establishment of a subsidiary, namely Next Money Company Limited (Next Money Co., Ltd.).
- Next Money Company Limited was registered with the Ministry of Commerce on August 26, 2021, with a registered capital of 50.00 million baht at par value of 100 baht per share, and the objective of business operations in the personal loan service (Personal Loan) and personal loan under supervision (Loan with Vehicle Registration as Collateral). Currently, the Company holds 80.00% of the total shares of Next Money Company Limited.
- On July 15, 2021, the Company held an Extraordinary General Meeting of Shareholders No.1/2021, which resolved to approve the issuance and offering of warrants to purchase common shares of the Company by allocating to the Management (including executives in the position of directors of the Company and/or its subsidiaries), and/or employees of the Company and/or its subsidiaries for the 1st time (NCAP - ESOP W1) in the amount of not more than 38,000,000 units and not more than 5 years without charge. The exercise ratio of warrants is 1 unit per 1 common share and the exercise price is 16 baht per share.
- The Company increased its registered capital by 19.00 million baht from the previous 450.00 million baht, totaling 469.00 million baht, by issuing 38,000,000 newly issued common shares with a par value of 0.50 baht per share.

15



2022

- The Company has registered the establishment of 3 additional branch offices in the Central and the Southern regions, resulting in the Company having a total of 28 branch offices including the head office in 2022.
- On April 21, 2022, the Company held the 2022 Annual General Meeting of Shareholders, which approved increasing the Company's registered capital to the amount of 337.50 million baht by issuing 675,000,000 additional ordinary shares with a par value of 0.50 baht per share. The offering was divided into: 1) offering to the existing shareholders of the Company in proportion to their shareholdings without allocating such to shareholders who will make the company liable under the foreign laws in the amount of 450,000,000 shares, offered for sale at 4.50 baht per share; and 2) offering to support the exercise of warrants (NCAP-W1) in the amount of not more than 225,500,000 shares free of charge. On June 16, 2022, the Company received payment from the issuance of newly issued ordinary shares with a total value of 2,025.00 million baht.
- On June 16, 2022, the Company received payment from the issuance of the newly issued ordinary shares for sale to the existing shareholders in proportion to their shareholdings without allocating to shareholders who will cause the Company to be liable under foreign law at the amount not exceeding 450,000,000 shares with a par value of 0.50 baht offered at 4.50 baht per share, totaling at 2,025.00 million baht.
- On June 17, 2022, the Company increased the registered capital of 337.50 million baht from the original registered capital of 469.00 million baht to a new registered capital of 806.50 million baht, with a paid-up capital of 675.00 million baht.
- As a result of the Company's issuance of new ordinary shares, the major shareholder structure of the Com7 Public Company Limited has changed from 33.93% to 34.32% of the original shareholding and Synex (Thailand) Public Company Limited has changed from 26.67% of shares held to 26.98% due to the capital increase in accordance with the allocated ratio of the amount.
- On December 31, 2022, the company was certified as a member of the Private Sector Collective Action Coalition Against Corruption (CAC).

1.1.3 Spending of finance obtained by fundraising.

The Company has offered to sell newly issued ordinary shares to existing shareholders of the Company according to the proportion of their shareholding without allocating to shareholders who will cause the Company to be liable under foreign law at a total of 450,000,000 shares at the value of 4.50 baht per share from June 7, 2022 – June 22, 2022. The Company received income from the sale of such newly issued ordinary shares at the amount totaling 2,023 million baht after deducting expenses related to the offering of securities, which the money has been used according to the objectives and the remaining balance as of December 31, 2022, is as follows:

Objectives for financial spending	Net amount received from the offering of newly issued shares	Amount spent in 2022 (million baht)	Balance as of 31 December 2022 (million baht)
Working capital for business operations	2,023	1,648	375
Total after expenses	2,023	1,648	375

1.1.4 Obligations on the registration statement and or the conditions of the office's permission

To maintain the status of a listed company on the stock exchange, the Board of Directors will ensure that the Company does not have a conflict of interest in accordance with the criteria set out in the Notification of the Capital Market Supervisory Board. When there is a case that may create a conflict of interest between Com7 or SYNEX and with the Company, which is in violation of the Memorandum of Understanding dated March 26, 2020, the Board of Directors will consider taking actions in the best interest of the Company. Including the processing of claims and / or expenses from the contractor, the directors with interests must abstain from voting.

However, according to the announcement of the Capital Market Supervisory Board No. TJ. 39/2559 Re: Application and Approval for Offer for Sale of Newly Issued Shares (Code), stipulated that throughout the period that the Company is obliged to comply with the criteria specified in the Notification of the Capital Market Supervisory Board issued under the provisions of Section 56, the Company must comply with the obligations specified in the application for approval or registration statement and draft prospectus. Including proceeding for the shareholders, major directors, executives, and controlling persons to also comply with the aforementioned conditions. Except in the case of any of the following characteristics: (A) In the event that the Company receives a resolution from the shareholders' meeting that it is possible to perform other acts with no less than three-fourths of the votes from shareholders who attend the meeting and have the right to vote without objections from 10 percent of the total number of votes of shareholders who attended the meeting and have the right to vote. (B) In the event that the Company makes insignificant changes to the purpose of funds spending which is in accordance with the criteria specified by the office.

1.1.5 Company Information

Name of the Company (Thai)	: บริษัท เน็กซ์ แคปิตอล จำกัด (มหาชน)
Name of the Company (English)	: Next Capital Public Company Limited
Company registration number	: 0107563000053
Date of Company registration	: 17 August 2004
Date of conversion to Public Company Limited	: 25 March 2020
Nature of business	: The Company operates a business of providing hire-purchase loans for motorcycles.
Contact person	
Head office location	: No. 163 Thai Samut Building, 15 th floor, Surawong Road, Suriyawong subdistrict, Bangrak district, Bangkok 10500
Phone number	: 02-342-9699
Fax	: 02-342-9688
Website	: www.nextcapital.co.th
Registered capital	: 806,500,000 Baht (as of 31 December 2022)
Capital issued and paid	: 675,000,000 Baht (as of 31 December 2022)



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1.2 Business Nature

Next Capital Public Company Limited (Company) is classified as a financial institution that provides loans to the public but does not accept savings (Non-Bank). It conducts a lending business for hire-purchasing that is not under the governance of the Bank of Thailand. The Company focuses mainly on servicing retail customers who would like to own a motorbike by buying the motorbikes from dealers and offering the customers to hire-purchase the motorbikes. This helps the customers by not having to invest all their cash at once. It is considered as an alternative for funds for the customer segment who do not have the access to loans from commercial banks or other financial institutions. The Company reaches its customers via local dealers who are the Company's business partners. In 2022, the Company started the business of hire Second hand trucks to support customers who want to own trucks for use in their own businesses.

1.2.1 Revenue structure

The Company's revenue structure for the years ended December 31, 2022, 2021 and 2020 is detailed as follows:

Revenue structure	2022		2021		2020	
	Value (million baht)	Proportion (%)	Value (million baht)	Proportion (%)	Value (million baht)	Proportion (%)
Revenue from hire-purchase	1,510.82	78.61	1,028.31	74.41	880.14	77.11
Revenue from fees and service charges	180.11	9.37	143.60	10.39	100.80	8.83
Revenue from hire-purchase loans	1,690.93	87.98	1,171.91	84.80	980.94	85.94
Other revenue	230.92	12.02	209.98	15.20	160.46	14.06
Total revenue	1,921.85	100.00	1,381.89	100.00	1,141.40	100.00

The Company's main revenue comes from the interests of the hire-purchasing contracts which represents approximately 74 - 79% of the total income. The interest income from hire purchase contracts is recognized as income for each accounting period in a manner that reflects the effective interest rate for each period of the net investment outstanding under the lease agreement. The Company will recognize interest income for hire purchase receivables with credit impairment and the net book value of financial assets with the expected credit loss allowance.

The income from fees and service charges are from motorbike registration service, motorbike insurance service, and income from debt collection. Other income includes recovery of bad debt, fines for default and others.

1.2.2 Product information

1. Characteristics of products or services and business innovation development

1. Business of providing loans for hire-purchase of new motorcycles

The Company operates its main business by providing hire purchase loans for motorcycles. The ownership of the motorcycle will remain with the Company until the hirer pays the installment according to the amount and period specified in the hire purchase agreement in full. Currently, the Company focuses on providing hire purchase loans for new motorcycles, accounting for approximately 95.76% of the total hire purchase receivables at the end of 2022, comprising a 99.44% of retail hire purchase. The hirers who are corporate employees of various legal entities (B2B) accounted for 0.29% and the hire-purchase of the motorcycle rental business accounted for approximately 0.27%. The approval of the credit line is determined by the income of the hire purchaser compared with the selling price of the motorcycle according to the brand and model that the hirer wants, as well as the hire purchase interest rate in order to analyze the payment capability of the hire purchase, which is mainly the amount approved by the Company. It varies according to the retail price of the brand and model of the Motorcycles in the market. Currently, the company has divided the motorcycle segment for credit consideration based on the size of the engine. The size of the engine between 110 - 149 CC or the small bike group has an average retail price of 30,000 - 60,000 baht. The size of the engine between 150 - 249 CC or the top small bike group has the average retail price of about 80,000 - 100,000 baht. For engines from 250 CC or more or medium bike groups including big bikes, the retail price is quite high and varies according to the size of the engine and accessories that are included with the bikes, with a

retail price from 100,000 baht up to a million baht. However, the Company sets the term of hire purchase loan for all models and all brands of motorcycles in a period of 12 to 60 months, with the proportion of the Company's hire purchase interest income divided by the size of the motorcycle engine is as follows:

Type	Engine size	2022	2021	2020
Small Bike	110 - 149 CC	64.61	60.63	58.99
Top Small Bike	150 - 249 CC	28.37	32.09	33.54
Medium Bike	250 - 699 CC	6.96	7.24	7.35
Big Bike	700 CC and above	0.05	0.04	0.12
Total		100.00	100.00	100.00

Regarding the method to apply for a motorcycle hire purchase, a hire purchaser can request a loan service from more than 817 motorcycle dealers ("dealers") who are the Company's partners across the country. The Company has made an agreement with dealers to introduce customers to the Company's credit services with a mutually agreed upon commission. In this regard, at the end of 2020 - 2022, the Company did not have any dealers that account for more than 30% of the total hire purchase receivable.

2. Second hand motorcycle hire purchase business

In the event that the hire-purchaser is unable to make the payment in accordance with the repayment period, the Company has to collect outstanding debt in accordance with the regulations laid down by the Company and it is imperative to seize the motorcycle which is still legally owned by the Company. The Company will then bring the motorcycles to the auction grounds for auction. In which, if a motorcycle dealer who is a partner of the Company has participated in the auction and brought the auctioned vehicle to be resold, the Motorcycle dealer will contact the company to provide credit services to the customers who bought the auctioned vehicle.

At present, the Company provides a secondhand motorcycle hire purchase loan through the motorcycle dealer who has auctioned a used motorcycle that was previously owned by the Company and was not owned by the Company at the auction grounds designated by the Company. In this regard, the Company provides hire purchase loans for used motorcycles, accounting for approximately 4.24 percent of the total hire purchase receivables at the end of 2022. However, the Company provides hire purchase loans for all models of used motorcycles for all brands, ranging from 18 to 36 months.

3. Second hand truck hire purchase business

In 2022, the company offers a used truck hire purchase loan service for customer groups consisting of individuals and juristic persons who want to have the ownership of trucks for use in business operations. The company's credit line approval will be based on the income of the hire purchase customers in comparison with the purchase price or the appraisal price of used trucks, including the interest rate for the hire purchase and installment period to analyze the their ability to pay the installment. The Company considers the interest rate according to the market, depending on the truck brand, car type, year of registration, installment period from 36 to 72 months and the age of used truck is not more than 25 years from the first year of registration plus installment period.

4. Other services

In addition to providing hire purchase loans, the Company also provides services related to credit services as an additional service to customers, including motorcycle and second hand truck registration service with the Department of Land Transport, insurance coordination service, including right transfer service.

If the hire-purchaser does not intend to continue to pay installments to the Company, the Company has given the opportunity for the hire-purchaser to recruit a new hire-purchaser to apply for a loan by changing the name of the installer under the contract to pay the installment for the next installment according to the original contract. The new hire-purchaser is required to submit documents for hire purchase, the same as in the case of new motorcycle hire-purchase in all respects.



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2. Marketing and Competition

(A) Marketing of essential products and services

(1) Providing fast service to customers under a tight credit policy

The Company focuses on providing convenient and fast credit services under a tight credit policy framework, providing services through 27 branches (as at the end of 2022) in Bangkok and various regions nationwide, focusing on provinces that are important districts of each region such as Bangkok, Nakhon Sawan, Nakhon Ratchasima, Khon Kaen, Chiang Mai Chonburi, Nakhon Si Thammarat, Surat Thani, Phuket, Songkhla, etc. to be able to support the most comprehensive service to customers. The company will consider market opportunities in different areas in order to plan the dispatch of credit service officers (Checker) stationed in each area. For Motorcycle dealerships that have recommended a lot of customers to the Company, the Company will send a credit service officer (Checker) stationary to provide prompt services to customers who would like to purchase a new motorbike. As for Motorcycle dealerships that still have a small number of customers, the Company will assign checker according to the zone, with one officer being responsible for servicing 1-2 dealers in the area. In addition, there is a replacement job, for example, in the event that the responsible checker in the area is in the process of site visit, the Company will coordinate with other checkers in the area to replace as soon as new customers arrive, so they can provide immediate customer service. The Company's credit service staff (Checker) will receive training in the analysis and assessment of the basic credit burden capability, as well as instilling a corporate culture to be responsible and aware of the impact of unqualified credit as a preliminary screening of customers and reviewing information. The checker will also receive training on the preparation of documents for applying for hire purchase loans completely and accurately in accordance with the credit policy framework of the company before sending to the credit approval department for consideration, which increases the speed in the process of approving credit to customers. Currently, the credit review result can be reported within 30 to 45 minutes and the hire-purchase can receive a motorcycle from a Motorcycle dealer immediately after receiving credit approval.

Regarding the installment payment, the Company has increased the convenience of payment of installments for the hire purchase by the Company has entered into an agreement with an agent to accept payments for goods and services with partners so that the hirer can pay for the service through 3 agents which are (1) Counter service at every branch (2) All Thai Post Office branches (3) Tesco Lotus, every branch where the hirer will receive a card "Next Club Card" contains information of the lessee to be used in the payment of installments to such agents. This is to facilitate the payment of installments to the hirer. In addition, the hire-purchaser can pay for services through commercial banks, both at the bank and through the application of commercial banks (Mobile Banking) that provide services in the form of Bill payment.

(2) Building relationships and confidence with trading partners

The Company started its business as a single brand motorcycle hire-purchase loan provider (hereinafter referred to as Captive Finance), which has a strategic advantage through joint marketing with motorcycle manufacturers and local dealers. The Company has a very good relationship with Yamaha dealers in Thailand. Later, when the Company began expanding its business to provide hire purchase loans for other brands of motorcycles such as Honda, Vespa, Kawasaki and Suzuki, the Company gained trust and was able to continuously create new business partners in the dealership group.

To maintain relationships and build confidence among partners, the Company has a plan for mutual sustainable growth with partners who are motorcycle dealerships. The management of the Company will conduct site visits to exchange ideas and views on the market overview in each area in order to jointly plan joint promotional activities with distributors, such as set up promotional booths or giving souvenirs, including listening to suggestions on the work of the employees and the credit policy of the Company to improve the service. In addition, the Company also organizes marketing promotion activities such as organizing travel programs for dealers that introduce clients to the Company according to the specified target or adjusting the compensation rate to introduce clients at certain times to build relationships and stimulate mutual business growth.

(3) Human resource development for work efficiency

The company places great emphasis on human resource development by promoting hiring of local employees who will receive training and knowledge and instill “NEXT values” that is to have courage to create changes and innovations with ethics, integrity, understand and empathize with customers, partners, and colleagues, professional at work, and ready to work as a team. The Company believes that providing good service starts with a positive attitude of the service provider and the focus on hiring local staff promotes engagement and accountability rather than hiring non-local employees who are more likely to change jobs. In addition, having local employees to provide credit services (Checker) makes employees familiar with dealerships and can help them review the history of the hire purchaser in each area more easily. Employees stationed at various branches receive a centralized knowledge development at the headquarters through the annual training of each division and monthly branch head meetings, which the Company can now conduct via Tele Conferencing to ensure that each branch works in the same direction. In addition, the Company also manages each branch to be able to do the work of other branches in the area as well for substitution. The Company has a policy to recruit and hire executives who are experts in the hire purchase business to manage in order to develop and expand the knowledge of the Company. The Company will benefit from sharing knowledge and experience of expert executives in each field, resulting in operational employees receiving continuous rapid and high-quality techniques and operational experience.

(4) Developing a modern, convenient and fast work system

The Company places great importance on the continuous development of the working system by applying business intelligence in the preparation of reports to analyze and assess potential trends, enabling the Company to analyze the results of the loan lending, the root cause problems and set work guidelines to suit the situation. For example, the analysis of receivables divided by income and occupation groups to adjust credit policy for various professional customer groups in each area, or analysis of income by branches and motorcycle dealerships to adjust the remuneration of the motorcycle dealerships. Suitable etc.

In addition to implementing business intelligence for analysis and planning, the Company plans to continually develop its work, in the process of adopting new information systems in every workflow, starting from the adoption of applications to receive customers applying for credit instead of filling in information in the form by credit service staff (Checker), using information system to process customer quality (Credit Scoring) to increase the accuracy of credit analysis, together with the assessment by credit approval department officers and the use of the system Information, which increases the convenience and speed in preparing financial reports, etc.

(5) Having a strong capital base from stable shareholders

As the major shareholder of the Company is a listed company on the Stock Exchange of Thailand which is financially stable and able to provide financial assistance in the event that the Company experiences a lack of financial liquidity during certain periods or there is insufficient working capital for growth expansion. However, such assistance must be in accordance with relevant rules and conditions, including the consideration of such shareholders, taking into account the interests of all stakeholders as shareholders of a company listed in the Stock Exchange of Thailand. The Company has a policy to obtain sufficient funding sources by itself through borrowing from financial institutions including raising capital from the public in the form of debt and equity instruments.



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Target customers

Motorcycle hire purchase business

The company's target customers are customers who have a need for motorcycles but do not want to pay by cash at one time. The customer is able to possess and use the hire-purchased property and the ownership will be transferred to the customer once the installment has been paid in full as per the contract. Currently, the Company's hire purchase applicants are natural persons whose objective is to acquire assets that are mostly leased for use, accounting for approximately 99.44% of the total hire purchase receivable value at the end of 2022. The company has a policy to limit the leasing of hire purchase loans to customers who have the objective to use the assets for no more than 3 contracts per person. In this regard, the Company has divided the individual customer groups, which are the Company's main customers, into 2 occupations in order to formulate credit policies in accordance with the risks of each group as follows:

1. Normal occupation group consists of 2 sub-groups which are (1) those who have regular income, namely the civil servant group or private companies' employee or permanent employees, etc. The company will consider documents showing income such as payroll slips or salary certificates of customers for credit approval and (2) self-employed groups such as farmers, merchants, contract workers, etc. The company will consider financial status documents such as bank passbooks for credit approval.
2. Special Occupational Groups: (1) Entrepreneurs or employees in entertainment business such as pubs, karaoke bars (2) Entrepreneurs in construction business that are not registered (3) Cleaning and security personnel (4) Independent work groups such as motorcycle taxi, taxis without a public driving license, independent child care service, independent laundry service (5) General employees who are not company employees such as construction workers, store employees (6) Business owners who does not have a storefront, for example Online businesses (7) Persons who do not have a fixed business establishment, such as hawker stalls etc. The company will consider documents showing financial position such as a bank passbook, together with credit payment history or having a guarantor for credit approval and having to go through a deviated case approval process from a marketing manager at general manager level or marketing department manager according to the approval authority set by the Company.

In addition to the individual customers who have the objective of owning the assets that have been hire-purchased for use as mentioned above, the Company also provides hire-purchase loans to customers who aim to use their assets in motorbike rental business which accounts for approximately 0.27% of total hire-purchase receivables at the end of 2022. The hire purchase of such customers will be fixed as a credit limit of the customer's annual net income based on the financial status and various qualifications according to the credit policy set by the Company. Most of the Company's top ten customers are now classified as hire-purchasing customers to provide motorbike services.

Second hand truck hire purchase business

- 1) Individual customers - They are general customers who want to hire purchase trucks as their own income generation. Individual customers must have stable careers and verifiable income, such as full-time employees, shop owners, farmers, or individuals who have their own businesses.
- 2) Juristic person customers – They are a group of customers who are registered as juristic persons, such as partnerships or limited companies being registered not less than 1 year, with the objective of hire purchase trucks for use in businesses or income generation according to their current business operations.

Credit rate setting policy

In providing motorcycle hire purchase loans, the Company determines a limit on the retail price of motorcycles that the motorcycle dealership sells to customers based on the ability of the hire purchase. As for the interest rate, it is determined by the following factors:

1) Financial costs of the company

Since the financial costs of the company come from borrowing from financial institutions and major shareholders who have interest burden, the company has fixed the interest rate which must not be lower than the cost of the company. This is done by analyzing the investment portfolio in order to let the company know the worthiness of the investment, which will give the return on each product group how it should be credited to each customer group or product group.

2) Competitive conditions

The Company determines the interest rate to be competitive with the same business operators as the Company, depending on the economic, political and market conditions in each period according to the market mechanism. The hire purchase interest rate of the company presented to the customer (flat rate) is approximately 0.3 - 2.0 percent per month or equivalent to the effective interest rate of approximately 0.5 - 3.5 percent per month. As of December 31, 2022, the effective interest rate of the Company's hire purchase portfolio is approximately 2.7% per month.

The current credit lines and interest rates of the company are classified by motorcycle groups, which can be summarized as follows.

category	Credit limit (according to the motorcycle price)	Interest rate per month
Small Bike	~ 30,000 - 90,000 baht	~ 0.54% - 2.10%
Top Small Bike	~ 30,000 - 140,000 baht	
Medium Bike	~ 100,000 - 300,000 baht	~ 0.27% - 1.20%
Big Bike	~ 200,000 - 600,000 baht	

In providing hire purchase loans for second hand trucks, the Company focuses an importance on considering the qualifications of loan applicants and guarantors to assess the ability to repay debts of the loan applicants, including the verification and assessment of collateral quality for determining appropriate credit limit.

The Company has a policy to determine interest rate for hire purchase of second hand trucks by considering interest rates in accordance with the market, cost of finance, and credit risk as appropriate.

Distribution and distribution channels

At present, in the business of providing motorcycle hire purchase loan, it must rely on the means of offering services through motorcycle dealers. Dealers are therefore an important player in determining the credit terms of each service provider by presenting the terms of the credit providers that they think are appropriate to the customers who come to purchase motorcycles for a preliminary consideration. At present, the hire-purchaser can come to request for motorcycle hire purchase loan services through the motorcycle dealerships that are the Company's business partner, where the Company has arranged for checkers to be stationed at the dealership or in the vicinity of the dealership to be ready to serve customers. Currently, all loans that the Company provides are done through dealers. However, if the hire-purchaser wishes to contact the Company directly to apply for loans, they can contact any of the Company's 26 branch offices nationwide, the Company will coordinate with partner dealers to provide service to the customers. In the future, the Company plans to increase distribution channels by providing services through the Company's website and applications where the hire-purchaser can download documents through the system without having to travel to the Company's agency or office branch, and the motorbike can be picked up at the dealership as usual. The Company is currently in the process of developing and testing programs to provide such services.



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As of December 31, 2022, the Company has more than 817 distributing partners in various areas nationwide, and in 2019 - 2022, the Company has no motorcycle dealers accounted for more than 30% of total hire purchase receivables.

(B) Competition status

Currently, there are many motorcycle hire-purchase business operators, resulting in the fierce competition in the motorcycle hire purchase loan market in terms of the speed of credit approval. In terms of interest rate diversification, motorbike rental entrepreneurs can be categorized into three main groups: (1) The commercial bank group and the bank's subsidiaries. (2) The credit service provider group, which is a group of motorcycle manufacturers and the official distributor of motorcycle manufacturers (Captive Finance), and is the operator financially supported by the Company's parent company or the motorcycle manufacturer itself and has a common marketing business relationship with dealers but are limited in providing credit to specific motorcycle-makers; and (3) Non-Banks Loan Service Provider which focuses on retail customers or customers who do not have access to the credit of the financial institution group and are not restricted from motorcycle brands.

The Company is considered a non-commercial bank lending service provider with branches scattered in each region of the country. The Company's management estimates that the major operators operating similar businesses with the Company are listed as follows:

1. Group Lease Public Company Limited ("GL")
2. S11 Group Public Company Limited ("S11")
3. Thitikorn Public Company Limited ("TK")
4. Summit Capital Leasing Company Limited ("Summit")
5. T Leasing Company Limited ("T-Leasing")
6. WorldLease Company Limited ("WL")
7. Highway Company Limited ("Hi-Way")
8. Ayudhya Capital Auto Lease Public Company Limited ("AY")
9. S Leasing Company Limited ("S Leasing")

The information of the large entrepreneurs operating similar businesses with the Company can be summarized as follows:

Company in the industry		Motorcycle Hire-Purchase Business			
Company name	NEXT Capital Public Company Limited	Group Lease Public Company Limited	S Company 11 Group Public Company Limited	Thitikorn Public Company Limited	Ayudhya Capital Company Auto Lease Public Company Limited
Year Established	2547	2529	2554	2515	2538
No. of years in business	18	36	11	50	27
Paid-up Capital (Million Baht)	675.00	762.77	613.00	500.00	25,545.00
Total income for the year 2021 (Million baht)	1,381.89	2,029.70 ¹	1,823.18	2,002.38	6,758.84
Business Nature	Provide motorcycle hire purchase loans.	Provide hire purchase loan and credit services. The main businesses of its overseas subsidiaries are business advisory, business credit, investment management, hire purchase loans, and retail credit for consumers and small businesses under joint credit management.	Provide motorcycle hire purchase loans.	Provide motorcycle and auto hire purchase loans.	Provides a wide range of hire purchase loans, both finance leasing and other service loans.

Company in the industry		Motorcycle Hire-Purchase Business (Continue)			
Company name	Summit Capital Company Leasing Co., Ltd.	T Leasing Company Limited	World Lease Company Limited	Highway Company Limited	S Leasing Company Limited
Year Established	2537	2536	2537	2521	2563
No. of years in business	28	29	28	44	2
Paid-up Capital (Million Baht)	150.00	3,500.00	600.00	600.00	50.00
Total income for the year 2021 (Million Baht)	3,888.32 ²	1,395.69	1,186.15	2,629.69	895.13
Business Nature	Provide motorcycle hire purchase and personal loan services.	Provides financial lease services for motor vehicles.	Provide motorcycle hire purchase service.	Provide motorcycle hire purchase service.	Provide vehicle hire purchase loans.

Note :

1. Total revenue of Group Lease Public Company Limited is the income of 2020.
2. Total revenue of Summit Capital Leasing Company Limited is the income of 2022.

However, the operators compared may not be able to directly compare with the Company as each operator may not operate the motorcycle hire purchase business alone, depending on the different business policy of each company.



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Second hand truck hire purchase business

At present, the collateralized and unsecured second hand truck hire purchase business operators who are not financial institutions and very much compete with other operators in the industry are mostly the hire purchase loan operators and loan operators with vehicle registration as collateral who have a license to conduct personal loan business under the control of the Bank of Thailand.

The main non-financial operators in the same industry as the Company include Asia Sermkij Public Company Limited ("ASK"), Ngern Tid Lor Public Company Limited ("TIDLOR"), Srisawad Corporation Public Company Limited ("SAWAD"), Sak Siam Leasing Public Company Limited ("SAK"), and Micro Leasing Public Company Limited.

Companies in the industry		Second hand truck hire purchase business			
Name of companies	Asia Sermkij Public Company Limited	Ngern Tid Lor Public Company Limited	Srisawad Corporation Public Company Limited	Ratchathani Leasing Company Limited public company	Micro Leasing Public Company Limited.
Year of establishment	2527	2549	2551	2545	2537
Number of years in business	38	16	14	20	28
Paid-up capital (million baht)	1725.00	2497.33	1492.01	5,663.03	935.00
Total income for the year 2021 (million baht)	4,414.38	12,047.13	10,230.83	4,226.49	632.36
Nature of business	Providing used car hire purchase service, personal loan	Providing loan service, hire purchase for all types of vehicles, as well as operating a non-life and life insurance brokerage business	Providing loan service, hire purchase for all types of vehicles, such as motorcycles, cars, trucks, agricultural vehicles	Providing personal car loans and commercial vehicles such as tractors, trucks	Providing loans for second hand truck hire purchase service

Industry condition

Motorcycle hire purchase business

The motorcycle hire purchase business is a business that has a growing trend in line with the economic conditions, with the main factors which stimulate the motorcycle market are (1) GDP Growth (2) The investment trend or direction of the government sector and the policy to stimulate the economy of the government (3) Motorcycle manufacturer's marketing policies such as launching new models of motorcycles. This includes promotions by dealers and credit providers, which motivates consumers to make purchasing decisions. From these factors, it will affect the volume of production, domestic sales, and foreign exports. While imports do not affect the motorcycle market as much as they should, as most of the imports are big bikes, which are popular in the specific market only, it does not affect the domestic manufacturing industry. In addition, the household debt in the economy and the unemployment rate are also the main factors affecting the average to medium-sized consumer, which is the main purchasing power of the motorcycle hire purchase business.

Overall economic conditions in the country

In 2022, the Thai economy is expected to expand at 3.4 percent per year due to the recovery of private consumption and tourism sectors. While the Thai economy in 2023 is expected to grow at an accelerating rate of 3.8 percent per year due to the continual recovery of tourism sector and the easing of inflation. However, the trend of economic slowdown and strict monetary policy still need to be cautious, especially for the main trading partners closely.

Summary of Economic Projections

Economic Growth Rate	2021	2022	2023
	0.9%	3.4%	3.8%
Private Consumption	Actual data in Q3 was less than projected contraction due to better adaptation to the situation. In the fourth quarter, there was a tendency to recover from the gradual improvement of the epidemic situation because of the targeted vaccine distribution and government spending stimulus measures.	High growth rate due to the continued economic recovery and support from the government measures. Although the growth slowed down from the previous projection in the first half of the year due to the outbreak of Omicron strains affecting consumer confidence.	The Thai economy is likely to recover from the return of tourists and continual recovery in private consumption.
Private Investment	The expansion continued, even lower than previously forecast. Some large-scale investment plans tend to lag behind the estimation. All domestic demand and business confidence will be affected by Omicron.		Private investment will expand at 3.7 percent per year (within the forecast range of 2.7 to 4.7 percent) due to higher investment in machinery and construction.
Export of Goods (value)	The expansion was higher than expected due to the good volumes and rising prices in line with the world commodity prices and freight costs.	The expansion will be lower than the previous forecast due to the outbreak of Omicron affecting the demand for Thai products and supply disruption problems that will not resolve throughout the first half of the year.	Export of goods tends to slow down in line with global demand and trading partner economies. It is expected that export of goods will expand at 2.5 percent per year (in the forecast range of 1.5 to 3.5 percent).
Foreign Tourists	The growth recovered after announcing the policy to accept tourists without quarantine. The number of foreign tourists in 2021 will increase from the original forecast of 1.5 hundred thousand to 2.8 hundred thousand.	Growth will be lower than previously forecast, from 6 million to 5.6 million, as the Omicron outbreak impacts international travel confidence in the first half of the year.	The recovery from tourism sector, especially tourists from Asia, Europe, and America. It is expected that in 2023, there will be 21.5 million foreign tourists traveling to Thailand, an increase of 109 percent per year, resulting in an increasing income from related tourism and service businesses.

Sources : 1. Bank of Thailand

2. Data of the year 2023 from the Ministry of Finance



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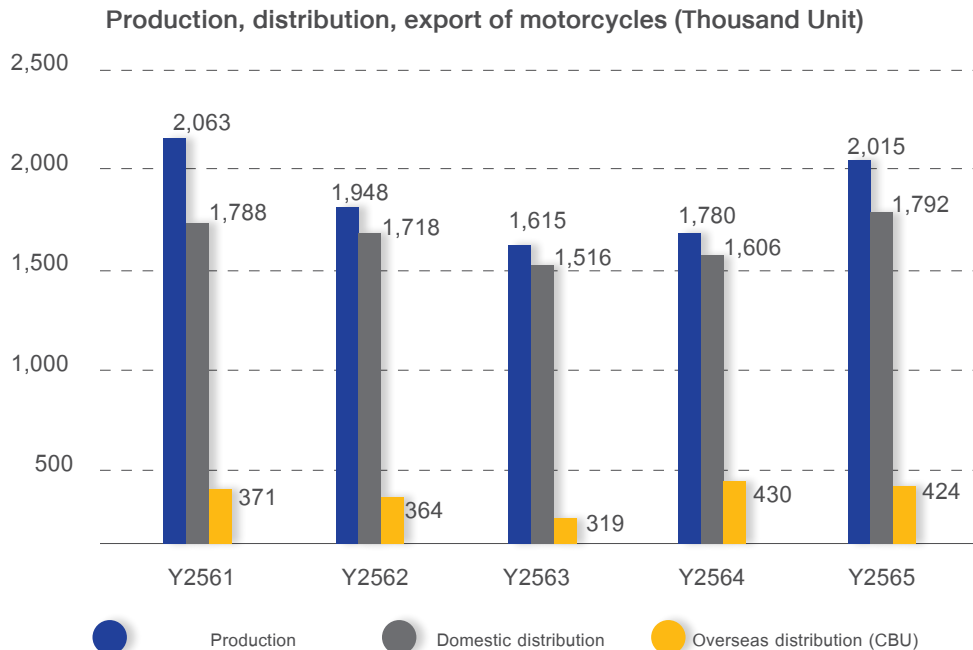
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Motorcycle production, distribution and export conditions in Thailand

From the statistics of the production, distribution and export of motorcycles in Thailand by the Federation of Thai Industries, it was found that the volume of motorcycle production in Thailand during 2018 – 2022 is approximately 1.61 – 2.06 million units. The motorcycle production volume in 2022 increases from 2021 by 0.23 million units, or an increase of 11.67%. In addition, the export of finished motorcycles (CBU) in 2022 decreases from 2021 by approximately 0.57 thousand units, or a decrease of 1.34%.



Number of car production of the country is divided by number of truck production from January to November 2022, or a total of 1,178,444 units, an increase of 34.45 percent from January to November 2021.

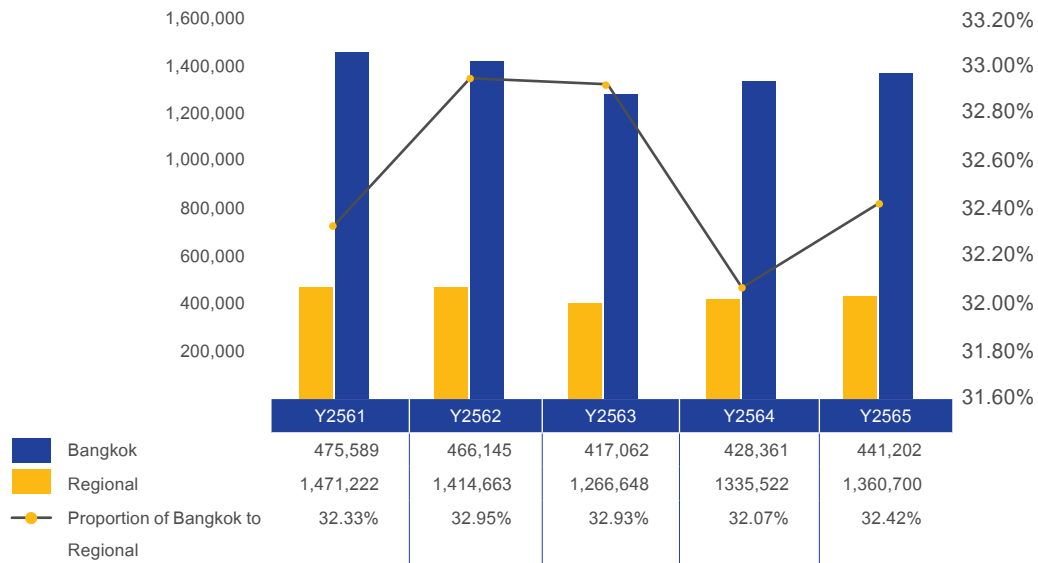
Source: The Federation of Thai Industries

Number of registered motorcycles

In addition to the domestic motorcycle production and sales volume according to the above data, taking into account the number of registered motorcycles in the country is another important indicator that clearly shows the growth trend of the domestic motorcycle market. In the years 2018 to 2022, the number of registered motorcycles in Thailand is likely to remain in the range between 1.17 – 2.0 million per year. Bangkok-registered motorcycles account for about 30% compared to the registered amount in the region, with the majority registered in the region coming from the Northeast, followed by the North and the South, respectively. The support factors by the economic recovery in the country and the increase in agricultural income such as factory sugar cane prices, rubber prices, resulting in higher purchasing power in the agricultural sector, including the public welfare project to help the low income. While during the year 2018 - 2019, the number of motorcycle registration tends to decline due to the slump in agricultural prices and relatively high household debt in the economic system.

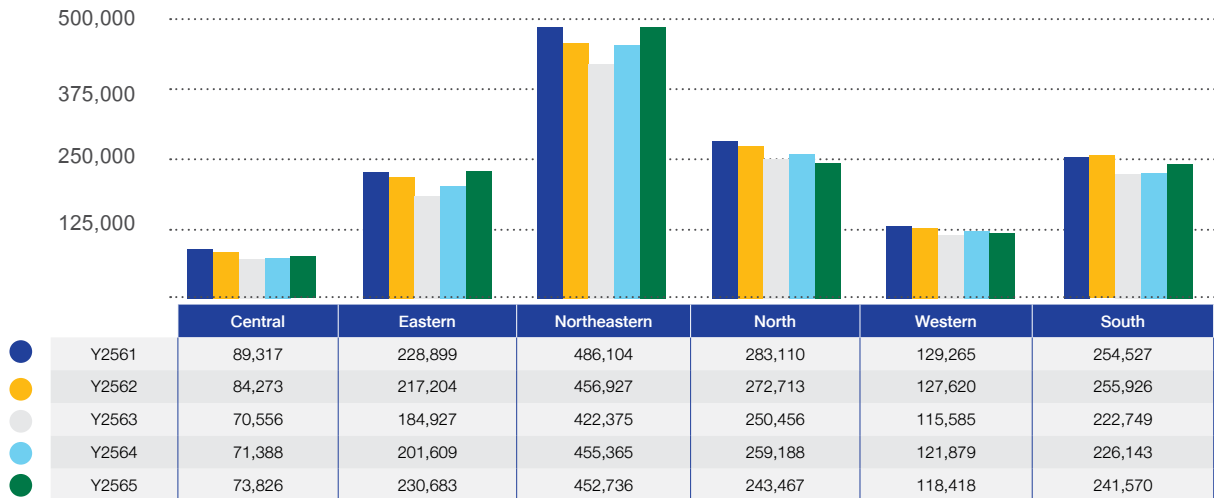
The number of registered vehicles for the year 2022 increased 0.25 hundred thousand units compared to the same period of the previous year, or an increase of 1.85%, which is an increase in the Bangkok area at approximately 0.01 million units or a 2.9% increase and approximately 0.02 million units or a 1.9% decrease in the regional area.

Total motorcycle registration in the country



Source : Department of Land Transport

Number of registered motorcycles



Source : Department of Land Transport (Central region excluding Bangkok)

Household debt in the economic system

According to the statistical data of the Bank of Thailand that have compiled data on the total outstanding loans of commercial banks in the system for each quarter from Q1/2018 to Q3/2022, it was found that the amount of debt in the economic system or total outstanding loans, tends to increase from 15.45 trillion baht in the first quarter of 2019 to 18.19 trillion baht in the Q3/2022.

Source : Bank of Thailand



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Household debt outstanding for the second quarter of 2022 growing at a slower rate

According to information from Kasikorn Research Center, it was found that even though the recent household debt outstanding will move up to 14.76 trillion baht in Q2/2022, the ratio of household debt to GDP when compared to the economic value is dropped to 88.2% from 89.2% per GDP in Q1/2022. In addition, when compared to the same period last year, the household debt grew only 3.5% YoY, or the lowest in 18 years, and will slow down from 3.7% YoY in Q1/2022. From a structural perspective, most of the household debt is still in the form of housing debt and occupational debt, with the combined proportion of approximately 53% of the overall household debt.

However, it is noted that large retail debts or a relatively high amount of loans per person, such as household debt, occupational debt, and car hire purchase debt, all slowed down during the past 1-2 years, which may reflect that households are more cautious in acquiring new large debts amidst the uncertain economy and household incomes. In the meantime, it can be that households have high levels of existing debts and start to have restrictions on incurring new debts because of a signal of weak financial position. Besides, individuals and households have debts in the form of credit cards and personal loans as more unsecured debts. Thus, this reflects that a large number of households have borrowings through such credit products to enhance liquidity and solve short-term financial problems where the income is insufficient to cover expenses.

A survey of people's indebtedness by Kasikorn Research Center showed that almost every group of households had debt burdens at more than one-third of their monthly income, with the average DSR of households in the survey at 33.9%. This may imply that some households start to have restrictions or have to adjust their spending habits to enable for their incurring of new large debts.

Growth trend of e-Commerce business

Kasikorn Research Center views that the value of B2C E-Commerce market in 2022-2023 will slow down after accelerating at a double-digit rate during the COVID-19 period. In 2023, the market is expected to grow by 4-6%, the lowest when compared to the 26% average annual growth in the past 3 years. The number of new E-Commerce service users may begin to saturate after entering a large amount during the COVID-19 period. Additionally, the rising cost of living and product prices continue to pressure consumers' purchasing power for limited spending. Under a large number of market players, Kasikorn Research Center sees that the management throughout supply chain, starting from selecting quality products and satisfying customer needs, with multiple sales channels, until paying attention to provide consistent good customer service can be an important factor in generating or maintaining sales amidst the non-fully recovered purchasing power of customers and quite a lot of choices.

Thus, the growth of main E-Commerce businesses may not be caused by an increase of overall consumer spending, but the change on behavior of buying products from a physical store to an online platform or E-Commerce due to cheaper and more cost-effective products. Also, it is a matter of convenience which consumers do not have to waste time traveling. While they also get used to purchasing products on online platforms or a regular store for buying products online.

Source: Kasikorn Research Center

3. Procurement of products or services

Financial resources

The company operates hire purchase loan service therefore, the sources of service are financing for hire-purchase loans. The company has a source of capital from equity, borrowing from financial institutions, and shareholder borrowing. As of December 31, 2022, 2021 and 2020, the Company has sources of funds as follows:

Source of funds	2022		2021		2020	
	million baht	percentage	million baht	percentage	million baht	percentage
Short-term loans						
- From shareholders	-	-	300.00	5.65	-	-
- From financial institutions	1,742.33 ¹	21.74	1,124.56 ²	21.17	1,126.57 ³	25.64
Total short-term loans	1,742.33	21.74	1,424.56	26.82	1,126.57	25.64
Long-term loans from financial institutions	2,042.76	25.48	1,878.50	35.37	1,590.56	36.20
Total loan	3,785.09	47.22	3,303.06	62.19	2,717.13	61.84
Equity	4,230.28	52.78	2,008.28	37.81	1,676.29	38.16
Total funding	8,015.37	100.00	5,311.34	100.00	4,393.42	100.00

Note:

1. Short-term loans from financial institutions in the year 2022 is divided into the long-term loans due within one year of 1,742.33 million baht.
2. Short-term loans from financial institutions in the year 2021 is divided into the short-term loan of 485.00 million baht and long-term loans due within one year of 639.56 million baht.
3. Short-term loans from financial institutions in the year 2020 is divided into the short-term loan of 250.00 million baht and long-term loans due within 1 year of 876.57 million baht.

The Company has a policy to procure sources of funds in line with the use of funds, which are providing hire purchase loans to customers for a period of 12 to 60 months. During 2020 - 2022, the Company has raised 22 - 27% of the short-term financing from the source of funds. The Company continued to sought additional sources of long-term capital, both from capital increase and requesting for long-term credit from financial institutions. As a result, as of December 31, 2022, the Company's share of sources of funding from short-term borrowings decreased to 21.74% of the funding source while the proportion of hire purchase receivables due within one year equals to approximately 42.03% of the total hire purchase receivable value, which is consistent with the increase in credit term to hire purchase receivables.

4. Assets used in business operations

The Company's main assets consist of hire purchase receivables, building improvements and equipment, right-use assets, foreclosed assets and intangible assets. As of December 31, 2022, 2021 and 2020, the Company's core assets have net book value of 7,569.88 million baht, 5,570.27 million baht, and 3,830.58 million baht, respectively, with details as follows:

Items	Proprietary	Obligation	Net book value (Million baht)		
			As of 31 Dec 22	As of 31 Dec 21	As of 31 Dec 20
1. Hire purchase receivables	Company	None	7,427.57	5,463.60	3,739.63
2. Property foreclosed	Company	None	60.31	26.81	12.68
3. Building improvements and equipment	Company	None	9.73	10.47	8.48
4. Rights of use assets	Company	None	42.44	34.62	37.19
5. Intangible assets	Company	None	29.83	34.77	32.60
Total			7,569.88	5,570.27	3,830.58

5. Work not yet delivered

None



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1.3 The Company's shareholding structure

1.3.1 The shareholding structure of the Group Company

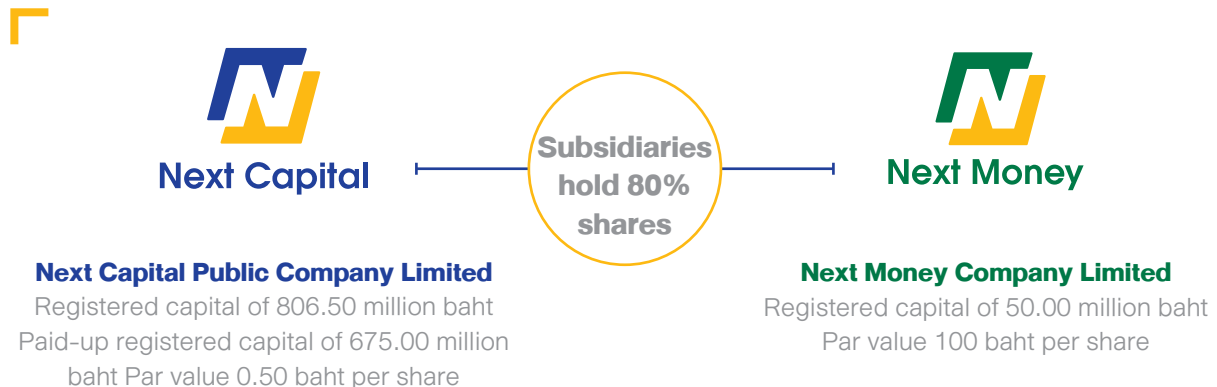
At present, Next Capital Public Company Limited holds shares in 1 company with details as follows:

Next Money Company Limited

The Company holds shares in the proportion of 80.00%.

It has a paid-up registered capital of 50.00 million baht.

The said company is engaged in the provision of personal loan and personal loan under supervision. (Loan with car registration as collateral)



1.3.2 A person who may have a conflict of interest who holds more than 10% of the shares with voting rights of the Company

The Company does not have any person who may have conflict of interest holding shares in subsidiaries or associates more than 10.00% of the number of shares with voting rights of the Company.

1.3.3 Relationship with major shareholders

As of December 31, 2022, the Company has a group of major shareholders holding shares in the proportion of more than 10.00% of the Company's paid-up capital amounting to 675.00 million baht, namely Com7 Public Company Limited (hereinafter referred to as "COM7"), which comprises IT Retail Business, holding 463,371,714 shares or 34.32% of the paid-up capital of the Company and Synnex (Thailand) Public Company Limited (hereinafter referred to as "SYNNEX"), which operates the business of distributing computers, computer peripherals, software, information systems, consumables used with computers, and various communication devices, holding 364,172,852 shares in the Company or equivalent to 26.98% of the Company's paid-up capital.

In this regard, the main business operation of the said group of major shareholders does not have a business relationship in the nature of competition or reliance significantly with the business operation of the Company in any way. In the past, however, the Company has received financial assistance from such major shareholders through borrowing from time to time which is not permanently dependent and the Company is able to repay the loans on an ongoing basis.

In addition, in order to prevent potential conflicts of interest in the future and to protect shareholders' rights and to treat shareholders fairly, COM7 and SYNNEX have made a memorandum of agreement for not running a competitive business, which has an essence in summary that as long as COM7 and SYNNEX remain the major shareholder of the Company (as defined in the Capital Market Supervisory Board Notification), COM7 and SYNNEX agree not to undertake a motorcycle hire-purchase business, regardless of being new and/or used motorcycles,

motorcycle registration pledge business, whether operated by itself or by the subsidiary of COM7 and SYNEX or joint ventures with other operators, including not becoming a shareholder of the business which operates a business in the same or similar nature to the Company, except where it is an investment in securities listed on the Stock Exchange of Thailand or the Market for Alternative Investment for investment purposes only, with the investment proportion not exceeding 10% of the listed securities. The agreement will be terminated immediately upon the following: (1) When the company delists the securities from being listed on the Stock Exchange of Thailand or does not qualify as a listed company on the Stock Exchange of Thailand; or (2) when COM7 and SYNEX are not a major shareholder in the company, either directly or indirectly. The definition of the term major shareholder and its shareholding shall be in accordance with the definition set forth in the relevant Capital Market Supervisory Board Notification. In this regard, COM7 and SYNEX agree to indemnify the damages and/or expenses incurred from the prevention or mitigation of damages that may occur to the Company for loss and damage arising from the failure of COM7 and SYNEX to comply with the Agreement of the memorandum of agreement for not running a competitive business to the Company within 60 days from the date of being notified in writing from the Company.

1.3.4 Shareholders

(1) List of the major shareholders

The list of major shareholders of the Company and their tenure of shares as of 30 December 2022 is as follows.

List of major shareholders		Number of shares (shares)	Shareholding Proportion (%)
1	Com7 Public Company Limited ¹	463,371,714	34.32%
2	Synnex (Thailand) Public Company Limited ²	364,172,852	26.98%
3	CITI (NOMINEES) LIMITED-S.A PBG CLIENTS SG	22,760,728	1.69%
4	Mr. Somchai Pitakkampol	22,032,025	1.63%
5	Mr. Patinya Dheva-aksorn ³	21,696,841	1.61%
6	Thai NVDR Company Limited	17,804,295	1.32%
7	Mr. Anantachai Ananchitsupha	15,900,066	1.18%
8	Mr. Prapan Polthanawasit	12,000,000	0.89%
9	Mr. Ratchapol Samrejvanich	11,275,128	0.84%
10	Mrs. Thipawan Chokthanomsub	7,056,600	0.52%

- Note :
1. Com7 Public Company Limited has major shareholders, namely Mr. Sura Khanittaweekul and Mr. Pongsak Thammatataree. Mr. Sura Khanittaweekul is a committee member of Com7 Public Company Limited and the authorized director of Next Capital Public Company Limited.
 2. Synnex (Thailand) Public Company Limited has major shareholders including T.K.S. Technology Public Company Limited and King's Eye Investments Ltd, with Ms. Sutida Mongkolsuthree as the Director of Synnex (Thailand) Public Company Limited and Ms. Sutida Mongkolsuthree of Next Capital Public Company Limited.
 3. Mr. Patinya Dheva-aksorn is the spouse of Ms. Suthida Mongkolsuthee who is the authorized director of Next Capital Public Company Limited.



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Shareholder structure of the Company's major shareholders

Com7 Public Company Limited engages in the business of selling IT products, mobile phones, accessories and providing repair services and other services. The list of major shareholders as of March 14, 2022, is as follows:

List of Shareholders		Number of shares	Shareholding Proportion (%)
1.	Mr. Sura Khanittaweekul ¹	300,655,200	25.05%
2.	Mr. Pongsak Thammataree	239,723,500	19.98%
3.	Thai NVDR Company Limited	79,723,991	6.64%
4.	Mr. Bancha Phanthumakomol	50,796,800	4.23%
5.	Ms. Aree Preechanukul	40,600,000	3.38%
6.	STATE STREET EUROPE LIMITED	25,669,825	2.14%
7.	Mr. Amnuay Phichitpongchai	21,052,000	1.75%
8.	SOUTH EAST ASIA UK (TYPE C) NOMINEES	19,459,100	1.62%
9.	Maybank Securities (Thailand) Public Company Limited	15,873,000	1.32%
10.	Ms. Orawan Wichienkavee	15,137,900	1.26%

Note : 1. Mr. Sura Khanittaweekul is a director of Next Capital Public Company Limited.

Synnex (Thailand) Public Company Limited engages in the business of distributing computer technology products, information systems and various communication devices. The list of major shareholders as of August 23, 2022, is as follows:

List of Shareholders		Number of shares	Shareholding Proportion (%)
1.	T.K.S. Technology Public Company Limited ¹	326,355,876	38.51%
2.	King's Eye Investments Ltd. ²	296,450,000	34.99%
3.	Bnp Paribas Hong Kong Branch	42,489,513	5.01%
4.	Thai NVDR Company Limited	18,976,914	2.24%
5.	KKP Long Term Equity Dividend Fund	9,484,600	1.12%
6.	N.C.B. TRUST LIMITED-NORGES BANK 33	7,224,500	0.85%
7.	FWD Insurance Public Company Limited by SCB Asset Management Co.,Ltd.	4,061,600	0.48%
8.	LGT Bank (Singapore) Ltd.	3,500,000	0.41%
9.	PHATRA EQUITY RETIREMENT MUTUAL FUND : PHATRA EQRMF	3,460,420	0.41%
10.	Mr. Sura Khanittaweekul ³	3,110,110	0.37%

Note : 1. TKS Technology Public Company Limited has a major shareholder, Monkolsuthree Holding Company Limited, holding 32.96% of the shares. Mongkolsuthree Holding Company Limited is a holding company of the Mongkolsuthree family with the major shareholder, Ms. Sutida Mongkolsuthree, holding 84.00% of the shares.

2. King's Eye Investments Ltd. is held by Synnex Group, Taiwan.

3. Mr. Sura Kanittaweekul is a director of Next Capital Public Company Limited and a major shareholder in Com7 Public Company Limited.

(2) Shareholding in other companies

Next Capital Public Company Limited holds shares in 1 company, Next Money Company Limited, where the company holds 80.00 percent of shares, and has a paid-up capital of 50.00 million baht.

(3) Agreement between the major shareholders

-None-

1.4 Amount of registered capital and paid-up capital

1.4.1 Registered capital

As of December 31, 2022, the Company has registered and paid-up registered capital of 806.50 million baht, divided into 1,613,000,000 ordinary shares at the par value of 0.50 baht per share and paid-up capital of 675.00 million baht, divided into 1,350,000,000 ordinary shares with a par value of 0.50 baht per share.

1.5 Issuance of other securities

1.5.1 Convertible securities of the company

- (1) **Warrants to purchase the Company's ordinary shares allocated to management (including executives who hold directorships of the Company and/or its subsidiaries) and/or employees of the Company and/or Subsidiaries No. 1 (NCAP-ESOP W1)** The Extraordinary General Meeting of Shareholders No. 1/21, dated July 15, 2021, resolved to approve the issuance and offering of warrants to purchase ordinary shares of the Company (NCAP-ESOP W1) to the management (including executives who hold directorships of the Company and/or its subsidiaries) and/or employees of the Company and/or subsidiary No. 1, in the amount not more than 38,000,000 units, to create incentives and rewards for personnel who participate in the success of the organization to be dedicated to work and have a sense of organizational ownership, as well as to retain the personnel that are important to work with the company for the long term. The main details are as follows.

Types of warrants	Warrants to purchase ordinary shares of Next Capital Public Company Limited (NCAP-ESOP W1), in the name of the holder and which cannot change hands except in the cases specified in the conditions for exercising rights
Number of warrants	Not more than 38,000,000 units
Offer price	0 baht per unit (zero baht)
Offering value	0 baht (zero baht)
Term of Warrants	Not more than 5 years from the date of issuance of the warrants. After the issuance, the Company will not extend the term of the warrants.
Number of ordinary shares allocated to support the exercise of warrants	38,000,000 shares, representing 4.22% of the total number of shares sold of the Company, amounting to 900,000,000 shares
Exercise ratio	On April 28, 2022, the exercise ratio was changed from 1 unit per 1 ordinary share to 1 unit per 1.30 ordinary shares.
Exercise price	On April 28, 2022, the exercise ratio was adjusted from 16 baht per share to 12.28 baht per share.
Warrant offering period	The Company will issue warrants within 1 year from the date of approval to issue and offer for sale warrants from the shareholders' meeting of the Company.
Exercise period	Able to exercise the right from the 4th year from the date of issuance of the warrants. The right can be exercised according to the total allocated amount on the last business day of March, June, September and December of each calendar year throughout the life of the warrants (exercise date). The remaining warrants after the exercise or not exercised on any exercise date can be accumulated to use the rights on the next exercise date throughout the life of the warrants, but after the expiration of the warrants any warrants that are not exercised will be canceled and terminated.

- (2) **Warrants to purchase ordinary share of Next Capital Public Company Limited No.1 (NCAP-ESOP W1)**

The 2022 Annual General Meeting of Shareholders on 21 April 2022 to consider and approve the capital increase and Approve the issuance and offering of warrant to purchase the ordinary shares of the Company.



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1. Newly Issued Ordinary Shares

Company issuing 675,000,000 newly issued ordinary shares at the par value of 0.50 Baht per share. The objectives for the capital increase are: 1) to allocate newly issued ordinary shares to the existing shareholders in proportion to their shareholdings excluding the shareholders whose holdings of such share would subject the Company to any obligations under the law of other jurisdiction in the amount of not exceeding 450,000,000 shares, and the subscription ratio is 2 existing shares to 1 new share. at an offer price of 4.5 Baht per share, totaling in an amount of 2,025.00 million baht; and 2) to reserve for the exercise of the warrants allotted to the existing shareholders that subscribed and allotted with the newly issued ordinary shares issued and offered to the existing shareholders in proportion to the shareholdings excluding the shareholders whose holdings of such share would subject the Company to any obligations under the law of other jurisdiction in the amount of not exceeding 225,000,000 shares, The offering ratio is 2 newly issued ordinary share per 1 unit of warrant.

2. Warrants to purchase ordinary share of Next Capital Public Company Limited No.1

The company will allocate Warrants to purchase ordinary share of Next Capital Public Company Limited No.1 (NCAP-W1) for allocated to the existing shareholders whose subscribed and allotted with newly issued ordinary shares issued and offered to the existing shareholders in proportion to the shareholdings excluding the shareholders whose holdings of such share would subject the Company to any obligations under the law of other jurisdiction in the amount of not exceeding 225,000,000 shares, with no offering price (the offering price is zero Baht). The offering ratio is 2 newly issued ordinary share per 1 unit of warrant. Exercise Price 7 Baht per share. Term of Warrants 1 year 6 months after the issuance and offering of the Warrant. and will terminated on 21 December 2022. The main details are as follows.

Type of Warrants	Warrants to purchase ordinary share of Next Capital Public Company Limited No.1 (the "Warrant" or "NCAP-W1").
Number of warrants issued and offered	Not exceeding 225,000,000 units.
Offering Price	0 baht per unit (zero baht)
Offering value	0.00 Baht (zero baht)
Term of Warrants	1 year 6 months after the issuance and offering of the Warrant. (the maturity date of the Warrant fall on the last exercise date on 21 December 2022 and the Warrant will terminated the next day.)
Number of ordinary shares allocated to support the exercise of warrants	Not exceeding 225,000,000 shares (with the par value of 0.50 Baht per share) equivalent not exceeding 25.00% of the numbers of shares issued and paid-up of the Company in the amount of 900,000,000 shares
Exercise Ratio	1 unit of the Warrant have the rights to purchase the ordinary shares of the Company for 1 share. (Maybe adjusted subject to the rights adjustment conditions)
Exercise Price	7 Baht per share (with the par value of 0.50 Baht per share) (Maybe adjusted subject to the rights adjustment conditions)
Exercise Period and Date	The Warrant holders may exercise the Warrant every last business day of March and September throughout term of the Warrant. The first exercise date will be in September 2022 and the last exercise date will be on the maturity date of the Warrant, or 1 year and 6 months from the issuance date. from the date of issuance of the warrants (21 December 2023) If the exercise date does not fall on a business day, the exercise date of the Warrant shall be made on the preceding last business day.

1.5.2Debt securities

During the past year, the company did not issue debt securities.

1.6 Dividend Policy

The Company has a policy to pay dividends at the rate of not less than 40% of the net profit of the separate financial statements after deducting corporate income tax and legal reserves and other reserves (if any). In this regard, the Company will consider the dividend payment by considering various factors in order to maximize the shareholders' benefits under the following conditions.

- (1) The payment must not significantly affect the normal operations of the Company.
- (2) Dividend payments are subject to change depending on operating results, financial position, liquidity, need for working capital, investment plans and future business expansion, market conditions, suitability and other factors related to the operation and management of the Company as the Board of Directors and shareholders deem appropriate.
- (3) The Company must have sufficient cash for its business operations and such undertaking must maximize benefits of the shareholders as the Board of Directors and/or the shareholders of the Company deem appropriate.
- (4) Dividend payment shall be made equal to the number of shares per share. Once the Board of Directors' meeting approves the payment of dividends, it must be presented for approval to the shareholders' meeting, unless it is an interim dividend payment. The Board of Directors has the power to approve the payment of interim dividends and report it to the next general meeting of shareholders.





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2. Risk Management

2.1 Risk Management Policy and Scheme

The company realizes the importance of organizational risk management, which can help the organization operate the business in accordance with the strategies, objectives or goals and have good business governance, as well as stable and sustainable growth. Therefore, the company specifies the risk management policy to be the model and framework of operations for every department of the company. The duties and responsibilities for risk management of the concerned people are specified clearly, including the company committee, inspection committee, risk management committee, chief executives, risk management operating team, risk management officers, internal inspectors and all employees. Furthermore, the processes of risk management are specified systematically, in order that the company can operate the business to achieve its objectives and be able to control the risk at an acceptable level. The person in charge of the organization and employees are required to share the information about risk management together and report the risk management to the risk management committee regularly.

2.2 Risk Factors of Business Operation

The company values sustainable risk management and supports risk management to be a part of its culture, which lead to value creation to the company, by managing the risk factors that affect business operations to be at a controllable and acceptable level, using risk management strategies, which are suitable for avoiding, transferring, controlling or accepting the risks. The risks that might significantly affect business operation are as follows:

2.2.1 Risks towards Business Operations

Risks from Competition in the Motorcycles Hire Purchase Credit Industry

As there are a lot of entrepreneurs in the motorcycle hire purchase credit business, it causes the market to be seriously competitive, in terms of the rapidity to approve the credit, interest rate and related direct costs. As of now, the company is an entrepreneur who is not a commercial bank. The main competitors are both commercial banks and those who are not. Moreover, some of the local dealers give the credit to customers by themselves, which causes the entrepreneurs to use strategies to increase their own market share. This can lead to a more serious competition, which might significantly affect business operations, financial status and operating results of the company.

However, the company started the business as the creditor for captive finance credit before expanding to hire purchase credit without the limitation of car brand. This causes the company to have good relationships with motorcycle dealers for a long time. Besides, the company continuously improves the operating processes and competitive strategies for both marketing, credit approval and debt collection, such as exploring the area to analyze the tendency of motorcycle demand of the hire purchasers and interest rate for issuing the credit, analyzing the data of hire purchasers to group the customers and indicating the credit policy for each group, adjusting the communication and customer following the processes to be able to quickly follow the customers in case there are some indicators that the hire purchasers would avoid paying the installments to the company, and hiring locals as our checkers. In addition, the company also has the policy of hiring local employees and developing employees and operating systems for the purpose of effective operations, in order to support the business growth with an appropriate budget, so that the company is positive that the company could maintain the capability to compete and grow continuously in the future.

Risk from Approving Credit that Does Not Generate Income

The company's main customers include individual hire purchase retailers, most of whom are farmers, merchants, employees, and factory workers with low to moderate incomes who cannot apply for commercial bank loan services. Therefore, analyzing the quality of hire purchasers requires knowledge and experience of both the checkers and credit analysis officers to screen the quality of the purchaser and offer the suitable credit conditions for each individual. If the purchaser fails to pay the installments, it will result in higher NPLs and the loss of some or all of the principal when the Company cannot confiscate the collateral from the debtor.

Since 2020, the company has been continuously expanding its credit portfolio, resulting in increased revenue and hire purchase receivables, as well as an increase in the proportion of non-performing loans (NPLs).

The company is well aware of such increased risks. As a result, we considered reviewing the credit management regulations to have a concise credit consideration process. The loan terms are well defined, and employees are trained on how to estimate the income and analyze the ability to pay off debts using the internal database and database from the National Credit Bureau for determining credit limits in line with collateral, as well as using our Business Intelligence to prepare reports for analysis, review, and adjust credits policies regularly. Furthermore, the company has implemented an information system to process credit scoring to improve the accuracy of credit analysis in combination with the assessment by the credit approval department, allowing for a more effective assessment of debtors. The company also established appropriate and sufficient reserves for potential credit losses. The allowance for expected credit loss to overdraft hire purchase debtors (OD) and non-performing loans (NPLs) ratio is consistent with the proportion of OD and NPLs to total hire purchase receivables, reflecting the direction in determining the expected credit losses in response to the debtors' changing risk levels.

The following risk model has been established by the company in compliance with Financial Reporting Standards No. 9, Financial Instruments, for the fiscal years ended December 31, 2022, 2021, and 2020:

The recognition of the expected credit loss allowance	Unit	As of Dec 31, 2022	As of Dec 31, 2021	As of Dec 31, 2020
The ratio of the expected credit loss allowance for non-overdrafted hire purchase debtors ¹	Percentage	1.97	2.11	1.65
The ratio of the expected credit loss allowance for overdrafted hire purchase debtors (OB ¹)	Percentage	36.58	30.05	27.55
The ratio of the expected credit loss allowance for NPL hire purchase debtors (NPL ¹)	Percentage	90.21	94.99	97.88

Remark: 1. Hire purchase debtors means net hire purchase debtors from deferred interest income.

The company also focuses on effective debt following and collection. The system has been modified to track over-the-phone and on-site officers, such as early reminders for customers who have linked their accounts with our LINE Official accounts, as well as assigning a checker to track the young overdue installment (first 6-month overdue) as a measure of performance in determining compensation each month. Therefore, we believe that our business will continuously grow and be able to effectively manage NPLs to achieve sustainable growth.

Risks from Being Unable to Confiscate the Collaterals

As the collateral of hire purchase credit of the company is the motorcycles, which are easily mobilized, the company is at risk of not being able to confiscate the collaterals, in case the debtors do not pay the installments, which cause the company to lose the original sum and interests that are still outstanding and might affect the financial situation and business operations performance. Therefore, to reduce the risk from being unable to confiscate the collaterals, the company specifies the model for checkers to verify the identity of all customers using face-to-face credit offering. The debt application form is required to have the map of the residence and workplace. Moreover, in case that some hire purchasers are offered the approval over normal conditions or hire purchasers do not have the appropriate evidence for revenue consideration, the company requires employees to examine the residence of the hire purchasers on-site before approving the credit to prove the identity of the hire purchasers.

The company specifies the process of debt collection systematically via phone calls and on-site officers, so that the collateral collection would be fast if there are any indicators that the hire purchasers would continually be in default. In addition, the company utilizes having branches all over the country and hiring outsource debt collectors to help collect the collaterals, which were moved out of the approval area.



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Risks from Recovering Losses from Selling Confiscated Collaterals

If the hire purchaser defaults on the payment, the company will confiscate the collateral for sale. The company risks selling the property foreclosed for less than the amount of the outstanding debt, which might affect the financial status and business performance as the pricing criteria will be considered from the condition of the motorcycles, brand, model, year of production and distribution, as well as the price comparison with brand-new motorcycles of the same brand and model. However, the company can claim for the missing amount from the hire purchasers. As of December 31, 2022, the company has foreclosed assets with a book value of 95.48 million baht, with assets aged less than one month accounting for 82.64%, one to three months accounting for 16.74%, and more than three months accounting for 0.62%. While the company has outstanding foreclosed assets of 39.55 million baht as of December 31, 2021, the assets' age of one month accounted for 83.36%, one to three months accounted for 16.51%, and those over three months accounted for 0.13%.

Foreclosed properties are identified by the company based on their capital value or net worth, whichever is lower. As of December 31, 2022, 2021, and 2020, the company's net foreclosed assets were 60.31 million baht, 26.81 million baht, and 12.68 million baht, respectively.

Since the company is aware of such risks, it has implemented stricter loan consideration and approval procedures. It focuses on credit scoring, debt repayment ability, and collateral value appropriateness, as well as proposing down payment terms to lessen the risk of default, which could result in collateral confiscation. Furthermore, the company has improved its debt collection procedures to be more efficient via both phone channels and on-site officer to quickly track and sell the vehicle as quickly as possible to obtain the best-selling price, outsource agencies are assigned with tracking the aftermarket loss margins from hire purchasers, which can help reduce that risk.

Risk from Depending on Dealers

As for motorcycle distribution, the manufacturers would do it through the dealers only, the dealers are an important part of considering the credit conditions of each credit provider and offer the credit providers that the dealers think is suitable for the customers for initial consideration; then, the dealers would get the commission from the credit providers in return. Therefore, the company is at risk of depending on the dealers for recommending the customers for the company.

The company uses the strategy to maintain the relationship and build trust for dealers to create long-term alliances. Until now, the company has continuously received trust and recommended customers from the dealers. Additionally, the company aims to reduce the risk of depending on specific dealers, dealers of any specific area or cars of any specific brand by finding new dealers, who have business opportunities, more. At the end of 2020–2022, the ratio of receiving recommended customers from dealers of all brands did not exceed 30% of the overall hire purchase debtors.

Risk of Depending on Employees

As the credit provider business requires the professional, knowledgeable and experienced employees to operate the business, from the process of facilitating the hire purchasers to apply for credit and the process of coordinating with dealers to smoothen the product selling. Moreover, the employees need to have observing and negotiation skills to screen the potential hire purchasers. For the approval and debt collection processes, the employees need to have the knowledge to analyze the credit and experience to evaluate the hire purchasers, as well as the negotiation skills to inquire about information or collect the debt on time. Therefore, the company is at risk of depending on knowledgeable and experienced employees in this field, which might affect the business operations if the company loses these employees as the company needs to recruit new employees for substitution and commit the time to train and improve these employees to work as effectively as the previous ones.

The company continuously values employee development, focusing on developing both the expertise in work and fostering "NEXT values," which are next, ethics, empathy, expertise and teamwork, as well as specifying the appropriate compensation and welfare, in order to persuade the employees to grow together with the company. Furthermore, the company always plans the manpower regularly and manages each branch to be able to substitute for each other in the neighboring area, to support employee resignation without affecting the business operation.

Risks from Employee Corruption in Credit Approval

As the checkers would meet the hire purchasers directly to collect the data of the hire purchasers and guarantors to send to the officers of the credit approval department for credit verification, analysis and approval, if the hire purchasers have personal relationships or know the checkers and/or the officers of the credit approval department personally, it might affect the credit approval, which is not aligned with the regulations and negatively impact on the company.

The company realizes the mentioned risk, so the duties of the checkers and credit approval officers are separated to be verifiable by specifying the regulations for credit approval clearly and specifying the authority to approve the credit limit for employees of each level, which must be signed for acknowledgment and approval. The company indicates the prohibition for credit approval clearly such that the checkers must not disorderly approve the credit for the sake of relatives or friends. Moreover, the company conducts the internal verification by the internal verification department of the company to verify and ensure that the checkers would conform to the stated regulations. The verification is conducted quarterly and the company also hires an outsourced internal controlling system verification agency and internal audit department to verify the significant cycle of the company consecutively.

Risks from Abiding by the Law, Regulations and Announcement Related to Business Operations

As the company operates the hire purchase providing business which is not under the control of the Bank of Thailand. The laws, regulations and announcements related to the business operations of the company include the Notification of Contract with the topic of 'The business of car and motorcycle hire purchase is a regulated business,' Debt Collection Act, Personal Data Protection Act and related Civil and Commercial Code, such as canceling the contract. Therefore, the company is at risk of not abiding by the law, regulations and announcements related to business operations correctly and completely, which might affect the business operations of the company.

The company values its business operations under the related regulations strictly, by conducting the training consecutively and testing the knowledge about related practices to ensure that employees of the company are knowledgeable of the regulations and able to perform them correctly. The company assigns the law department of the company to follow the law, regulations and announcements related to the business operations of the company, as well as following the law amendments related to the business operations of the company. Additionally, the risk management committee determines how to conduct the risk evaluation and analysis, in accordance with abiding by the related laws, to report to the board of the company. Until now, the company has never had any controversies with any state agency about not abiding by the laws, regulations or announcements related to the business operation of the company.

However, although the company is not under the control of the Bank of Thailand. On August 15, 2022, the Bank of Thailand (BOT) opened a public hearing on the topic of guidelines on governing the business of hire purchase and leasing cars and motorcycles. According to the draft decree, it requires certain types of financial businesses be governed by the Financial Institutions Business Act B.E. 2551 (2008), which, if enacted as a decree, may affect the company's business operations. As of the end of 2022, no such conclusions have been reached.

In addition, on September 22, 2022, the Office of the Consumer Protection Board (OCPB) announced the Notification of Contract B.E. 2022 with the topic of the business of hire purchase for cars and motorcycles is a regulated business and comes into effect on January 10, 2023, setting the interest rate on motorcycle hire purchase not exceeding 23% per annum and other fees. When such law is enforced, it might affect the financial status or business operations of the company.



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However, the company aims to collaborate by abiding by the laws, regulations and announcements related to business operations. To lessen the impact that might happen from abiding by the law, the company plans to update its credit policy to suit the specified interest rates and improve the process to increase the effectiveness and decrease the cost, such as increasing the number of contracts that each employee must be responsible for collection, utilizing the information system and technology in the operating process to respond to the change, so that the employees, partners and customers can access more conveniently and quickly, such as using social media for communicating with partners and customers, sending the information about hire purchases from partners via a digital channel, which can be tracked anytime, debt payment notification via Line Alert, SMS, Auto Dial on the phone and sourcing outsource providers with less cost, and develop new products, such as providing used truck hire purchase loans, to avoid a reliant on a single type of income. The provision of used truck hire purchase services was implemented in Q3/2022.

Risks from Maintaining the Interest Margin

Main revenue of the company is the interest from the hire purchase contract, which will be calculated based on a fixed rate along the contract while the financial cost of the company coming from loans from financial institutes, whose interest will be both fixed rate and floating rate. If the interest rate seems to rise, the company will have higher financial cost while adjusting the interest demanded from customers is hardly possible. This causes the decrease in revenue from the decreased interest margin and might significantly affect business operations of the company.

The Company's interest margin in 2022, 2021, and 2020 was 17.68, 19.62, and 19.62, respectively, a 1.94 decrease from the previous year due to a decrease in the interest rate. Furthermore, increased competition in the motorcycle hire purchase market leads to higher cost of return, commission, and promotional fees. The company had loans with fixed interest rates from financial institutions that comprised 39.14%, 44.38%, and 55.35% of total institutional loans, respectively.

However, the Company is expected to lower interest rates in 2023, as the Office of the Consumer Protection Commission (OIC) has fixed the hire purchase interest rate at no more than 23% per annum, effective January 10, 2023. Meanwhile, interest rates are expected to climb because of policy rate hikes so interest rates on financial institution loans are anticipated to climb.

The company realizes the importance of the mentioned risk management, so the company has established risk-mitigation guidelines, including adjusting credit policies to reflect the lower return on decreased interest rates to reduce expected credit losses and plan to reduce interest rate by considering interest rate swap transactions to avoid interest rate fluctuations, as well as the use of technology to lower costs and reduce sales and administrative expenses.

Risks from Depending on Loans from Financial Institutes

As the company uses loans from financial institutes as the main source for business operations, accounting for 47–62% of overall funds and the company must abide by the regulations with the financial institutes, such as maintaining the ratio of debts and shareholders, capability to pay debts, ratio of debts and interest-bearing debts. This affects the company if the financial institutes demand for the loan to be paid or does not renew the contract or the company cannot abide by the conditions of the loan contracts and is demanded for the loan. This might affect the liquidity or fund sourcing to give credits to customers; then, it affects the business operations of the company.

The company aims to lessen the mentioned risk by requesting loan limit amounts from various financial institutes to not depend on the sole financial institute, pay back the loans on time, maintaining the ratios based on the conditions of each financial institute and having shareholders with stable financial status, so that the company is positive to receive the support and contract renewal continuously. Moreover, in 2022, the company intends to lessen its reliance on financial institution loans by issuing equity securities, ordinary shares, and warrants to purchase ordinary shares to current shareholders. The company has also undergone a Company Rating by TRIS Rating Co., Ltd. at the BBB level. The outlook for a stable credit rating reflects the company's strong capital base, adequate funding and appropriate market position in motorcycle hire purchase loans, which in the future the Company can finance from the issuance of debt securities.

Risks from Depending on Financial Help from Major Shareholder

In 2022, the company receives credit limit amounts from a major shareholder, COM7 Public Company Limited and Synnex (Thailand) Public Company Limited to be used for working capital and business expansion. The company received the credit limit amount from the mentioned shareholder of not over 1,000 million baht in total, with the interest rate of less than that of financial institutes. However, as of June 30, 2022, the company has fully repaid both loans. Additionally, major shareholders, including COM7 Public Company Limited and SYNEX Thailand Public Company Limited, are the guarantors for long-term loans from a financial institute for the company. The company repaid the loan in September 2022, so the company has no debt obligations guaranteed by such major shareholders.

The company has a policy of sourcing the fund resource for business operations sufficiently by themselves.

Risks from Inconsistencies between Age of Fund Resources and Age of Hire Purchase Credits

The company uses the funds from long-term and short-term loans from both financial institutes and major shareholders for its business operations while the company issues the hire purchase credit of around 36 months; therefore, the company is at risk if the age of fund resources and credits are not inconsistent. This can affect the financial liquidity management and funding to support its business expansion.

The company aims to reduce the mentioned risk by sourcing the fund resources to be consistent with the average age of hire purchase credits. After registering in the Stock Exchange of Thailand, the company has more long-term fund resources for business expansion. The company can reduce the ratio of short-term loans to be 21.74%, 26.82% and 25.64% of overall fund resources as of 31 December 2022, 2021, and 2020, respectively. In addition, the company is considering finding other fund resources, such as issuing the debentures and equity instruments, in the future.

Risk of COVID-19 Pandemic

The Ministry of Public Health has issued a notification changing COVID-19 from a dangerously contagious disease to a contagious disease that requires surveillance, with effect from October 1, 2022. However, the COVID-19 pandemic has continued since March 2020, resulting in an overall economic slowdown. This could jeopardize the company's business continuity and the capacity of the hire purchase debtors to pay off their obligations. The company has recognized the following risks:

Risk of Debtors Quality

In 2022, the company had 91,971 new contracts, increased by 32.67% compared to the same period last year. Meanwhile, the proportion of over drafted debtors per hire purchase agreement increased from 12.48% as of December 31, 2021, to 15.44% as of December 31, 2022 and the proportion of NPLs per hire purchase agreement also increased from 2.97% as of as of December 31, 2021 to 5.07% as of December 31, 2022. As the company foresees an increase in NPLs debts due to the economic recession and the competition of the motorcycle hire purchase market in 2022, so we have revised the credit policies and debt following and collection procedures to accommodate the increasing NPLs and ensure better-quality control in each type of debt. Furthermore, in 2020 and 2021, the company allowed debtors impacted by the COVID-19 epidemic to use the measure of suspended repayment. As of 31 December 2021, there were 6,739 debtors receiving the measure of suspended repayment, or almost 5% of all debtors. After the original agreement's time expires, the debt requested for suspension will be used as an installment payment. As a result of the debt suspension, the company will receive delayed cash flow. However, the suspension measures have not been extended through 2022.

From the COVID-19 pandemic and possible impact evaluation, the executives of the company still believe that the situation in Thailand is likely to become better. However, the company still increases its carefulness when considering credit approval, focusing on the customer group with regular income, mainly considering the income source of the customer as well as Site Visit Required to investigate their career and residence. For the debt collection, the company indicates the operating practices in terms of both marketing and debt collection more strictly. For the liquidity impact, the main expense of the company is motorcycle cost paid to the dealers; therefore, this payment depends on the increased or decreased number of contracts. The company does not face any problems about liquidity as the company receives the financial amount from financial institutes consecutively and cash flow from installments on a regular basis.



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Risks from Measures of Temporary Debt Relief for Businesses and in Helping Debtors Affected by the Situation Affecting the Thai Economy

As the company conformed to the exceptions for accounting practices on temporary debt relief measures for businesses helping debtors affected by the situation affecting Thai economy, issued by the Federation of Accounting Professions, in accordance with the guidelines in the circular notice of the Bank of Thailand for the reporting period, ending between 1 January 2020 and 31 December 2021. The company used the real interest rate to determine the present value of restructured debts under the guidelines of helping, based on the Bank of Thailand's circular notice. Besides this, for evaluating the value of expected credit losses using general approach, the company would consider the reliability of predicted information arising from the temporary crisis, such as using the factors related to future projections to have less reliability than the information reflecting the capability to pay back from past experience, as well as conducting the debt classification of debtors the same as before using the measures based on the circular notice of the Bank of Thailand. After the relief period, the company must do the debt classification based on the quality and evaluate the value of the expected credit losses, using factors related to future projections. As of December 31, 2022, the Company had debtors who received a debt suspension measure that converted to a seized vehicle and amortized NPLs debts between 2022, 2021 and 2020, totaling 63.53 million baht, accounted for 21.37% of the total number of debtors admitted to the measure.

Social and Environmental Risk

Risks from Serious Situation

The business operations of the company are at risk of facing some threats, which might happen from the political uncertainty. The situation can directly impact the lives, assets and security of employees, as well as directly impact the business operations unavoidably. The company continuously follows and evaluates the situation. If the situation is likely to cause any violence, the company would instruct the team to follow and analyze the situation closely, as well as informing the employees and related persons about the situation and security practices and enhancing the security in the workplace. In addition, the company has prepared the Business Continuity Plan: BCP, which includes the preparedness of the IT system for the employee to work from home or at the backup office.

Changing Weather Conditions

The changing weather conditions and global warming both have regional and global effects and cause environmental risk and other natural disasters, which might affect the business operations. Therefore, the company determines the concerned persons to evaluate the risk of natural disasters in case the company would construct a new branch, apart from evaluating the business opportunity. However, the main cause of global warming is from humans, such as fossil fuel burning and releasing greenhouse gas. The business operations of the company might be a part of the environmental impact, so the company conducts activities to show responsibility towards society and lessen the environmental impact, such as set measures to reduce electricity usage during lunch breaks, sort the garbage for easy management and re-use and use the resources effectively, such as re-using papers, replacing paper towels made of pulp recycled papers, campaigning to use cloth bags instead of plastic bags or using personal cups instead of plastic packaging, promoting waste separation, replacing office bulbs to energy-saving bulbs (LED bulbs), and checking the company cars every inspection cycle to reduce pollution.

2.2.2 Risks for Investment of Shareholders

Risks of Having the Shares of Major Shareholders for over 25% of the Authorized Capital

As of 31 December 2022, the company had the major shareholders, including COM7 Public Company Limited holding 34.32% of all shares issued and given shares of the company and SYNEX Thailand Public Company Limited holding of 26.98% of all shares issued and given shares of the company. This causes the two mentioned shareholders to have the right to oppose or disapprove any topics in the shareholder meeting, in which the related regulations and law indicate to receive three-fourth of the votes of all shareholders in the meeting, such as the company regulation amendment, capital increase or decrease.

Risks in case the shareholders might have some limitations to obtain some kind of rights for shareholders of restricted countries, in case of preferential public offerings in the future.

Although the public company limited does not need to offer rights to buy capital increase shares to the existing shareholders when issuing, the public company limited still issues instruments, including capital increase shares and other instruments issued by the company, such as the warrant, TSR or convertible debentures occasionally, by allocating to the existing shareholders based on the ratio. In case the company offers or gives the rights to shareholders to buy the capital increase shares or any rights in any forms, the company reserves the right to offer the stated instruments to shareholders. The company might not offer the right to reserve the stated instruments to shareholders outside Thailand. Moreover, under the enforced law, the company might be prohibited to offer the rights to buy the stated instruments to shareholders in some countries, except for proceeding with some related process; for example, the company cannot offer the stated right to U.S. shareholders, based on the Regulation S, under the U.S. Securities Act 1933 (including the adjustment), except for (a) the company has the lists of security offering information, which was enforced under the stated act or (b) the offering is in accordance with the exceptions under the stated act. Abiding by the securities law or regulations of some other countries might cause the investors to not be able to buy the instruments based on the ratio, which might decrease the shareholding ratio of those investors. The company is not obliged to register for ordinary shares of any countries for the sake of foreign investors to obtain the right in buying the capital increase shares based on the ratio in the future.





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3. Driving business for sustainability

3.1 Sustainable Management Policy and Goals

The Company has established a good corporate governance policy in accordance with good corporate governance guidelines. This is to be practiced by the directors, executives, and employees of the Company at all levels. This will help promote the operation of the Company to be systematic, orderly and have clear standards that can be verified. This will promote fairness and transparency, which will create confidence among shareholders, investors, and related parties. The company will supervise and manage in accordance with the objectives and goals of the Company under the strategy, operating policy, and business conducts that is ethical and in accordance with the relevant laws. The Company shall ensure monitoring, evaluation, and effective performance reporting, respecting the rights and being responsible to shareholders and stakeholders, taking into account the interest of society and the environment, as well as adapting to the constant changes to enable the Company to compete and operate sustainably by setting goals and 7 sustainable guidelines as follows:

Sustainable Management

- 1. Sustainable management of the value chain:** the Company considers the maximum benefits of every group of stakeholders by insisting on corporate governance and anti-corruption policies. There is a determination on an effective, transparent, and verifiable corporate governance structure, together with creating an understanding and communication in corporate governance and sustainable development aspects towards employees.
- 2. Participation in reducing environmental impact:** the Company is searching for environmental management guidelines in accordance with the relevant laws and regulations. The Company also improves, develops, and seeks new measures and methods in order to prevent, control, and reduce the impacts on the community and environment.
- 3. Sustainable talent development:** the Company emphasizes talent development by encouraging and establishing a learning society within the organization, including realizing the responsibility towards the community and society.

7 Sustainable Guidelines

- 1. Good corporate governance**
Adhere to operating the business with transparency, fairness, and responsibility towards every group of stakeholders, together with adhering to comply with laws, regulations, rules, and methods, including relevant policies and regulations, notices and company orders.
- 2. Building awareness and human resource development**
Promote morals, ethics, social and environmental responsibilities as organizational culture. There is risk management and social and environmental responsibilities. Arrange communication and support corporate training as well as manage employee's well-being. Promote the working atmosphere and environment so that employees are happy to work in parallel with the potential development for efficient performance in response to the organizational goals.
- 3. Respect for human rights and labor practices**
The Company treats its employees and workers with non-discriminatory, giving them a fair opportunity, assigning tasks adequate with the capabilities and proper compensation. The Company respects the Company and business partners' employees and worker's rights and treats them equally. It supervises and protects employees, workers and Company assets, including protecting individual rights by securing confidential information. The disclosure and utilization of personal information strictly comply with the laws.

4. Safety, hygiene, and environmental management with good health and well-being

The Company emphasizes safety, occupational health and environmental management. The operational rules and performance standards are set to ensure safety and prevent occupational diseases and environmental effects in various operating areas, including healthcare for employees.

5. Anti-corruption

The Company recognizes its importance and is determined to combat bribery and corruption entirely as well as participate in the signing of the Thai Private Sector Collective Action Against Corruption declaration by setting it as a policy and guideline.

6. Economic growth in developing community and society

The Company emphasizes all groups of stakeholders by promoting and supporting allies, business partners and stakeholders throughout the business chain and conducts business in accordance with sustainable developments guidelines.

7. Promote environmentally responsible operations

Raise awareness and cultivate environmental protection culture and climate change management.

Sustainable Management of Value Chain

Activity	Expectations	Results of 2022	Goal of 2023
Provide complete advice to customers on lending.	-To provide advice and complete explanations on credit terms for customers to prevent any misunderstandings.	- Meet the specified goals. Checkers can explain terms and conditions on lending to all customers and can answer the questions.	- Set a target for credit service officers to explain 100% of the loan conditions.
Accept complaints and use them develop and improve the work.	- To have an easily accessible channels for customers to report complaints. - To take complaints into consideration to fix, develop, and improve work.	- Meet the specified goals. The Company was able to respond to complaints within 1 business day. - Take important complaints to improve work processes in preventing recurrence and provide customers with maximum satisfaction.	- Continue operations. - Respond to complaints and resolve complaints within 1 business day. - To analyze the complaints and find a long-term solution to prevent recurring events.
Comply with applicable laws.	- To strictly comply with the relevant laws such as: - Consumer Protection Act - Debt Collection Act - Personal Data Protection Act	No complaints file against the Company for breaking the law.	No complaints file against the Company for breaking the law.
Develop the service system by improving into a digital format.	- Reduce the service process. Customers can access information for using the service easily and quickly.	- Improve the Line (Next Connect) and Face book channels to be easier to register for use. Develop the use of e-Consent in providing service to reduce the process of preparing paper documents - Develop a Mobile Application for Checker system. Complete and start using in 2022	- Develop a channel for delivering receipt documents to customers via electronic channels.



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Activity	Expectations	Results of 2022	Goal of 2023
Develop a strong community and society.	In terms of education: - To support scholarships for students who have excelled academically but lack the financial resources for them to be able to maintain in the educational system and hope to help reduce social or community problems caused by a lack of proper education. - Others	- In 2022, the Company organized activities to promote community and social development in 4 projects.	- The Company organized at least 2 social assistance activities.
	- Employment in the community to reach and build customer confidence in each area by employing local people at least 90 percent of branch employees	- According to the specified goals	- Employ local people in at least 90% of the branches employees.
	- Employment of persons with disabilities	- In 2022, the employment rate for 2 disabled people is lower than the target. The Company has sent money to the Fund for Empowerment and Development of the Life of Persons with Disabilities.	- In 2023, organize a career promotion project for the disabled by having massage activities to cure office syndrome.

Contributing to reducing environmental impact

Policy	Guidelines	Results of 2022	Goal of 2023
Waste management through recycling and reducing the amount of plastic waste.	Separate recyclable waste to promote the recycling process. - Campaign for employees to use glasses and cloth bags instead of plastic bottles.	- Meet the set goals. Employees realize more of reducing the amount of plastic waste. - Organize activities for branch employees to visit nearby waste collection areas.	- Campaign continuously and expand the results to the family / close person of the employees.
Economical energy consumption	Campaign for employees to turn off the lights when not using them.	- Meet the specified goals.	- Campaign continuously and help for maintenance the electrical equipment in the head office / branch to be in good condition for use.
Reduce the use of paper.	- Use of paper on both sides. - Development of Mobile Application and e-document system and started using it by 2021 to reduce paper consumption and increase speed and accuracy.	- Use the K2 system for e-proposal work and reduce the use of paper. - Use the Operation portal system for sending jobs between branches and head office without having to print out the document to work.	- Paper usage has been reduced due to a shift away from printing to more storing data in the system. - Develop the K2 system for e-proposal work and reduce the use of paper.

Policy	Guidelines	Results of 2022	Goal of 2023
Management to reduce greenhouse gas problems.	- Bring the car to check the condition according to the schedule in order to reduce the pollution from the exhaust pipe. - Campaign for employees to reduce and quit smoking	- Meet the set goals. Employees bring the cars to inspect the conditions as specified.	- Continue the operations. - Continue campaigns.

Sustainable talent development

Policy	Guidelines	Results of 2022	Goal of 2023
Developing the quality of life of personnel.	Set compensation and welfare of employees in accordance with the performance of the Company.	The company provides weekly COVID testing kit (ATK) welfare to employees for prevention of spread if an employee is infected. The total amount is 481,788 baht.	- Review the appropriateness of remuneration and welfare of employees.
Creating a learning society within the organization.	- Create tools to help employees in the organization gain access to more accessible learning. - Encourage employees in the organization to see the value of knowledge. - Promote employees to develop their competencies through the succession plan and talent management.	- Average number of training hours 5 hours / person / year. - Prepare the draft of competence development plan and succession plan.	- Average number of training hours 6 hours / person / year. - Implementation of knowledge development and succession plans.

3.2 Managing the impact on stakeholders in the value chain

3.2.1 Value Chain

The Company places great importance on the business value chain management process and pays attention to every step in order to respect the interests of stakeholders, starting with sourcing of funds from financial institutions and investors and selecting standard partners in providing services to clients. When a customer wishes to take out a loan, the Company will collect information and documents for applying for credit to analyze and approve the credit for the customer. On the day before the installment payment is due, the company will notify the customer of the payment of the installment in advance to let the customer know and proceed to contact the payment for the next installment.

The Company uses technology in the work process to match business partners and develop new innovations. To create a more convenient, faster, and more efficient service. This is to expand the concept of value chain management to achieve greater sustainability in business operations.





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3.2.2 Stakeholder Analysis in the Business Value Chain

Stakeholder	Stakeholder expectations	Meeting stakeholder expectations
Customers	- Treat customers equally and fairly. - Get advice including access to appropriate services. - Keep the confidentiality of customer information.	- Good corporate governance, transparency, fairness and accountability. - To have a policy against corruption and to promote compliance. - Have a code of conduct in keeping customer information.
Business partners / allies	- Receive swift and accurate information. - Adhere to the terms and conditions and fair payments, - Acquire knowledge, develop potential and enhance service capabilities.	- Establish clear policies and conditions without discrimination. - To have a policy against corruption and to promote compliance. - Business partner development by introducing knowledge and understanding such as Tax education, application of technology to enhance operation to be swifter etc.
Employees	- Getting adequate and appropriate welfare. - There is equality and opportunities for advancement. - To have a training plan for developing knowledge and abilities.	- Strictly abide by the Human rights policy and employment policy. - Provide appropriate employee welfare. - Provide knowledge development training courses to suit their duties and positions.
Shareholders / Investor	- Good corporate governance. - The business is stable, continues to grow and receives good returns. - Receive accurate, complete, timely and transparent company information. - To have a good risk management in place.	- Corporate governance is transparent, fair, and verifiable. - Pay appropriate dividends. - Disclosure of information in a transparent manner. - Prepare a business strategy plan. - Manage the risk carefully.
Competitors	- Fair and transparent trade competition - Information exchange	Follow the Code of Conduct for fair and transparent business operations.
Community and Society	- Help support activities in the community. - Does not create any negative impact on the community and environment. - Operational transparency. - Follow the principles of human rights and anti-corruption.	- Support various activities. - Follow the policy of social and environmental responsibility. - Corporate governance is transparent, fair and verifiable. - Have an anti-corruption policy and promote compliance.

3.3 Sustainability management in the environmental dimension

3.3.1 Environmental Policies and Practices

The Company seeks environmental management solutions in accordance with the rules of applicable laws and regulations as well as improves, develops and seeks new measures or methods on the environmental management system to reduce the use of energy resources and reduce waste and greenhouse gas emissions, including recycling resources, in order to prevent, control and reduce the impact that occurs on the community and the environment.

3.3.2 Environmental performance

Management on garbage and waste management

In 2022, The Company has campaigned for employees to separate waste before disposing of it as follows: 1. general waste 2. wet waste 3. recyclable waste for ease of disposal or reuse and to reduce pollution, odors, and insects, which directly impact employee health.

Energy management

In 2022, the Company launched an energy-saving campaign for employees. When not in use, turn off the power during the lunch break. When needed, keep the power on. This includes the maintenance of related electrical system control equipment. The goal of electricity usage in 2023 is lower than in 2022. There will be a comprehensive report and follow-up.

Management to reduce greenhouse gas problems

In 2022, the Company begins collecting data and it is expected that by 2023-2024, there will be information in the operation that has not been verified and registered from TGO or equivalent. However, the Company is committed to and participates in reducing greenhouse gas emissions through the corporate activities as follows:

- Bringing 82 rental cars used for work to be inspected for a set period to prepare the cars for use and reduce pollution from car exhaust, which negatively impacts the environment.
- Support the purchase and use of environmentally friendly products.
- The Company encourages all departments to reduce paper use by promoting paper usage on both sides wisely, including the start to change the work into an electronic format.
- There was a campaign for employees to use cloth bags instead of plastic bags, as well as a campaign to use personal glass to continuously reduce the use of plastic packages.

3.4 Sustainability management in the social dimension

3.4.1 Social Policies and Practices

The Company recognizes its responsibility to the community and society in order to strengthen the community and truly give back to society, with the goal of creating knowledge, careers, and people. Therefore, the Company has a policy of providing assistance and social development by cooperating in various activities with the surrounding communities in the Company's area, as well as responding quickly and efficiently to events that affect communities, society, and the environment as a result of the Company's operations with quickly and efficiency. In addition, the Company has also encouraged its employees to have awareness and responsibility to the environment and society.

3.4.2 Social performance

Responsibility to customers

The company has taken into account the quality and standard of service as a priority in order to provide customers with quality services by treating customers with fairness and transparency, as well as developing a modern system to support the needs of customers. The Company has complied with relevant policies and laws, and has improved and developed systems, including the storage of customer important documents in order to prevent any leakage of information.

In 2022, the Company has set customer satisfaction goals with responsibility, honesty, and ethics by considering resolving customer complaints in important matters no less than 80%, with a customer satisfaction survey of 95%.

Responsibility to employees

The Company considers treating employees and workers with due regard to human rights with fair, equitable and non-discriminatory in employment, compensation, promotion, training and development of competency.

Number of persons employed as of the end of 2021

Details	Number of Employees (persons)	
	Male	Female
Full-time Employees	471	243
Disabled Employees	1	1
Total	472	244

Notice : 1. All employees including executive.

2. In 2022, the Company accepts the disabled persons to work below the specified limit. The Company has sent money to the fund for the promotion and development of the quality of life of the disabled.



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และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



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Employee Engagement

In 2022, the Company created an employee engagement development plan and set a target of an average employee engagement score of no less than 80%, with the employee engagement survey results of 81%.

Responsibility towards community and society

The Company has organized activities to help the society in many areas, which provide services as follows:

Computer and information equipment donation project for use as learning media to Ban Huai Kru School, Sriracha District, Chonburi province for educational purposes.



The Company organized a blood donation event for the Thai Red Cross Society on November 21, 2022. The Company recognizes the importance of helping the society, especially saving the lives of patients who need blood. Therefore, it continuously campaigns for employees to donate blood to help others.



The Company organized social and environment service activities. The staffs went for garbage collection in front of Ko Siray Beach, Phuket.



The Company organized social development activities by donating essential items to the Children's and Family Home in Lopburi province, as well as the educational scholarships and other belongings to the Isaan Orphanage Foundation, Ubon Ratchathani province.



4. Management Discussion and Analysis (MD&A)

Business overview and significant changes

Next Capital Public Company Limited ("the Company") mainly operates the business of providing hire purchase for motorcycles and started hire purchase for used trucks in 2022. The Company had a total income of 1,921.85 million baht, 1,381.89 million baht and 1,141.40 million baht in 2022, 2021 and 2020, respectively. The total income has grown steadily during 2020-2022, with a growth rate of 39.07% and 21.07% in 2022 and 2021, respectively when compared to the previous year. The increase in income over the past 3 years has resulted from the Company's expansion of credit portfolio, in line with the income from service fees related to insurance and bad debt recovery.

The total expenses were 1,712.16 million baht, 992.48 million baht and 888.73 million baht in 2022, 2021 and 2020, accounting for 89.10%, 71.81% and 77.86% of total income, respectively. Most of the total expenses were selling and administrative expenses, which accounted for 39-53% of total expenses. The Company's expenses have been rising over the past three years, mainly due to an increase in employee compensation, debt collection service fee payable to an external company and expected credit losses.

Net interest margin was 17.68%, 19.62% and 19.62% in 2022, 2021 and 2020, respectively. The decrease in net interest margin in 2022 resulted from lower interest income rates due to a higher competition in hire purchase for motorcycles. Thus, the dealer commission and sales promotion increased.

The net profit was 164.82 million baht, 310.94 million baht and 201.77 million baht in 2022, 2021 and 2020 or equivalent to a net profit margin of 8.57%, 22.50% and 17.68%, respectively. The decrease of net profit margin in 2022 was mainly due to an increase in expected credit losses following a higher number of new hire purchase contracts and outstanding debts ratio when compared to the previous year.

As of 31 December 2022, 2021 and 2020, the Company maintained assets of 8,359.73 million baht, 5,831.17 million baht and 4,656.68 million baht, respectively. This comprised current assets of 43-56% of total assets, mainly the net hire-purchase receivables due within one year, and non-current assets accounted for 44-57% of total assets, mainly the net hire-purchase receivables.

The capital structure as of December 31, 2022, 2021 and 2020 comprised total liabilities of 4,129.45 million baht, 3,822.89 million baht and 2,980.39 million baht, respectively, accounting for 49.40%, 65.56% and 64.00% of liabilities and equity. This included the Company's owner's equity of 4,220.35 million baht, 1,998.29 million baht, and 1,676.29 million baht as of December 31, 2022, 2021 and 2020, respectively or 50.48%, 34.27% and 36.00% of total liabilities and equity. Meanwhile, the non-controlling interests equaled to 9.92 million baht and 9.99 million baht as of December 31, 2022 and 2021, respectively, or 0.12 and 0.17 percent of total liabilities and equity.

The total liabilities consisted of current liabilities which accounted for approximately 45-49% of total liabilities. However, there was an increase in the proportion of current liabilities, resulting from higher long-term loans due within one year from financial institutions. Most of the Company's current liabilities were trade and other payables, short-term and long-term loans due within one year from financial institutions and non-current liabilities, which accounted for approximately 51-55% of total liabilities.

The owners' equity included the issued and paid-up share capital, share premium, warrants, retained earnings and non-controlling interests. There was an increase in the owner's equity according to the growth of the Company's retained earnings. In 2022, the ordinary shares and paid-up capital with warrants were increased for the existing shareholders in proportion to their shareholding in the amount of 225.00 million baht, which accounted for 450.00 million newly issued ordinary shares with a share premium of 1,684.40 million baht and a fair value of warrants of 115.20 million baht.



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Operating performance and profitability

Income

Type of income	2022		2021		2020	
	million baht	percent ¹	million baht	percent ¹	million baht	percent ¹
Interest income from hire-purchase ²	1,510.82	78.61	1,028.31	74.41	880.14	77.11
Fees and services income ³	180.11	9.37	143.60	10.39	100.80	8.83
Other income ⁴	230.92	12.02	209.98	15.20	160.46	14.06
Total income	1,921.85	100.00	1,381.89	100.00	1,141.40	100.00

The Company's income can be divided according to types of income in 3 main groups, namely interest income from hire-purchase, fees and services income, and other income.

- Note :
1. Percentage compared to total income
 2. Interest income from hire-purchase with net calculated by commissions and direct expenses such as stamp duty
 3. Fees and services income relating to insurance, registration, and debt collection fees
 4. Other income including bad debt recovery, penalty fee, etc.

The Company had a total income of 1,921.85 million baht, 1,381.89 million baht and 1,141.40 million baht in 2022, 2021 and 2020, respectively. The total income recorded a continuous growth during 2020-2022, or 39.07% and 21.07% in 2022 and 2021 when compared to the previous year. The increase in total income was due to an increase in interest income from hire purchase following the expansion of customer base and credit portfolio. Thus, income from fees and services related to debt collection, insurance for motorcycles, and other income of bad debt recovery increased in compliance with higher credit portfolios.

During 2020-2022, the Company had a number of new contracts and total contract value as follows:

New contracts	2022	2021	2020
Number of new contracts (contracts)	91,971	69,323	39,222
Total contract value (million baht)	5,739.41	4,192.05	2,301.52

Income from interest of hire purchase contracts

Most of the Company's income came from interest income from hire purchase which accounted for 74-79% of total income, or 1,510.82 million baht, 1,028.31 million baht and 880.14 million baht in 2022, 2021 and 2020, respectively. The growth of interest income was due to its expansion of customer base and credit portfolios. Thus, the income from interest income from hire purchase continued to increase in line with number of new contracts. In the meantime, the Company had a policy to recognize the income from interest income from hire purchase in each accounting period which reflected the effective interest rate in each period of investment remaining net under the hire purchase agreement. Also, the Company recognized the interest income from hire purchase with credit impairment at the effective interest rate and the book value of financial assets net by an allowance for expected credit losses.

Fees and services income

The Company's income from fees and services equaled to 180.11 million baht, 143.60 million baht and 100.80 million baht in 2022, 2021, and 2020, which accounted for 9.37%, 10.39%, and 8.83% of total income, respectively. These were mainly from income of providing insurance services for hire purchase properties or approximately 32-56% of total income from fees and services. All assets under hire purchase contracts with the Company must be insured to cover losses due to thefts, embezzlements, frauds or accidental damages. In the meantime, debt collection accounted for approximately 29-50% of total income from fees and services. There was a continuous increase of income from fees and services every year due to higher insurance service fees for the assets entered into hire purchase contracts according to the higher number of new contracts.

Other income

The Company had other income equal to 230.92 million baht, 209.98 million baht and 160.46 million baht in 2022, 2021 and 2020, which accounted for 12.02%, 15.20%, and 14.06% of the total income, respectively. These included bad debt receives from debt collection written off as bad debts, as well as fines for late payments, and others. The Company recognized other income based on the amount actually received mostly from bad debt recovery of approximately 94-95% of total other income. There was a continuous increase of other income each year in line with higher credit portfolios.

Expenses

million baht	2022		2021		2020	
	Million baht	percent ¹	Million baht	percent ¹	Million baht	percent ¹
Selling and administrative expenses	670.80	39.18	527.81	53.18	403.46	45.40
Expected credit losses	875.03	51.11	363.36	36.61	378.64	42.60
Loss (profit) from sale of foreclosed assets	7.84	0.46	4.00	0.41	(7.05)	(0.79)
Financial cost	158.49	9.25	97.31	9.80	113.68	12.79
Total expenses	1,712.16	100.00	992.48	100.00	888.73	100.00

Note: 1. Percentage compared to total expenses

Total expenses were 1,712.16 million baht, 992.48 million baht and 888.73 million baht in 2022, 2021, and 2020, which accounted for 89.10%, 71.81% and 77.86% of total income, respectively. These mainly consisted of selling and administrative expenses for 39-53% of total expenses. During the past 3 years, the Company's expenses were increased due to higher selling and administrative expenses, including employee compensation, debt collection service paid to an external company, and seizure of foreclosed assets, in compliance with income of bad debts recovery, more number of foreclosed assets, and higher expected credit losses, accounting for 37-51% of total expenses according to more lending. In 2022, there was a higher rate of outstanding debts, but still within the acceptable level of risks.

Selling and administrative expenses

The Company's selling and administrative expenses were 670.80 million baht, 527.81 million baht and 403.46 million baht in 2022, 2021 and 2020, which accounted for 39.18%, 53.18% and 45.40% of total expenses, respectively. Most of the expenses were employee compensation, sales promotion, debt collection, rental, depreciation and utility bills.



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



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เอกสารแนบ

Type of selling and administrative expenses	2022		2021		2020	
	Million baht	percent ¹	Million baht	percent ¹	Million baht	percent ¹
Employee compensation	351.88	18.31	281.60	20.38	224.30	19.65
Debt collection fees ²	106.81	5.56	87.20	6.31	67.44	5.91
Travel expenses	37.07	1.93	27.65	2.00	16.84	1.48
Depreciation	28.67	1.49	28.25	2.04	25.83	2.26
Sales promotion	24.87	1.29	10.97	0.79	0.05	0.01
Utility bills ³	10.53	0.55	9.47	0.69	10.21	0.89
Audit and consulting fees	10.25	0.53	9.09	0.65	9.34	0.82
Loss on impairment of assets	7.20	0.37	-	-	-	-
Rental	1.91	0.10	2.02	0.15	4.32	0.38
Others ⁴	91.61	4.77	71.56	5.18	45.13	3.95
Total	670.80	34.90	527.81	38.19	403.46	35.35

Note :

1. Percentage compared to total income
2. Debt collection expenses relating to debt collection service fees paid to an external company and seizure of foreclosed assets
3. Utility bills such as telephone bills, information system maintenance costs, electricity bills, etc.
4. Others including payment system service fees, credit bureau check service fees, office expenses, etc.

The company's selling and administrative expenses increased over the past 3 years, which accounted for 34.90%, 38.19% and 35.35% of total income in 2022, 2021 and 2020, respectively. The increase was due to higher employee compensation equal to 351.88 million baht, 281.60 million baht and 224.30 million baht, or 18.31%, 20.38% and 19.65% of total revenue in 2022, 2021 and 2020, respectively. This was due to an increasing number of employees. Meanwhile, the Company focused on providing employees with knowledge and capabilities at work, while learning new things for organizational development through regular trainings both inside and outside the organization. In the meantime, the expenses for debt collection was increased in 2022, 2021 and 2020 equal to 106.81 million baht, 87.20 million baht, and 67.44 million baht, which accounted for 5.56%, 6.31%, and 5.91% of total income, respectively, according to higher income of bad debt recovery and seizure of foreclosed assets.

Expected credit losses

The Company has a policy to set an allowance for expected credit losses from the outstanding balance of receivables less deferred interest income by considering the calculation model prepared by the Company in accordance with the Thai Financial Reporting Standards No. 9 (TFRS9). The Company would write off debtors from the accounts after the follow-up as appropriate and with clear evidence that the debts are not paid.

The Company has expected credit losses of 875.03 million baht, 363.36 million baht and 378.64 million baht in 2022, 2021 and 2020, which accounted for 45.53%, 26.29%, and 33.17% of total revenue, respectively.

Expected credit losses	2022		2021		2020	
	Million baht	percent ¹	Million baht	percent ¹	Million baht	percent ¹
Allowance for expected credit losses written-off	377.17	19.63	163.14	11.81	240.34	21.06
Increase in expected credit losses during the period	497.86	25.90	200.22	14.48	138.30	12.11
Total	875.03	45.53	363.36	26.29	378.64	33.17

Note : 1. Percentage compared to total expenses

Allowance for expected credit losses written-off from the Company's accounts equaled to 377.17 million baht, 163.14 million baht and 240.34 million baht in 2022, 2021 and 2020, which accounted for 19.63%, 11.81% and 21.06% of total income, respectively. The Company recognized the write-off of receivables from the account during the year as an expense in the income statement. The Company would write off debtors from the accounts after the follow-up as appropriate and with clear evidence that the debts are not paid. The debtors written off from the Company's accounts were increased in accordance with the amount of credit granted. When aiming to expand its customer base, the Company were at risk that more debtors would be written off from the accounts. However, the Company could efficiently control each class of debts by the use of information systems to analyze the quality of all debtor groups for the credit policy improvement and adjustment of guidelines for debt collection towards the control and prevention any risks of debtors being written off from the accounts and expected credit losses.

There was an increase of expected credit losses during the year worth of 497.86 million baht, 200.22 million baht and 138.30 million baht in 2022, 2021 and 2020, which accounted for 25.90%, 14.48% and 12.11% of total income, respectively.

Loss (profit) from sale of foreclosed assets

The Company had losses from sale of foreclosed assets in 2022 and 2021 equal to 7.84 million baht and 4.00 million baht, respectively. In 2020, the Company had a profit from sale of foreclosed assets equal to 7.05 million baht.

Financial cost

The Company had financial costs during 2022, 2021 and 2020 equal to 158.49 million baht, 97.31 million baht and 113.68 million baht, respectively. The interest-bearing loans as of December 31, 2022, 2021, and 2020 amounted to 3,785.09 million baht, 3,303.06 million baht and 2,717.13 million baht, with average interest rates of 3.87%, 3.85% and 4.32% in 2022, 2021 and 2020, respectively.

Profitability

Interest rate differential	Unit	2022	2021	2020
Interest income rate ¹	Percentage	21.55	23.47	23.94
Interest expense rate ²	Percentage	3.87	3.85	4.32
Net interest margin	Percentage	17.68	19.62	19.62

Note : 1. Interest income rate = Hire purchase interest income, less direct costs / Average hire purchase receivables
2. Interest paid rate = Cost of finance / Average total borrowing

The interest income rate was 21.55%, 23.47% and 23.94% in 2022, 2021 and 2020, respectively. In 2022, the interest income rate decreased by 1.92% when compared to the previous year due to higher competition in the motorcycle hire-purchase business. Thus, the dealer commission and sales promotion were higher.

The interest expense rate was 3.87%, 3.85%, and 4.32% in 2022, 2021 and 2020, respectively. There was a lower interest expense rate in 2022 and 2021 when compared to the previous year due to a new credit line with a lower interest rate.

Net interest margin was 17.68%, 19.62% and 19.62% in 2022, 2021 and 2020, respectively.

Net Profit and Return on Equity

The Company's net profits in 2022, 2021 and 2020 were 164.82 million baht, 310.94 million baht and 201.77 million baht, which accounted for the rate of 8.57%, 22.50% and 17.68%, respectively. In 2022, the net profit was decreased from 310.94 million baht in 2021 to 164.82 million baht, mainly due to an increase in expected credit losses. This was a result of continuous credit portfolio expansion and an increase in the rate of outstanding debt when compared to the previous year, but still within the level of acceptable risk.



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแบบ

The Company had return on equity equal to 5.28%, 16.88% and 14.78% in 2022, 2021 and 2020, respectively. In 2022, the return on equity was decreased due to an increase in paid-up ordinary shares with warrants for the existing shareholders in proportion to their shareholding in the amount of 225.00 million baht or 450.00 million newly issued ordinary shares, with a share premium net amount of 1,684.40 million baht and the fair value of warrants of 115.20 million baht.

Ability for asset management

Assets

The Company had assets as of 31 December 2022, 2021, and 2020 equal to 8,359.73 million baht, 5,831.17 million baht and 4,656.68 million baht, respectively. These consisted of current assets which accounted for 43-56% of total assets, mainly the hire purchase receivables net due within one year, and non-current assets which accounted for 44-57% of total assets, mainly the hire purchase receivables net.

The major changes in the Company's assets were as follows:

Hire purchase receivables net

The Company had hire purchase receivables net as of December 31, 2022, 2021 and 2020 equal to 7,427.57 million baht, 5,463.60 million baht and 3,739.63 million baht, respectively, which accounted for approximately 80-94% of total assets. These included the portions due within one year of 41-48% of total hire purchase receivables net and the portion due more than one year of 52-59% of total hire purchase receivables net.

The hire purchase receivables were increased by 35.95% and 46.10% in 2022 and 2021, respectively when compared to the previous year. These were due to the Company's continuous expansion of its customer base and credit portfolios, as well as more sales promotions with partners. Thus, the number of new contracts was increased significantly in the same direction as income.

Hire purchase receivables net	As of December 31, 2022		As of December 31, 2021		As of December 31, 2020	
	million baht	percent	million baht	percent	million baht	percent
Portion due within one year	3,122.00	42.03	2,256.62	41.30	1,788.61	47.83
Portion due more than one year	4,305.57	57.97	3,206.98	58.70	1,951.02	52.17
Total hire purchase receivables net	7,427.57	100.00	5,463.60	100.00	3,739.63	100.00

The Company has provided measures for a debt payment holiday to assist debtors affected by the spread of COVID-19 pandemic as follows:

In 2020, debtors who exercised the debt payment holiday received a suspension of debt payment in 3 installments if the finance amount was less than or equal to 35,000 baht, or a grace period for payment of 30%, 40%, and 50% of total installments during a period of 3 months if the finance amount was more than 35,000 baht. The rest must be paid in additional 3 installments from the last installment of the contract.

In 2021, debtors who exercised the debt payment holiday were granted a waiver to pay installments of 30%, 40%, and 50% of total installments (as the case may be) for a period of 3 months. The rest must be paid in additional 3 installments from the last installment of hire purchase contract. In 2021, the Company allowed customers to request a moratorium on debt payments since August and starting in September. In 2020 and 2021, there were a total of 6,739 debtors under the debt payment holiday worth of 38.70 million baht or equal to approximately 5% of the total number of debtors as of December 31, 2021.

However, the Company did not extend debt payment holiday in 2022 for debtors due to the easing of the COVID-19 pandemic from the previous year, in line with a gradual recovery of the Thai economy.

Quality of accounts receivable

The Company's hire purchase receivables in 2022, 2021, and 2020 were classified as follows:

Classification	As of December 31, 2022		As of December 31, 2021		As of December 31, 2020	
	million baht	percent	million baht	percent	million baht	percent
No significant increase in credit risk	6,870.68	92.37	5,206.91	94.81	3,568.96	93.57
Significant increase in credit risk	340.62	4.58	207.16	3.77	180.94	4.74
Credit impairment	226.89	3.05	77.97	1.42	64.54	1.69
Total hire-purchase receivables net of deferred interest income	7,438.19	100.00	5,492.04	100.00	3,814.44	100.00

The Company applied a general approach to measure expected credit losses for the hire purchase receivables by considering changes in credit quality which divided into 3 classes. Each class had different methods of measuring the allowance for expected credit losses and the recognition of interest income.

As of December 31, 2022, 2021 and 2020, the classification and allowance for expected credit losses was detailed as follows:

Unit: million baht

Classification	Hire purchase receivables less deferred interest income			Allowance for expected credit losses			Hire purchase receivables net		
	As of December 31, 2022	As of December 31, 2021	As of December 31, 2020	As of December 31, 2022	As of December 31, 2021	As of December 31, 2020	As of December 31, 2022	As of December 31, 2021	As of December 31, 2020
No significant increase in credit risk	6,870.68	5,206.91	3,568.96	(205.00)	(153.18)	(81.74)	6,665.68	5,053.73	3,487.22
Significant increase in credit risk	340.62	207.16	180.94	(134.40)	(80.27)	(59.20)	206.22	126.89	121.74
Credit impairment	226.89	77.97	64.54	(204.68)	(74.06)	(63.17)	22.21	3.91	1.37
Others ¹	-	-	-	-	(6.07)	(26.11)	-	(6.07)	(26.11)
Total	7,438.19	5,492.04	3,814.44	(544.08)	(313.58)	(230.22)	6,894.11	5,178.46	3,584.22

Note : 1. For the years ended December 31, 2021 and 2020, the management considered setting the additional allowance for expected credit losses by identifying them as management overlays in the amount of 6.07 million baht and 26.11 million baht, respectively according to a careful consideration on various factors and potential impacts from the COVID-19 pandemic which caused the economy to slow down and may affect the quality of hire purchase receivables in the future.

Most of the Company's hire purchase receivables were not yet due. At the end of 2022, 2021 and 2020, the outstanding receivables were 6,289.43 million baht, 4,806.68 million baht and 3,268.78 million baht, respectively, which accounted for 84.56%, 87.52% and 85.69% of the hire-purchase receivables net of deferred income. For debtors overdue (OD), in 2022, 2021, and 2020, it was 1,148.76 million baht, 685.36 million baht, and 545.66 million baht, or 15.44%, 12.48% and 14.31% of the hire purchase receivables net of deferred income, respectively.

For the year 2022, the Company's total hire purchase receivables were increased from 5,492.04 million baht at the end of 2021 to 7,438.19 million baht or 35.44% due to higher number of new contracts following the expansion of customer base and credit portfolios, in line with more sales promotions with partners. However, the proportion of hire purchase receivables not yet due and overdue less than 1 month was decreased from 94.81% to 92.37% of the value of hire purchase receivables net of deferred income as of December 31, 2021 and 2022, respectively. Meanwhile, the proportion of receivables overdue for more than 1 month was increased from 5.19% to 7.63% of the value of hire purchase receivables of deferred income as of December 31, 2021 and 2022, respectively.



การประกอบธุรกิจ
และผลการดำเนินงาน



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ดูแลกิจการ



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เอกสารแนบ

As for the year 2021, the Company's total hire purchase receivables were increased from 3,814.44 million baht at the end of 2020 to 5,492.04 million baht, or 43.98% due to a higher number of new contracts following the expansion of customer base and credit portfolios, in line with more sales promotions with partners. Additionally, the proportion of hire purchase receivables not yet due and overdue less than 1 month was increased from 93.57% to 94.81% of the value of hire purchase receivables net of deferred income as of December 31, 2020 and 2021, respectively. Meanwhile, the proportion of receivables overdue for more than 1 month was decreased from 6.43% to 5.19% of the value of hire purchase receivables of deferred income as of December 31, 2020 and 2021, respectively.

Debtor quality	Unit	As of December 31, 2022	As of December 31, 2021	As of December 31, 2020
Debtors overdue (OD)	Million baht	1,148.76	685.36	545.66
Debtors with credit impairment (NPL)	Million baht	226.89	77.97	64.54
Debtors written off from the account	Million baht	377.17	163.14	240.34
Proportion of OD to hire purchase receivables ¹	Percentage	15.44	12.48	14.31
Proportion of NPL to hire purchase receivables ¹	Percentage	3.05	1.42	1.69
Proportion of debtors written off from the account to hire purchase receivables ¹	Percentage	5.07	2.97	6.30
Proportion of NPL and debtors written off from the account to hire purchase receivables ¹	Percentage	8.12	4.39	7.99

Note: 1. Hire purchase receivables mean hire purchase receivables net of deferred interest income.

The Company adheres to the importance to risk management for debtor quality and business growth. Therefore, credit policies and work processes have been continuously improved to be more efficient to screen debtors who are qualified and capable of debt repayment, in line with a strict debt collection when there is a risk of debtor quality and business growth. However, there was a continuous expansion of customer base and credit portfolios in 2022. As a result, the ratio of hire-purchase receivables overdue (OD) and credit-impaired receivables (NPL) to hire-purchase receivables had a trend to increase, but still within the level of acceptable risk.

Sufficiency of allowance for expected credit losses

As of December 31, 2022, 2021 and 2020, the Company set the allowance for expected credit losses equal to 544.08 million baht, 313.58 million baht and 230.22 million baht, respectively. There was an increase of expected credit losses in 2022 amounting to 230.50 million baht or 73.51%, in the same direction as 2021 which was increased from 2020 of 83.36 million baht or 36.21% due to the continuous expansion of customer base and credit portfolios. In 2022, the rate of outstanding debts was higher when compared to the previous year.

Sufficiency of allowance for expected credit losses	Unit	As of December 2022	As of December 2021	As of December 2020
Proportion of allowance for expected credit losses of hire purchase receivables not overdue to hire-purchase receivables not overdue ¹	Percentage	1.97	2.11	1.65
Proportion of allowance for expected credit losses of hire purchase receivables overdue to hire purchase receivables overdue (OD) ¹	Percentage	36.58	30.05	27.55
Proportion of allowance for expected credit losses of hire purchase receivables with credit impairment to hire purchase receivables with credit impairment (NPL) ¹	Percentage	90.21	94.99	97.88

Note: 1. Hire purchase receivables mean hire purchase receivables net of deferred interest income.

For the year end of December 31, 2022, the Company's proportion of allowance for expected credit losses to hire purchase receivables not overdue was decreased from 2.11% at the end of 2021 to 1.97% at the end of 2022. The said proportion was decreased among hire purchase receivables with credit impairment (NPL) from 94.99% to 90.21% for the end of 2021 and 2022, respectively. The proportion of hire purchase receivables overdue (OD) was increased from 30.05% at the end of 2021 to 36.58% at the end of 2022 due to the continuous expansion of credit portfolios. Although the overdue rate was increased in 2022, with a trend to decrease in 4Q/2022, the increased risk was at the level of acceptable risk.

Other receivables

Other receivables as of December 31, 2022, 2021 and 2020 were 58.43 million baht, 56.76 million baht, 64.98 million baht, respectively. Most of the Company's other receivables were the installments paid by customers through various channels in the process of verification by the banks and debtors waiting for insurance claims in the process of verification by insurance companies for payment of claims.

Foreclosed assets net

The foreclosed assets are those used as collateral for hire-purchase and seized from defaulted debtors. It is recognized when the Company seizes debtor's collateral at the cost or net realizable value, whichever is lower. The cost price is value of hire purchase given to debtor. The net realizable value is estimated from the Company's historical auction price statistics by considering on a monthly basis. The collateral seized and sold in the same month will use actual selling price as the net realizable value. As of December 31, 2022, 2021 and 2020, the Company had foreclosed assets net equal to 60.31 million baht, 26.81 million baht and 12.68 million baht or 0.72%, 0.46% and 0.27% of total assets, respectively. The changes were as follows:

Foreclosed assets	As of December 31, 2022		As of December 31, 2021		As of December 31, 2020	
	Number of vehicles	Value (million baht)	Number of vehicles	Value (million baht)	Number of vehicles	Value (million baht)
Foreclosed assets, start of period	869	26.81	513	12.68	735	31.43
Add Increase	13,605	716.84	8,587	393.40	9,360	429.77
Deduct Sell	(12,719)	(660.91)	(8,231)	(376.61)	(9,582)	(438.45)
Deduct Adjust the value of foreclosed assets as the net realizable value		(22.43)		(2.66)		(10.07)
Foreclosed assets net, end of period	1,755	60.31	869	26.81	513	12.68

The Company had foreclosed assets as of December 31, 2022, 2021 and 2020 in the amount of 1,755 vehicles, 869 vehicles and 513 vehicles, respectively. During the year 2022, there was an increase of the Company's collateral seizure of defaulted debtors to 13,605 vehicles from the year 2021 of 8,587 vehicles due to a higher rate of overdue in 2022 when compared to the previous year following the continual expansion of credit portfolios.

Other current assets

As of December 31, 2022, 2021 and 2020, the Company had other current assets equal to 177.44 million baht, 93.74 million baht and 22.59 million baht, or 2.13%, 1.61% and 0.49% of total assets, respectively. Most of those other current assets were VAT worth of 176.83 million baht, 90.98 million baht and 21.97 million baht at the end of 2022, 2021 and 2020, respectively.

Improvement of buildings and equipment

As of December 31, 2022, 2021 and 2020, the Company had improvement of buildings and equipment equal to 9.73 million baht, 10.47 million baht and 8.48 million baht, which accounted for 0.12%, 0.18% and 0.18% of total assets, respectively. The net improvement of buildings and equipment consisted of buildings, equipment and office supplies and computers.



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In 2022, the net improvement of buildings and equipment was decreased by 0.74 million baht when compared to the previous year. This was due to an increase in depreciation during the year worth of 6.14 million baht. However, there is an increased of computers during the year worth of 4.50 million baht.

Right-of-use assets

As of December 31, 2022, 2021 and 2020, the Company had rights-of-use assets of 42.44 million baht, 34.62 million baht and 37.19 million baht, which accounted for 0.51%, 0.59% and 0.80% of total assets, respectively. These consisted of rentals of real estate and vehicle.

Unit: million baht	As of December 31, 2022	As of December 31, 2021	As of December 31, 2020
Real estate	26.08	18.16	22.17
Vehicle	16.36	16.46	15.02
Total right-of-use assets	42.44	34.62	37.19

In 2022, the right-of-use assets were increased by 7.82 million baht or 22.59% due to a higher number of contracts, changes in lease agreements and reassessment of lease liabilities. Thus, the right-of-use assets was increased during the year of 25.70 million baht. However, the depreciation was increased by 17.88 million baht.

Intangible assets

As of December 31, 2022, 2021 and 2020, the Company had intangible assets equal to 29.83 million baht, 34.77 million baht and 32.60 million baht, respectively. These consisted of computer software and the rights to use the golf course sold by the company during the year 2021. During the past 3 years, the Company purchased and developed new computer software to support its continuous business growth. Most of them came from investments in new information system.

Liquidity and capital sufficiency

The capital structure comprised total liabilities of 4,129.45 million baht, 3,822.89 million baht and 2,980.39 million baht as of December 31, 2022, 2021 and 2020, which accounted for 49.40%, 65.56% and 64.00% of total liabilities and owner's equity, respectively. The owner's equity equaled to 4,220.35 million baht, 1,998.29 million baht and 1,676.29 million baht as of December 31, 2022, 2021 and 2020 or 50.48%, 34.27%, and 36.00% of total liabilities and owner's equity, respectively. Meanwhile, the non-controlling interests equaled 9.92 million baht and 9.99 million baht as of December 31, 2022 and 2021 or 0.12% and 0.17% of total liabilities and owner's equity, respectively.

The total liabilities consisted of current liabilities, which accounted for approximately 45-49% of the total liabilities. However, the proportion of current liabilities was increased due to higher proportion of long-term loans from financial institutions due within one year. Most of the Company's current liabilities included trade and other payables, short-term and long-term loans from financial institutions due within one year. Non-current liabilities accounted for approximately 51-55% of total liabilities.

The owners' equity consisted of the issued and paid-up share capital, share premium, warrants, retained earnings and non-controlling interests. The owner's equity was increased according to the growth of the retained earnings. In 2022, there was an increase in ordinary shares and paid-up capital with warrants for the existing shareholders in proportion to their shareholding of 225.00 million baht or 450.00 million newly issued ordinary shares, with a share premium worth of 1,684.40 million baht and a fair value of warrants of 115.20 million baht.

Loans from financial institutions

As of December 31, 2022, 2021 and 2020, the Company had loans from financial institutions equal to 3,785.09 million baht, 3,003.06 million baht and 2,717.13 million baht, which accounted for 45.28%, 51.50%, and 58.35% of total assets, respectively. The loans from financial institutions were increased during the past three years due to the continual expansion of hire purchase portfolios.

Loans from financial institutions	As of December 31, 2022		As of December 31, 2021		As of December 31, 2020	
	Million baht	Percentage ¹	Million baht	Percentage ¹	Million baht	Percentage ¹
Current loans						
Short-term loans	-	-	485.00	8.32	250.00	5.37
Long-term loans due within one year	1,742.33	20.84	639.56	10.97	876.57	18.82
Non-current loans						
Long-term loans	2,042.76	24.44	1,878.50	32.21	1,590.56	34.16
Total loans from financial institutions	3,785.09	45.28	3,003.06	51.50	2,717.13	58.35
Proportion of current loans to total loans (%)	46.03		37.45		41.46	

Note: 1. Percentage of total liabilities and owner's equity

Most of the Company's loans were credit lines with various financial institutions, including short-term and long-term loans. As of December 31, 2022, there was no outstanding short-term loans from financial institutions. Meanwhile, as of December 31, 2021 and 2020, the short-term loans were worth of 485.00 million baht and 250.00 million baht, or 8.32% and 5.37% of total liabilities and owner's equity, respectively. The long-term loans as of December 31, 2022, 2021, and 2020 were 3,785.09 million baht, 2,518.06 million baht and 2,467.13 million baht, or 45.28%, 43.18% and 52.98% of total liabilities and owner's equity, respectively. The use of credit lines was increased according to the expansion of hire purchase portfolios to support the Company's growth. When considering the liquidity during the past 3 years, the Company had loans due within one year of approximately 37-46% of total loans. However, the Company remained to manage and administer the liquidity in providing sufficient funds for the needs of each period. At the end of 2022, the proportion of current loans from financial institutions was increased to 46.03% from 37.45% in 2021. In the meantime, the proportion of non-current loans was decreased to 53.97% of total loans. This was consistent with the lending period to the Company's customers of approximately 12-60 months. The proportion of receivables due within 1 year was approximately 41-48% of the hire purchase receivables net each year.

Short-term loans from related companies

The company had short-term loans from related companies as of December 31, 2021 equal to 300.00 million baht, with an interest rate of 2.70% per year, which was the lowest short-term interest rate referenced to MLR-0.25% that the Company received from financial institutions given that in 2021 the Company had an additional 500.00 million baht credit line from its major shareholders. The Company paid short-term loans from all related companies during the year 2022.

For the year 2020, the Company received credit lines from major shareholders in the amount of 1,000.00 million baht, but no withdrawal of such credit lines. Thus, the credit lines were canceled in 2021.

The Company has a policy to search for its own sufficient funding sources for business operations by raising funds through the Stock Exchange of Thailand and obtaining loan sources from financial institutions, with consideration of financial cost as an important factor.



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Trade and other payables

As of December 31, 2022, 2021 and 2020, the Company had trade and other payables equal to 262.24 million baht, 379.98 million baht and 142.00 million baht, which accounted for 3.14%, 6.52% and 3.05% of total liabilities and owner's equity, respectively. The Company's trade payable comprised motorcycle dealer payables, which at the end of 2022, 2021 and 2020, equaled to 102.36 million baht, 219.55 million baht, and 42.38 million baht, respectively. Meanwhile, the Company's other payables included accrued interest, accrued expenses, and others. Most of other payables were accrued expenses at the end of 2022, 2021 and 2020 worth of 124.46 million baht, 126.29 million baht and 75.02 million baht, respectively. Most of the accrued expenses consisted of accrued incentive, commissions payable and accrued bonuses, etc.

The Company has a policy to support measures to set credit term benchmarks in Thailand as proposed by the National Economic and Social Development Council and the Bank of Thailand to alleviate the economic situation from the impact of COVID-19 pandemic. There is an increasing of business liquidity for business partners, especially in the SMEs group, by repaying debts to partners within 30-45 days, depending on the suitability of each type of business. The Company's main trade payables are the dealers. The Company always manages its debt repayments to those dealers within a period of not more than 30 days.

Financial derivative liabilities

At present, the Company enters into an interest rate swap contract for the loans from financial institutions by swapping from floating interest rates to fixed interest rates in avoiding cash flow risks from interest rates. As of December 31, 2022, 2021 and 2020, the Company had financial derivative liabilities equal to 14.74 million baht, 41.29 million baht, and 45.80 million baht, respectively. These included financial derivative liabilities due within 1 year of 10.03 million baht, 15.90 million baht and 22.75 million baht, as well as other financial derivative liabilities in the amount of 4.71 million baht, 25.39 million baht and 23.05 million baht, respectively.

Owner's equity

Registered capital and issued and fully paid capital

As of December 31, 2022, the Company had a registered capital of 806.50 million baht, an increase from the end of 2021, following the Annual General Meeting of Shareholders held on April 21, 2022 which resolved to increase the Company's registered capital by 337.50 million baht for the issuance of additional shares with warrants to purchase ordinary shares. Thus, the Company had a registered capital and fully paid at the end of 2022, 2021 and 2020 of 675.00 million baht, 450.00 million baht and 450.00 million baht, respectively.

In 2021, the Extraordinary General Meeting of Shareholders, No. 1/2021, resolved to increase the registered capital of the Company by 19.00 million baht for the issuance of warrants to purchase ordinary shares. Therefore, the Company had a registered capital of 469.00 million baht at the end of 2021.

In 2020, the Annual General Meeting of Shareholders held on March 16, 2020 resolved to increase the Company's registered capital by 150.00 million baht. Thus, the Company had a registered capital of 450.00 million baht at the end of 2020. The Company also changed the par value from 10 baht per share to 0.50 baht per share.

Warrants

As of December 31, 2022, the Company had warrants to purchase shares of 115.20 million baht, following the Annual General Meeting of Shareholders held on April 21, 2022 which resolved to issue warrants to purchase ordinary shares of not more than 225,000,000 units for the existing shareholders who subscribed and received the allocation of newly issued ordinary shares free of charge at the ratio of 2 newly issued ordinary shares to 1 unit of warrants. The exercise price was 7 baht per share and warrants were valid for 1 year and 6 months from the date of issuance. The Company acknowledged the value of warrants to purchase shares in financial statements at fair value on the date of issuance.

Other reserves – share-based payment

During 2022 and 2021, the Company acknowledged share-based expenses of 9.93 million baht and 4.63 million baht, respectively, which were recorded as expenses in the statement of comprehensive income, along with an increase in other reserves – share-based payment transactions in the owner's equity. Thus, as of December 31, 2022 and 2021, the Company had other reserves – share-based payment of 14.56 million baht and 4.63 million baht, respectively.

Retained earnings

The Company had unappropriated retained earnings of 1,020.85 million baht, 862.81 million baht and 565.95 million baht as of December 31, 2022, 2021 and 2020, respectively. The Annual General Meeting of Shareholders for the year 2022 and 2021 resolved to approve the omission of dividend payment for the year 2021 and 2020 in compliance with the financial statements ended December 31, 2021 and 2020 to reserve money as working capital. In the meantime, the Annual General Meeting of Shareholders for the year 2020 resolved to approve the dividend payment from the net profit for the year ended December 31, 2019 of 2.40 baht per share or 72.00 million baht.

On September 22, 2020, the Board of Directors' Meeting, No. 7/2020, resolved to pay interim dividends from the retained earnings of 0.1667 baht per share, or 100.02 million baht. The Company paid such dividends on October 20, 2020, which resulted in a decrease of the retained earnings.

Financial ratio

The Company had debt to equity ratio of 0.98 times, 1.90 times and 1.78 times as of December 31, 2022, 2021 and 2020, respectively. There was a decrease in debt to equity ratio from 1.90 times in 2021 to 0.98 times in 2022. This was mainly due to an increase in issued and paid-up capital during the year 2022.

However, at the end of December 31, 2022, the Company was still able to maintain financial ratios according to the loan agreement conditions.



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Cash flow

Cash flow

Cash flow (unit: million baht)	2022	2021	2020
Net cash received (used) in operating activities	(2,025.31)	(1,187.55)	407.93
Net cash used in investment activities	(12.55)	(14.61)	(14.40)
Net cash received by finance activities	2,488.47	578.87	297.46

In 2022, 2021 and 2020, the Company had net cash received (used) in operating activities of (2,025.31) million baht, (1,187.55) million baht and 407.93 million baht, respectively. Also, the Company had an increase in net cash used in operating activities due to the expansion of credit portfolios. This was in line with a significant increase in the number of new contracts. However, in 2020, the Company had net cash received from operating activities due to more payments from hire-purchase receivables, including the selling of foreclosed assets. Meanwhile, the cash used for loan portfolio expansion was decreased due to a lower number of new contracts.

In 2022, 2021 and 2020, the Company had net cash used in investment activities of 12.55 million baht, 14.61 million baht and 14.40 million baht, respectively. Most of the investment was used for purchasing intangible assets, such as computer software and building improvement and equipment, e.g., computers for the development of information system.

The Company's net cash received from finance activities was 2,488.47 million baht, 578.87 million baht, and 297.46 million baht in 2022, 2021 and 2020, respectively. In 2022, the Company's cash inflow mainly came from the issuance of ordinary shares and warrants to purchase shares for existing shareholders in the proportion to their shareholding in June 2022 to be used as working capital. In 2021, the Company had cash flow from loans of financial institutions and related companies. In 2020, the Company had its remaining cash flow from operations, in line with receiving money from the initial public offering of ordinary shares. Thus, the Company had sufficient cash flow for repayment of long-term and short-term loans to financial institutions and related companies.

Commitments and management of off-balance sheet obligations

In 2022, 2021 and 2020, the Company had obligations from short-term leases which were not acknowledged as right-of-use assets and lease liabilities due to the exceptions in accordance with financial reporting standards of 0.87 million baht, 0.21 million baht and 2.15 million baht, respectively.

Statement of financial position

Statement of financial position	Consolidated financial statements as of			Separate financial statements as of						
	31 December 2022 (Audit)		31 December 2021 (Audit)	31 December 2022 (Audit)		31 December 2021 (Audit)		31 December 2020 (Audit)		
	Baht	Percentage ¹	Baht	Percentage ¹	Baht	Percentage ¹	Baht	Percentage ¹	Baht	Percentage ¹
Assets										
Current assets										
Cash and cash equivalents	525,641,550	6.29	75,037,658	1.29	475,899,440	5.70	24,998,930	0.43	698,331,144	15.00
Current portion of hire-purchase receivables, net	3,122,003,753	37.35	2,256,620,144	38.70	3,122,003,753	37.39	2,256,620,144	38.77	1,788,610,718	38.41
Other receivables	58,433,765	0.69	56,757,559	0.97	58,433,765	0.70	56,781,173	0.97	64,979,949	1.39
Foreclosed assets, net	60,310,883	0.72	26,810,003	0.46	60,310,883	0.72	26,810,003	0.46	12,683,719	0.27
Other current assets	177,436,333	2.12	93,737,917	1.61	177,435,478	2.12	93,737,585	1.61	22,592,494	0.49
Total current assets	3,943,826,284	47.17	2,508,963,281	43.03	3,894,083,319	46.63	2,458,947,835	42.24	2,587,198,024	55.56
Non-current assets										
Investments in subsidiaries	-	-	-	-	40,000,000	0.48	40,000,000	0.69	-	-
Hire-purchase receivables, net	4,305,566,365	51.50	3,206,976,284	55.00	4,305,566,365	51.56	3,206,976,284	55.09	1,951,018,726	41.90
Buildings improvements and equipment	9,731,498	0.12	10,471,057	0.18	9,731,498	0.12	10,471,057	0.18	8,484,883	0.18
Right-of-use assets	42,438,631	0.51	34,619,730	0.59	42,438,631	0.51	34,619,730	0.59	37,186,151	0.80
Intangible assets	29,825,903	0.36	34,773,441	0.60	29,797,903	0.36	34,773,441	0.60	32,596,831	0.70
Deferred tax assets	24,982,116	0.30	32,334,958	0.55	24,982,116	0.30	32,334,958	0.56	37,229,016	0.80
Other non-current assets	3,357,600	0.04	3,030,760	0.05	3,357,600	0.04	3,030,760	0.05	2,970,860	0.06
Total non-current assets	4,415,902,113	52.83	3,322,206,230	56.97	4,455,874,113	53.37	3,362,206,230	57.76	2,069,486,467	44.44
Total assets	8,359,728,397	100.00	5,831,169,511	100.00	8,349,957,432	100.00	5,821,154,065	100.00	4,656,684,491	100.00



Next Capital Public Company Limited
Form 56-1 One Report 2021

Statement of financial position	Consolidated financial statements as of			Separate financial statements as of		
	31 December 2022 (Audit)		31 December 2021 (Audit)		31 December 2022 (Audit)	
	Baht	Percentage ¹	Baht	Percentage ¹	Baht	Percentage ¹
Equity						
Share capital						
Authorised share capital						
Ordinary shares 1,613,000,000 shares 0.50 baht per share	806,500,000	9.65	-	-	-	-
Ordinary shares 938,000,000 shares 0.50 baht per share	-	-	469,000,000	8.04	-	-
Ordinary shares 900,000,000 shares 0.50 baht per share	-	-	-	-	-	9.66
Issued and paid-up share capital						
Ordinary shares 900,000,000 shares 0.50 baht per share	675,000,000	8.07	-	-	-	-
Ordinary shares 900,000,000 shares 0.50 baht per share	-	-	450,000,000	7.72	-	9.66
Share premium	2,351,384,499	28.13	666,980,000	11.44	2,351,384,499	28.16
Warrants	115,199,861	1.38	-	-	115,199,861	1.38
Other Reserve – share-based payment	14,559,416	0.17	4,626,358	0.08	14,559,416	0.17
Retained earnings						
Appropriated – Legal reserve	55,157,011	0.66	46,900,000	0.80	55,157,011	0.66
Unappropriated	1,020,847,301	12.21	862,813,755	14.80	1,021,153,544	12.23
Other components of equity	(11,794,327)	(0.14)	(33,032,111)	(0.57)	(11,794,327)	(0.14)
Equity attributable to owners of the parent	4,220,353,761	50.48	1,998,288,002	34.27	4,220,660,004	50.54
Non-controlling interests	9,923,438	0.12	9,987,011	0.17	-	-
Total equity	4,230,277,199	50.60	2,008,275,013	34.44	4,220,660,004	50.54
Total liabilities and equity	8,359,728,397	100.00	5,831,169,511	100.00	8,349,957,432	100.00

Note: 1. Percentage compared to total assets



Statement of Comprehensive Income

Statement of Comprehensive Income	Consolidated financial statements as of				Separate financial statements as of					
	31 December 2022 (Audit)		31 December 2021 (Audit)		31 December 2022 (Audit)		31 December 2021 (Audit)		31 December 2020 (Audit)	
	Baht	Percentage ²	Baht	Percentage ²	Baht	Percentage ²	Baht	Percentage ²	Baht	Percentage ²
Revenue										
Interest income from hire purchase	1,510,825,246	78.61	1,028,315,219	74.41	1,510,825,246	78.62	1,028,315,219	74.42	880,141,751	77.11
Fees and service income	180,108,946	9.37	143,597,915	10.39	180,108,946	9.37	143,597,915	10.39	100,796,701	8.83
Other income	230,922,000	12.02	209,980,524	15.20	230,836,532	12.01	209,941,304	15.19	160,458,024	14.06
Total revenue	1,921,856,192	100.00	1,381,893,658	100.00	1,921,770,724	100.00	1,381,854,438	100.00	1,141,396,476	100.00
Expenses										
Selling and administrative expenses	670,802,177	34.90	527,806,019	38.19	670,398,848	34.88	527,701,855	38.19	403,464,985	35.35
Expected credit loss	875,033,892	45.53	363,363,625	26.29	875,033,892	45.53	363,363,625	26.29	378,633,808	33.17
Loss (Profit) on disposals of foreclosed assets	7,838,385	0.42	3,998,180	0.30	7,838,385	0.41	3,998,180	0.29	(7,051,659)	(0.62)
Financial costs	158,490,131	8.25	97,307,313	7.04	158,490,131	8.25	97,307,313	7.04	113,681,489	9.96
Total expenses	1,712,164,585	89.10	992,475,137	71.82	1,711,761,256	89.07	992,370,973	71.81	888,728,623	77.86
Profit before income tax expense	209,691,607	10.90	389,418,521	28.18	210,009,468	10.93	389,483,465	28.19	252,667,853	22.14
Income tax expense	(44,869,253)	(2.33)	(78,476,962)	(5.68)	(44,869,253)	2.34	(78,476,962)	(5.68)	(50,895,538)	(4.46)
Profit for the year	164,822,354	8.57	310,941,559	22.50	165,140,215	8.59	311,006,503	22.51	201,772,315	17.68

Statement of Comprehensive Income	Consolidated financial statements as of				Separate financial statements as of			
	31 December 2022 (Audit)		31 December 2021 (Audit)		31 December 2022 (Audit)		31 December 2021 (Audit) 31 December 2020 (Audit)	
	Baht	Percentage ²	Baht	Percentage ²	Baht	Percentage ²	Baht	Percentage ²
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Remeasurements of post-employment benefit obligations	1,755,787	0.09	3,510,129	0.25	1,755,787	0.09	3,510,129	0.25
Income tax on item that will not be reclassified to profit or loss	(351,157)	(0.02)	(702,026)	(0.05)	(351,157)	(0.02)	(702,026)	(0.05)
Total items that will not be reclassified to profit or loss	1,404,630	0.07	2,808,103	0.20	1,404,630	0.07	2,808,103	0.20
Items that may be reclassified subsequently to profit or loss								
(Loss) gains on cash flow hedges	26,547,230	1.38	4,508,286	0.33	26,547,230	1.38	4,508,286	0.33
Income taxes relating to items that will be reclassified to profit or loss	(5,309,446)	(0.28)	(901,657)	(0.07)	(5,309,446)	(0.28)	(901,657)	(0.07)
Total items that may be reclassified to profit or loss	21,237,784	1.10	3,606,629	0.26	21,237,784	1.10	3,606,629	0.26
Other comprehensive income (expense) for the year, net of tax	22,642,414	1.17	6,414,732	0.46	22,642,414	1.17	6,414,732	0.46
Total comprehensive income for the year	187,464,768	9.74	317,356,291	22.96	187,782,629	9.76	317,421,235	22.96
Profit (loss) attributable to:								
Owners of the Company	164,885,927	8.57	310,954,548	22.50	165,140,215	8.59	311,006,503	22.51
Non-controlling interests	(63,573)	(0.00)	(12,989)	(0.00)	-	-	-	-
Total comprehensive income (expense) attributable to:	164,822,354	8.57	310,941,559	22.50	165,140,215	8.59	311,006,503	22.51
Owners of the parent	187,528,341	9.74	317,369,280	22.96	187,782,629	9.76	317,421,235	22.96
Non-controlling interests	(63,573)	(0.00)	(12,989)	(0.00)	-	-	-	-
Earnings per share	187,464,768	9.74	317,356,291	22.96	187,782,629	9.76	317,421,235	22.96
Basic earnings per share (Baht per share)	0.14		0.35		0.14		0.35	
							0.31	

Note: ² Percentage compared to total income



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Cash flow statement

Cash flow statement	Consolidated financial statements as of		Separate financial statements as of		
	31 December 2022 (Audit)	31 December 2021 (Audit)	31 December 2022 (Audit)	31 December 2021 (Audit)	31 December 2020 (Audit)
	Baht	Baht	Baht	Baht	Baht
Cash flow from operating activities					
Profit before income tax expense	209,691,607	389,418,521	210,009,468	389,483,465	252,667,853
Adjustment for:					
Depreciation and amortisation	28,719,725	28,248,285	28,719,725	28,248,285	25,830,786
Expected credit losses	875,033,892	363,363,625	875,033,892	363,363,625	378,633,808
Losses (gains) on disposals and write-off of equipment	82,984	59	82,984	59	(3,082)
Losses (gains) on disposals and write-off of intangible asset	7,303,366	(220,516)	7,303,366	(220,516)	18,001
Losses on lease modifications	34,204	-	34,204	-	-
Employee benefit expenses	4,220,902	2,386,839	4,220,902	2,386,839	2,889,483
Share-based payment expenses	9,933,058	4,626,358	9,933,058	4,626,358	-
Interest income from hire purchase	(1,510,825,246)	(1,028,315,219)	(1,510,825,246)	(1,028,315,219)	(880,141,751)
Financial costs	158,490,131	97,307,313	158,490,131	97,307,313	113,681,489
Loss from operating activities before changes in working capital	(217,296,077)	(143,184,735)	(216,978,216)	(143,119,791)	(106,423,413)
Changes in working capital					
Hire-purchase receivables, net	(3,606,740,204)	(2,472,415,951)	(3,606,740,204)	(2,472,415,951)	(666,087,699)
Foreclosed assets, net	443,736,135	236,154,214	443,736,135	236,154,214	238,983,431
Other receivables	(3,206,760)	6,758,774	(3,183,146)	6,735,160	9,471,710
Other current assets	(83,698,416)	(71,145,423)	(83,697,893)	(71,145,091)	44,772,229
Other non-current assets	(326,840)	(59,900)	(326,840)	(59,900)	(15,540)
Trade and other payables	(120,853,018)	236,527,658	(120,926,788)	236,447,658	28,965,330
Other current liabilities	670,371	4,104,366	670,761	4,103,976	(667,429)
Employee benefit obligations	(1,655,850)	-	(1,655,850)	-	(219,900)
Cash used in operating activities	(3,589,370,659)	(2,203,260,997)	(3,589,102,041)	(2,203,299,725)	(451,221,281)
Interest received	1,802,851,407	1,164,583,677	1,802,851,407	1,164,583,677	1,020,935,474
Interest paid	(155,362,934)	95,629,570	(155,362,934)	95,629,570	(107,373,208)
Income tax paid	(83,394,044)	(53,244,931)	(83,394,044)	(53,244,931)	(54,409,245)
Net cash from operating activities	(2,025,276,230)	(1,187,551,821)	(2,025,007,612)	(1,187,590,549)	407,931,740
Cash flows from investment activities					
Proceeds from disposals of intangible assets	-	934,580	-	934,580	-
Proceeds from disposals of equipment	3,981	-	3,981	-	40,873
Payments for purchases of equipment	(5,484,725)	(8,553,636)	(5,484,725)	(8,553,636)	(2,744,300)
Payments for purchases of intangible assets	(7,073,460)	(6,995,825)	(7,045,460)	(6,995,825)	(11,698,029)
Payments for acquisition of subsidiary	-	-	-	(40,000,000)	-
Net cash in investing activities	(12,554,204)	(14,614,881)	(12,526,204)	(54,614,881)	(14,401,456)
Cash flows from financing activities					
Proceeds from short-term borrowing from financial institutions	910,000,000	1,185,000,000	910,000,000	1,185,000,000	1,315,000,000

Cash flow statement	Consolidated financial statements as of		Separate financial statements as of		
	31 December 2022 (Audit)	31 December 2021 (Audit)	31 December 2022 (Audit)	31 December 2021 (Audit)	31 December 2020 (Audit)
	Baht	Baht	Baht	Baht	Baht
Payments on short-term borrowing from financial institutions	(1,395,000,000)	(950,000,000)	(1,395,000,000)	(950,000,000)	(2,535,000,000)
Proceeds from short-term borrowing from related companies	700,000,000	300,000,000	700,000,000	300,000,000	-
Payments on short-term borrowing from related companies	(1,000,000,000)	-	(1,000,000,000)	-	(100,000,000)
Proceeds from long-term borrowing from financial institutions	2,280,000,000	1,220,000,000	2,280,000,000	1,220,000,000	2,027,500,000
Payments on long-term borrowing from financial institutions	(1,012,958,334)	(1,169,444,444)	(1,012,958,334)	(1,169,444,444)	(862,500,000)
Proceeds from the issuance of ordinary shares	-	-	-	-	660,000,000
Payments on the cost of the issuance of ordinary shares	-	-	-	-	(21,825,000)
Payment for principal elements of lease payments	(18,112,790)	(16,682,340)	(18,112,790)	(16,682,340)	(13,693,659)
Proceeds from issue of ordinary shares	2,025,000,000	-	2,025,000,000	-	-
Payment for share issue costs	(494,550)	-	(494,550)	-	-
Dividend paid	-	-	-	-	(172,020,000)
Proceeds from non-controlling interests	-	10,000,000	-	-	-
Net cash received from financing activities	2,488,434,326	578,873,216	2,488,434,326	568,873,216	297,461,341
Net change in cash and cash equivalents	450,603,892	(623,293,486)	450,900,510	(673,332,214)	690,991,625
Cash and cash equivalents at the beginning of the year	75,037,658	698,331,144	24,998,930	698,331,144	7,339,519
Cash and cash equivalents at the end of the year	525,641,550	75,037,658	475,899,440	24,998,930	698,331,144



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Key financial ratios

Key financial ratios	Unit	For the year end of		
		31 December 2022	31 December 2021	31 December 2020
Profitability Ratio				
Interest income rate	Percentage	21.55	23.47	23.94
Interest expense rate	Percentage	3.87	3.85	4.32
Net interest margin	Percentage	17.68	19.62	19.62
Net profit margin	Percentage	8.58	22.50	17.68
Return on Equity	Percentage	5.28	16.88	14.78
Efficiency Ratio				
Return on assets	Percentage	2.32	5.93	4.62
Asset turnover rate	Times	0.27x	0.26x	0.26x
Financial Ratio				
Debt to equity ratio	Times	0.98x	1.90x	1.78x
Loan to borrowing ratio	Times	1.82x	1.53x	1.36x
Dividend payout ratio	Percentage	- ¹	- ¹	85.26 ¹
Asset Quality Ratio				
Allowance for expected credit losses to hire purchase receivables ratio ²	Percentage	7.31	5.71	6.04
Hire purchase receivables with credit impairment to hire purchase receivables ratio ²	Percentage	3.05	1.42	1.69
Bad debt to hire purchase receivables ratio ²	Percentage	5.07	2.97	6.30

Note:

- Dividend payout ratio is calculated from the dividend paid from the net profit of 2019 plus the dividend paid from retained earnings as of 30 June 2020 divided by the net profit for the year 2020 (2022 and 2021 no dividend payment).
- Hire purchase receivables mean hire purchase receivables net of deferred interest income and deferred commission.

5. General and other important information

5.1 General Information

Securities Registrar

Company name : Thailand Securities Depository Company Limited
Address : No. 93 The Stock Exchange of Thailand Building
Ratchadaphisek Road, Din Daeng, Bangkok 10400
Phone number : 02-009-9999
Fax : 02-009-9991

Auditor

Company name : PricewaterhouseCoopers ABAS Company Limited
Test taker name : Ms. Sakuna Yamsakul, Certified Public Accountant, Registration Number 4906
Address : No. 179/74-80 class 15 Bangkok City Tower, South Sathorn Road,
Thungmahamek, Sathorn, Bangkok 10120
Phone number : 02-844-1000
Website : <http://www.pwc.com>

legal advisor

Company name : CMT COUNSELLOR COMPANY LIMITED
Address : No. 75/58 Richmond Building, 17th Floor, Soi Sukhumvit 26, Khlong Tan,
Khlong Toei, Bangkok 10110
Phone number : 02-123-8580

Information about the company and the location of the head office

Company name : Next Capital Public Company Limited
Company registration number : 0107563000053
Head office location : No. 163 Thai Samut Building, 15th Floor Surawong Road,
Suriyawong, Bangrak, Bangkok 10500
Phone number : 02-342-9699
Fax : 02-342-9688
Nature of business : Provide motorcycle hire purchase loan service under the trademark and service "Next Capital"
Website : <http://www.nextcapital.co.th>
Registered capital : 806.50 million baht / 1,613,000,000 shares at par value 0.50 baht
Registered and paid-up capital : 675.00 million baht / 1,350,000,000 shares at par value 0.50 baht



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Branch Offices

As of December 31, 2022, the company has 27 branches as follows:

Branch	Address	Phone number	Fax
1 Bangkok	No. 677/2, Phetkasem Road, Nong Khang Phlu Subdistrict, Nong Khaem District, Bangkok 10160	02-431-1254	02-431-1255
2 Bangkok - West	No. 475/2, Nonthaburi Road, Tha Sai Subdistrict, Mueang Nonthaburi District, Nonthaburi 11000	02-580-9715	02-580-9716
3 Chiang Mai	No. 552/3, Lamphun Road, Nong Hoi Subdistrict, Mueang Chiang Mai District, Chiang Mai 50000	053-140-080	053-140-081
4 Nakhon Sawan	No. 49/71 Moo 5, Nakhon Sawan Tok Subdistrict, Mueang Nakhon Sawan District, Nakhon Sawan 60000	056-332-092	056-332-097
5 Kamphaeng Phet	No. 76 Rat Ruamchai Road, Nai Mueang Subdistrict, Mueang Kamphaeng Phet District, Kamphaengphet 62000	055-717-767	
6 Lop Buri	No. 80/63 Moo 3 Tambon Pa Tan, Amphur Muang Lopburi, Lopburi 15000	036-613-268	036-613-269
7 Buri Ram	No. 465/16, Moo 8 Isan Sub-district, Mueang Buriram District, Buriram 31000	044-601-594	044-601-595
8 Khon Kaen	No. 226/69 Moo 6, Nai Mueang Subdistrict, Mueang Khon Kaen District, Khon Kaen 40000	043-336-061	043-336-062
9 Ubon Ratchathani	No. 38/3 Phichitransan Road, Nai Mueang Subdistrict, Mueang Ubon Ratchathani District, Ubon Ratchathani 34000	045-997-580	045-997-581
10 Nakhon Ratchasima	No. 344/5 Yommarat Road, Nai Mueang Subdistrict, Mueang Nakhon Ratchasima District, Nakhon Ratchasima 30000	044-252-330	044-252-331
11 Nakhon Nayok	No. 75/4 Moo 1 Tha Chang Subdistrict, Mueang Nakhon Nayok District, Nakhon Nayok 26000	037-631-700	037-631-701
12 Chon Buri	No. 599/4 Moo 4 Surasak Subdistrict, Sriracha District, Chonburi 20110	038-110-102	038-110-103
13 Rayong	No. 211/10 Rat Uthit Road, Choeng Noen Subdistrict, Mueang Rayong District, Rayong 21130	038-622-134	
14 Chanthaburi	No. 14/10 Saritdet Road, Wat Mai Subdistrict, Mueang Chanthaburi District, Chanthaburi 22000	039-351-480	039-551-481
15 Phetchaburi	No. 101/2 Boriphat Road, Tha Rap Subdistrict, Mueang Phetchaburi District, Phetchaburi 76000	032-414-524	032-414-525
16 Prachuap Khiri Khan	No. 201/8 Moo 6, Mae Rumphueng Subdistrict, Bang Saphan District, Prachuap Khiri Khan 77140	032-548-177	032-548-178
17 Pranburi	No. 99/108 Moo 7, Khao Noi Subdistrict, Pranburi District, Prachuap Khiri Khan 77120	032-621-751	032-621-752
18 Surat Thani	No. 503/7-8, Chon Kasem Road, Talat Subdistrict, Mueang Surat Thani District, Surat Thani 84000	077-216-822	077-216-821
19 Hat Yai	No. 94 Choti Wittayakun Road 3, Kho Hong Subdistrict, Hat Yai District, Songkhla 90110	074-429-846	074-429-847
20 Nakhon Si Thammarat	No. 112,114 Wandee Kositkulporn Road, Nai Mueang Subdistrict, Mueang Nakhon Si Thammarat District, Nakhon Si Thammarat 80000	075-805-108	075-805-109
21 Phuket	No. 15/24 Moo 3 Ratsada subdistrict, Muang Phuket District, Phuket 83000	076-240-120	076-240-121

Branch	Address	Phone number	Fax
22 Trang	No. 16/14 Ploen Phithak Road, Thap Thiang Subdistrict, Mueang Trang District, Trang 92000	075-219-190	075-219-192
23 Thungsong	No. 36/7 Rotfai Road, Pak Phraek Subdistrict, Thung Song District, Nakhon Si Thammarat 80110	075-332-327	075-332-328
24 Krabi	No. 2/8 Phisan Phob Road, Pak Nam Subdistrict, Mueang Krabi District, Krabi 81000	075-620-198	075-620-199
25 Ramkhamhaeng	No. 2/39 Rat Phatthana Subdistrict, Saphan Sung District, Bangkok 10250	02-517-5952	02-517-5953
26 Narathiwat	No. 208, Phichit Bamrung Road, Bang Nak Subdistrict, Mueang Narathiwat District, Narathiwat 96000	073-512-140	073-512-141
27 Samut Prakan	No. 59/10, Golden Biz Bangna-Kingkaew Village, Moo 2 Ratchathewa Subdistrict, Bang Phi District, Samut Prakan 10540	02-130-6892	02-130-6893

Sub-Office, Samui

The Company has a sub-office in Koh Samui, which aims to allow employees in the sub-office to communicate with the branch office and the head office, such as sending documents.

Address : No. 9/155 Village 1, Maenam Subdistrict, Koh Samui District, Surat Thani 84330
Phone number : 077-921-555
Fax : 077-921-554

5.2 Other important information

5.2.1 Other information that may significantly affect the decision of investors

-None-

5.2.2 Overseas shareholders' restrictions

In the event that the Company offers or grants the right to the ordinary shareholders to purchase the newly issued ordinary shares or any rights in any form, the Company has the right to exercise its discretion in making the offering of such instruments to the shareholders. The Company may not offer the right to subscribe for such instruments to ordinary shareholders outside Thailand. In addition, under applicable law, the Company may be prohibited from offering such instruments to shareholders in certain countries unless relevant procedures have been taken. Compliance with securities laws or other regulatory requirements in some countries may prevent investors from exercising their right to purchase a proportional instrument, which may reduce their shareholding. However, the Company is not obliged to apply for the registration of the Company's ordinary shares in any country in order to enable foreign investors to exercise their rights to purchase the newly issued ordinary shares proportionately in the future.

5.3 Legal dispute

As of December 31, 2022, The Company has no other legal disputes that may materially adversely affect the Company's assets.

5.4 Secondary market in case of listing on the stock exchange of other countries

-None-

5.5 Contact financial institution (only in the case of debt instruments)

-None-

SECTION

02

COVERATE GOVERNANCE



6. Corporate Governance

6.1 Company corporate governance policy overview

The company has established a good corporate governance policy in accordance with the good corporate governance guidelines of the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“Stock Exchange”) as a practice for directors, executives, and employees of the Company at all levels, which will help promote the systematic operation of the Company. The Company shall implement clear standards that can be examined. This will promote fairness and transparency, which will create confidence among shareholders, investors, and related parties. The Company will supervise and manage in accordance with the objectives and goals of the Company under the strategy, operating policy, and business conduct under ethics and in accordance with the relevant laws, including respecting of rights and having responsibility to the shareholders and stakeholders. The performance shall be monitored, evaluated, and reported efficiently. The interests of the society and environment shall be considered, including being adaptable to be in line with the constant changes for the Company to be able to compete and conduct business sustainably.

6.1.1 Policies and guidelines on board and management

The Company has established a policy for recruiting company directors and sub-committees with details in accordance with the charter of each committee. For the Executive management of the Company, the Company has a recruiting policy by considering candidates who have the qualifications, knowledge, skills, and practical experience and have the characteristics necessary to drive the organization towards its goals. The Chief Executive Officer will be appointed by the Board of Directors. In order for the business to operate continuously, the Board of Directors has established a succession policy where the performance results according to the succession plan are reported to the Board of Directors at least once a year. The Company will ensure that it is recruiting the chief executive officer and senior management with the knowledge, skills, experience, and characteristics necessary to drive the organization towards its goals. In addition, the Company’s Nomination and Remuneration Committee appropriately governs the remuneration and evaluation of the Chief Executive Officer, considering the responsibility and performance results.

For other senior management, the Company’s Nomination and Remuneration Committee looks at the compensation structure in the form of salaries and bonuses, considering the responsibilities and performance of their duties, and the performance of the Company as well as the economic environment.

As of December 31, 2022, the Company has a total of 9 directors, comprising of executive directors, non-executive directors, and independent directors to balance the power appropriately. For example, the chairman of the board is an independent director who is also a non-executive director. This is so that the directors can freely comment on the work of the management.

For personnel development, the Board of Directors promotes training and education for all levels of stakeholders in order to continuously improve their operations.

The Company requires an assessment of the performance of the Board of Directors and the sub-committees on a regular basis at least once a year. The assessments are divided into the performance assessment of the entire Board of Directors, and entire the sub-committees, and the self-assessment of the individual committees, in which the Company Secretary Office sends a self-assessment form of the Board of Directors to all directors in order to assess the performance of the Board and the Sub-Committees in which they serve. After that, the Company Secretariat will summarize the results and present the assessment results to the Board of Directors for acknowledgment. In 2022, the entire committee’s self-assessment includes six assessment topics: 1) The structure and qualifications of the committee 2) The roles, duties, and responsibilities of the committee 3) The board meetings 4) The performance of the duties of the Directors 5) Relationship with the Management and 6) Directors’ Self Development and Management Development. As for the self-assessment of individual committees, there are three assessment topics: 1) The structure and qualifications of the committee, 2) The meetings of the committee, and 3) The roles, duties, and responsibilities of the committee.



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In addition, the self-assessment of the sub-committees consists of the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee, and the Executive Committee.

The Board of Directors supervises the structure and relationship of the Company's shareholders where such shareholders may have the power to control the management of the Company not to conflict with the performance of duties of the Board of Directors as well as not to conflict with the Company's business operations. The Board of Directors also supervises the disclosure of information or agreements that affect or may affect the control of the Company.

6.1.2 Policies and guidelines on shareholders and stakeholders

In 2022, the Board of Directors has complied with the laws, objectives, regulations, and resolutions of the shareholders' meetings of the company, as well as adhere to and abide by the principles of good corporate governance as a guideline for the Company's operations. The Board of Directors realizes the importance of good corporate governance practices by recognizing the roles and responsibilities of the Board of Directors and management in order to enhance the efficiency and transparency, as well as to build trust and confidence among shareholders, stakeholders, and all related parties as follows:

1. Shareholders care

The Company realizes and gives importance to the basic rights of shareholders such as the right to obtain adequate information, the right to attend meetings to exercise the voting rights at the shareholders' meeting to appoint or remove directors, appoint an auditor, dividend allocation, determination or amendment of the Memorandum of Association and Articles of Association of the Company, etc. The Company will promote and facilitate the exercise of shareholders' rights as follows:

- 1) The Company will send documents, information on the date, time, place and agenda, as well as explanations and reasons for each agenda item, including all information related to matters that need to be decided at the meeting in the shareholders meeting invitation or in attachments to the agenda of the meeting. The company will inform all shareholders at least 28 days in advance, including publishing such information on Company's website.
- 2) The Company will facilitate shareholders to fully exercise their rights to attend and vote by holding the meeting on business days and selecting the meeting venue that is convenient for traveling with a map attached to show the venue of the shareholders meeting in the meeting invitation letter.
- 3) Prior to the date of the shareholders meeting, the Company will allow shareholders to propose agenda items in order to include the agenda of the general shareholders meeting and nominate qualified persons to be elected as the Company's directors. In this regard, the Company shall inform details, criteria, and methods through the news channel of the Stock Exchange of Thailand and on the Company's website.
- 4) The Company will nominate at least one independent director to be a proxy of the shareholders who cannot attend the meeting by using a form of proxy that shareholders can direct their votes.
- 5) In the shareholders' meeting, the chairman of the meeting will allocate appropriate time and will give the shareholders an opportunity to express their opinions and ask related questions according to the agenda of the meeting.
- 6) The Company will encourage all directors and high-level executives to attend the shareholders' meeting in order to answer questions at the meeting.
- 7) The Company will arrange for the shareholders to vote separately according to each item in each agenda proposed, such as the agenda of appointment of directors by choosing to vote for each director individually.
- 8) The Company will support the use of ballots by using technology in registration, including voting on important agenda such as connected transactions, acquisition and disposition of assets, etc. for transparency, verifiable, speedy, and accuracy in vote counting.

- 9) The Company will arrange for an independent person to assist in counting the votes in each agenda.
- 10) After the meeting, the Company will prepare the minutes of the meeting that are recorded accurately and completely in all essential aspects. In addition, important issues, questions, opinions, and suggestions will be recorded in the minutes of the meeting for shareholders to review. The company will publish the voting results of each agenda and publish the minutes of the meeting on the Company's website for the shareholders' consideration.
- 11) The Company will send a copy of the shareholder meeting to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting.

2. Equitable treatment of shareholders and promoting the exercise of shareholders' rights

The Company has established equal treatment to all shareholders and promotes the exercise of shareholders' rights, regardless of the shareholder being a major shareholder, or a minority shareholder, an executive shareholder or a non-executive shareholder, a Thai shareholder or a foreigner as follows:

- 1) The Company will send the invitation letter to the shareholders meeting together with the agenda and comments of the board of directors to the Stock Exchange of Thailand and disseminate through the Company's website at least 28 days before the shareholders meeting date. The Company will prepare the aforementioned shareholders meeting invitation letter in English and disseminate it together with the Thai version of the invitation letter to the shareholders meeting.
- 2) Minor shareholders are able to nominate to be elected as directors in the general meeting of shareholders in accordance with the criteria and period specified by the Company, in which the information has been published through the news system of the Stock Exchange of Thailand and Company's website.
- 3) Minor shareholders are able to propose agenda items in order to include the agenda in the general meeting of shareholders according to the criteria and for the period specified by the Company, in which the information has been published through the news system of the Stock Exchange of Thailand and Company's website.
- 4) Executive shareholders will not be able to add agenda unnecessarily without an advanced notice, especially important agenda that shareholders need time to study information before making decisions.
- 5) The Company will inform the shareholders of the rules used in the meeting, methods for exercising voting rights according to each type of shares, and the method of counting the votes of shareholders who have to vote on each agenda item.
- 6) In the election of directors, the Company encourages the election of directors individually.
- 7) Directors and executives have a duty to disclose information about their own interests and those involved in the consideration. Any agenda in which a director or an executive has a conflict of interest, it is required that the director or executive declare their interests prior to the consideration of that agenda and record such interests in the minutes of the meeting. Directors and executives who have interests in any agenda must not take part in making decisions on such agenda.

3. Protection against the use of inside information

The company has established written guidelines for the retention and prevention of the use of the Company's inside information. The directors, executives and employees must not use inside information of the company, that is of essence and has not been disclosed to the public, for the benefit of oneself or others until the company has disclosed information to the public for 24 hours. Customer's information shall not be disclosed and all confidential commercial information must be retained. In addition, directors, executives, including persons holding executive positions in accounting or finance at department manager level or above or equivalent, and employees working in departments where inside information can be obtained are not allowed to trade in Company securities within 30 days before the quarterly and annual financial



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และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



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เอกสารแนบ

statements, or information that affects the price of securities, are disclosed to the public and at least 24 hours after the disclosure of the financial statements or company information to the relevant departments before trading the securities of the company is permitted. All directors and executives who are responsible for reporting their securities holdings are required to submit such reports to the Company Secretary every time.

4. Conflict of interest

The Company has established guidelines to prevent actions that are contrary to the interests of the Company, whether or not from dealing with the Company's trade partners, such as business partners, customers, competitors, or from opportunities or information obtained from directors, executives and employees of the Company to seek personal gains and gains in doing business that is in competition with the Company and affects the responsibilities and duties to the Company. In this regard, the Company prohibits directors, executives and employees with interests to approve any transaction or act on behalf of the Company in order to prevent any conflict of interest that may arise. In the event of conducting any business with the Company, either on behalf of personal, family or on behalf of any legal entity in which directors, executives and employees have the power to operate in that juristic person, directors, management and employees are required to disclose their interests to the Company prior to the transaction. In addition, the Board of Directors, the audit committee and management must consider connected transactions between the Company and individuals or juristic persons that may be considered as having a conflict of interest with prudence, honesty and reasonableness with regard to the best interests of the Company.

5. Responsibility to the stakeholders

The Company realizes the importance of treating all groups of stakeholders, namely shareholders, employees, customers, business partners, competitors, creditors, society and environment, by taking into consideration the involvement of all groups of stakeholders. The Company will comply with relevant laws and regulations, considering the rights of such stakeholders in accordance with the law or in accordance with the agreements made with the Company, and shall not take any actions that violate the rights of those stakeholders. In addition, in the Company's business operation, it considers the rights of stakeholders as follows:

1) Shareholders

The Company will operate its business with transparency in order to create sustainable value for the business by striving to create good performance and stable growth for the best interests of shareholders in the long term, as well as to disclose information with transparency and credibility to the shareholders.

2) Employees

The Company will treat all employees equally, fairly and provide reasonable compensation. In addition, the company also attaches importance to the development of skills, knowledge, abilities, and potential of employees on a regular basis, such as organizing training, seminars and training sessions by providing all employees thorough opportunities for further development of the organization. The Company has established guidelines on anti-corruption and instills all employees to comply with relevant laws and regulations, such as the strict use of inside information.

3) Customer

The Company is responsible to its customers by maintaining quality standards and quality services in order to focus on long-term customer satisfaction. It also provides a channel for customers to provide quick and accurate feedback on the service as well as to maintain the confidentiality of the customers, refraining from using such confidential information for personal gains or gains of related person illegally.

4) Business Partner

The Company has a procurement process that is transparent and fair which upholds the best interest of the Company. In addition, the Company has prepared a contract form that is appropriate and fair to all parties in which the Company strictly abides by.

5) Competitors

The Company behaves within the framework of good competition ethically and within the framework of the law, including supporting and promoting free and fair competition.

6) Creditor

The Company will treat creditors fairly and strictly comply with various conditions as agreed with the creditors.

7) Society and Environment

The Company gives importance to society and the environment, as well as having an awareness of social and environmental responsibility. In addition, the Company cooperates and supervise strict adherence to the spirit of the law and relevant regulations.

6. Anti-Corruption

The Company has a policy against corruption including written practice guidelines which are communicated to all directors, executives and employees at all levels through internal communication channels. Training is provided to employees to educate them on the Company's anti-corruption policies and practices. In addition, there are channels for receiving information, clues or complaints about fraud or corruption and channels for submission of information regarding the said complaint.

7. Measures to take on those who do not comply with policies and guidelines

If it has been found that there is an individual who does not comply with policies and guidelines, complaints can be submitted by preparing a written report of the violation or non-compliance with the policy and practice along with other supporting documents (if any). The complaint can be sent to the e-mail of the recipient of the complaint, namely the supervisors at all levels, the chairman of the audit committee, and the company secretary. The recipient of the complaint is required to gather facts and summarize the preliminary results and present the matter to the management representative to participate in the consideration to establish measures to stop violations or non-compliance with policies and guidelines. The Company will determine the penalties to suit the nature and situation of each type of violation. The severity of the punishment varies according to the seriousness of the offense.

6.2 Business Code of Conduct

The company encourages directors, executives, and employees to adhere to the principles of ethics and business conduct without neglecting or ignoring when they see the non-compliance with the Code of Ethics and the Code of Conduct in the business of the Company. The Company has set a written code of ethics and business conduct as a framework for conducting business. This is for the directors, executives, employees, and all related parties to acknowledge and observe as a strict guideline.

In treating shareholders, the Board of Directors gives importance to and considers the responsibility to shareholders in relation to the Company's business operations and is responsible for setting up policies and directions for the Company's operations. It also supervises the management to be in line with the goals, objectives, vision, strategies, and business directions in order to strive to be one of the leaders in the financial business and to be the business in the hearts of customers and partners. The Company has adopted a modern technology system to provide quality credit services to its customers and to create sustainable growth, and for the long-term benefit of shareholders within the framework of the law and business ethics while being considerate of the interests of all stakeholders.

The company intends to operate its business with transparency, morality, and responsibility to stakeholders, as well as society and the environment. The company requires all directors, executives and employees to strictly follow along with implementing public relations campaign to ensure that the Business Code of Conduct is understood throughout the organization.



การประกอบธุรกิจ
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ดูแลกิจการ



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6.3 Major changes and developments in policies, practices and governance systems over the past year

The Company conducts a review of policies, practices, corporate governance principles and the Board of Directors' Charter, Sub-Committee Charter, and other charters, to review the suitability and to increase the efficiency of corporate governance in accordance with the good corporate governance principles for listed companies in 2017 (CG Code) at least once a year. In addition, at the Board of Directors' Meeting No. 1/2022 held on February 21, 2022, the Company reviewed all policies, guidelines, principles of corporate governance, including all charters, all of which the Company did not amend any material details.

In 2022, the Company has reviewed the policies, guidelines, corporate governance principles, including all charter, which the company has not changed any material details. In the same year, the Company also participated in the "Opportunity Day," organized by the Stock Exchange of Thailand. The objective is to clarify information about the business and operations of the Company to shareholders, securities analysts, investors, media, and interested parties, as well as disclose information that shareholders and investors have access to on the company's website at www.nextcapital.co.th under the "Investor Relations" category and "Multimedia Presentation" and the website of the Stock Exchange of Thailand.

Certification of various assessments related to good corporate governance

Quality Assessment of the Annual General Meeting of Shareholders

Thai Investors Association has organized the project, "Quality Assessment of the Annual General Meeting of Shareholders" since 2006. It aims to encourage listed companies for a focus on the Annual General Meeting of Shareholders and maintain the same standards of the Annual General Meeting of Shareholders, with international recognition and good image for Thai capital market, in terms of participation, rights of shareholders, and good corporate governance. In addition, it also encourages shareholders to realize the benefits of attending the meeting of shareholders and enhance good cooperation and relationships among related units in the capital market.

Following the quality assessment of the Annual General Meeting of Shareholders in 2022, the company received 97 score from the Thai Investors Association.

Assessment of the Corporate Governance Survey of Listed Companies for the Year 2022 (CGR 2022)

The Company is committed to continuously improving the "Good Corporate Governance" and "Business Ethics" of the Company as well as of its subsidiaries. Based on the assessment of the Corporate Governance Survey of Listed Companies for the year 2022 by the Thai Institute of Directors, in collaboration with the Stock Exchange of Thailand and the Securities and Exchange Commission, the Company received a "Very Good" rating with an 88% score.



การประกอบธุรกิจ
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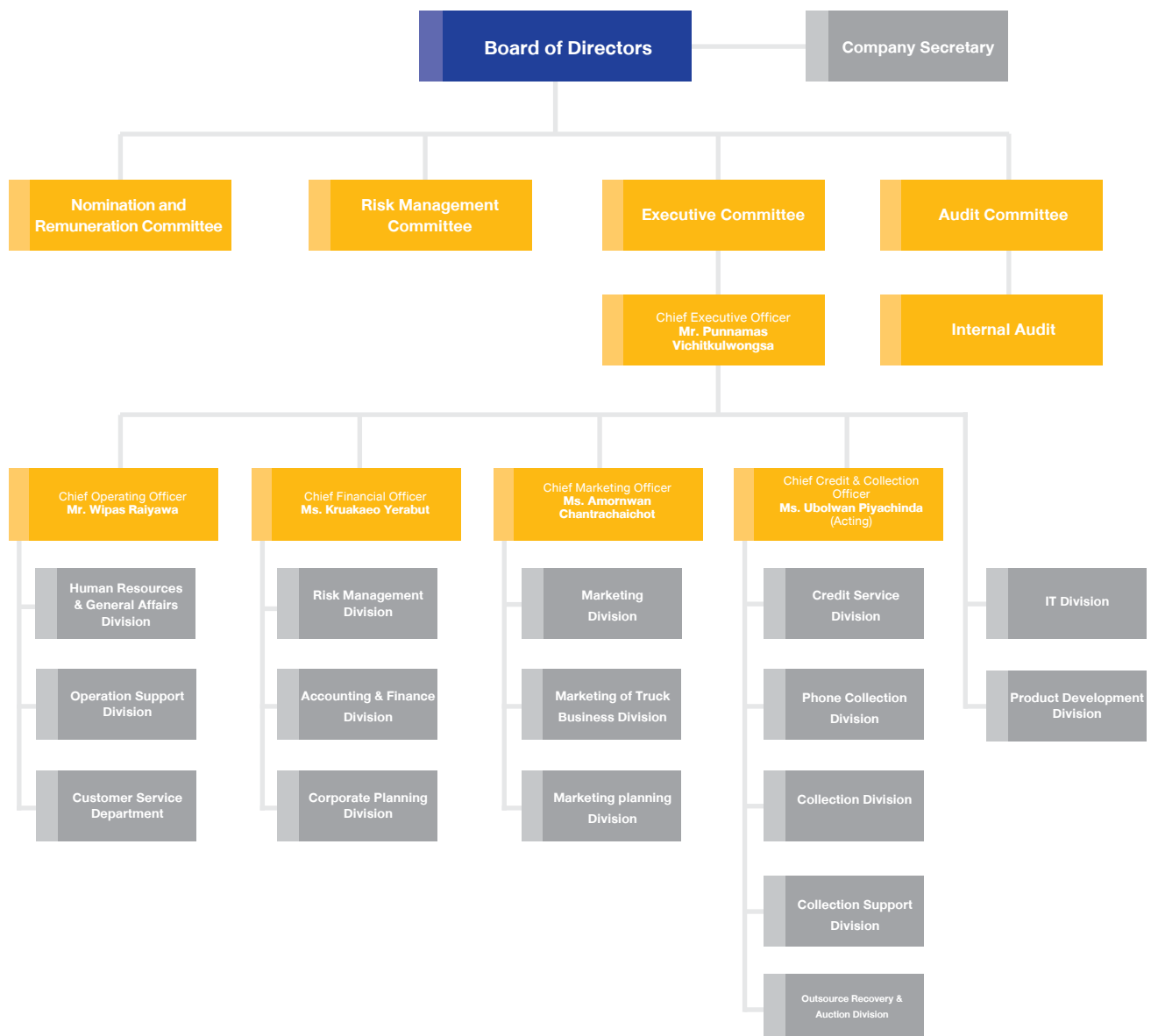


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7. Corporate governance structures and important information about the board, sub-committees, management, employees, and others.

7.1 Corporate governance structure

As of December 31, 2022, the Company's management structure consists of: The Board of Directors and the four sub-committees are the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee, and the Executive Committee with organizational structure and details as follows:





การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



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เอกสารแนบ

Report of Changes in Securities Holding of Directors and Executives in the Company and its Subsidiaries Information
as of December 31, 2022

Name	Ordinary Share (Shares)	
	2021	2022
1. Mr. Chaiwat Utaiwan	200,000	-
Spouse	-	-
Underage Child	-	-
2. Mrs. Ladawan Charoen-rajapark	-	-
Spouse	-	-
Underage Child	-	-
3. Mr. Amornyot Panich	400,000	356,949
Spouse	-	-
Underage Child	-	-
4. Asst Prof Dr. Patipan Sae-Lim	-	-
Spouse	-	-
Underage Child	-	-
5. Mr. Sura Khanittaweekul	-	-
Spouse	-	-
Underage Child	-	-
6. Mr. Prutipang Tayarachkul	200,000	300,000
Spouse	-	-
Underage Child	-	-
7. Mrs. Wassana Pongsangluk	-	-
Spouse	-	-
Underage Child	-	-
8. Ms. Sutida Mongkolsuthree	-	-
Spouse	19,579,820	21,696,841
Underage Child	-	-
9. Mr. Punnamas Vichitkulwongsa	-	-
Spouse	-	-
Underage Child	-	-
10. Ms. Amornwan Chanchraichot	66,500	92,750
Spouse	-	-
Underage Child	-	-
11. Ms. Kruakao Yerabut ¹	300,000	370,000
Spouse	-	-
Underage Child	-	-

Name	Ordinary Share (Shares)	
	2021	2022
12. Mr. Wipas Raiyawa	-	-
Spouse	-	-
Underage Child	-	-
13. Ms. Ubolwan Piyachinda	171,000	194,500
Spouse	-	-
Underage Child	-	-
14. Ms. Saowalak Rakyot	-	-
Spouse	-	-
Underage Child	-	-
Directors resigned during 2022 as follows:		
1. Mr. Wirach Morakotkarn	-	-
Spouse	-	-
Underage Child	-	-
2. Mr. Phira Chomposri	-	-
Spouse	-	-
Underage Child	-	-

Note : 1. Chief Financial Officer
 2. 9-14. Executives of the company according to the notification of the SEC Re: Defining definitions in the announcement about securities issuance.



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การกำกับ
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7.2 Board information

7.2.1 Composition of the Board of Directors

- 1) There are 4 independent directors, representing at least one-third of the total number of 9 directors, representing 44%.
- 2) The Audit Committee consists of Independent 3 Audit Committee members with one person who has duties in the same manner as specified in the SET's regulations and has knowledge and experience to review the reliability of the financial statements as well as perform other duties as an audit committee.
- 3) There are 8 non-executive directors out of 9 directors, representing 89%.
- 4) The Chairman of the Board is an independent director and is not the same person as the Chairman of the Executive Committee and Chief Executive Officer, in which they are to perform duties independently, clearly separating duties and responsibilities between each other.
- 5) There are 3 female directors out of 9 directors, representing 33%.

7.2.2 Board information

Board of Directors

As of December 31, 2022, the Board of Directors consists of 9 directors as follows:

Name-Surname	Position
1. Mr. Chaiwat Utaiwan	Chairman of the Board of Directors / Independent Director
2. Mrs. Ladawan Charoen-rajapark ¹	Independent Director / Chairman of the Audit Committee / Chairman of the Risk Management Committee
3. Mr. Amornyot Panich	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of Audit Committee
4. Mr. Patipan Sae-Lim	Independent Director / Member of Audit Committee / Member of Risk Management Committee
5. Mr. Sura Khanittaweekul	Director / Member of the Nomination and Remuneration Committee
6. Mr. Pruttipang Tayarachkul	Director / Member of the Risk Management Committee
7. Mrs. Wassana Pongsangluk	Director
8. Ms. Sutida Mongkolsuthree	Director / Member of the Nomination and Remuneration Committee
9. Mr. Punnamas Vichitkulwongsa	Director / Chairman of the Executive Committee / Member of the Risk Management Committee

Note: 1. The Board of Directors Meeting No. 2/2022 on May 3, 2022, resolved to appoint Mrs. Ladawan Charoen-rajapark to take the position in place of the resigned director, effective from May 3, 2022.

Directors resigned during 2022 as follows:

Name-Surname	Position
1. Mr. Wirach Morakotkarn	Independent Director / Chairman of the Audit Committee / Chairman of the Risk Management Committee
2. Mr. Phira Chompoosri	Director

Note : 1. Mr. Wirach Morakotkarn resigned from being an Independent Director, Chairman of the Audit Committee, Chairman of the Risk Management Committee, effective on May 2, 2022.

Director who has authority to sign to bind the company

Directors authorized to sign on behalf of the company are Mr. Sura Khanittaweekul or Mrs. Wassana Pongsangluk, signed with Mr. Pruttipang Tayarachkul or Ms. Sutida Mongkolsuthree, a total of two persons and the Company's seal.

7.2.3 Information about roles

Roles and duties of the committee

The Board of Directors is responsible for setting objectives, main business goals, vision, missions, policies, strategic goals, business plans, management structure, authorization authority, and company budget, as well as consideration and approval of the operation plan presented by the executives, including supervising the operation of the company for the best interest of shareholders. The Board of Directors has to perform duties with prudence and care (Duty of Care), Duty of Loyalty and avoid conflicts of interest with the Company, as well as comply with the laws, objectives, regulations and resolutions of the shareholder's meeting (Duty of Obedience) and disclose information to shareholders accurately, completely, and transparently (Duty of Disclosure). The duties and responsibilities of the Board of Directors are shown in Attachment 5.

Roles and duties of the Chairman of the Board

The chairman of the board is responsible for supervising and monitoring the performance of duties of the board of directors effectively and achieving the objectives and main goals of the organization. As well as fostering an ethical corporate culture and good corporate governance and encouraging Company Directors to exercise prudent discretion and to make independent opinions. Details of the powers, duties, and responsibilities of the Chairman of the Board are shown in Attachment 5.

Roles and duties of the Chief Executive Officer

The Chief Executive Officer is responsible for the administration, including overseeing overall operations in order to comply with the policy, business strategy, and company budget approved by the board of directors and / or shareholders meeting. As well as perform any other duties assigned by the Board of Directors and / or the shareholders meeting under the objectives and articles of association of the Company and related laws. Details of authority and responsibility Of the Chief Executive Officer appears in Attachment 5.

7.3 Information about the sub-committees

7.3.1 Sub-committees

The Company has four sub-committees, which are: (1) Audit Committee, (2) Risk Management Committee, (3) Nomination and Remuneration Committee, and (4) Executive Committee. The sub-committees have powers, duties and responsibilities as follows:

Scope of Duties and Responsibilities of the Audit Committee

The Audit Committee is responsible for considering and reviewing the Company's financial reporting that is accurate, reliable, and provides opinions on the appropriate and effective internal control system, and the internal audit system, including connected transactions or transactions that may lead to conflicts of interest, or the acquisition or disposition of assets are correct and complete in accordance with the regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, the Code. Civil and Commercial Law, Securities and Exchange Law, or other rules. This is to ensure that such transactions are reasonable and in the best interest of the company to propose to the Board of Directors for consideration. Details of the scope, powers, duties and responsibilities of the Audit Committee are shown in Attachment 5.



การประกอบธุรกิจ
และผลการดำเนินงาน



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ดูแลกิจการ



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Scope of Duties and Responsibilities of the Risk Management Committee

The Risk Management Committee is responsible for formulating the Company's overall risk management policy and guidelines in accordance with the risk management policy and monitoring its implementation, including reviewing the effectiveness of risk management, including continually developing and reviewing the Company's risk management system to be effective and efficient to propose to the Audit Committee and the Board of Directors for consideration. Details of scope, powers, duties, and responsibilities of the Risk Management Committee are shown in Attachment 5.

Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for setting criteria. Nomination Policy and Remuneration Policy for the Board of Directors and Sub-committees by recruiting, selecting and proposing suitable people to hold positions, set necessary and appropriate compensation, criteria for evaluating and evaluating performance, determining the annual compensation of the Chief Executive Officer, including scrutinizing the criteria for bonus payments, and the annual salary increase of employees to submit to the Board of Directors for consideration. Details on the scope, power, duties and responsibilities of the Nomination and Remuneration Committee appears in Attachment 5.

Scope of Duties and Responsibilities of the Executive Committee

The Executive Committee is responsible for formulating policies, strategies, and business plans, as well as the annual budget. It also has to control, supervise, and monitor the performance of the company to be as defined. Including the management structure and authorization authority of the company, propose an organizational structure that is suitable for the company's operations for submission to the board of directors. Details of scope, powers, duties and responsibilities of the Executive Committee Appears in Attachment 5.

7.3.2 List of each sub-committee

Audit Committee

As of December 31, 2022, the Audit Committee consists of 3 members of the Audit Committee as follows:

Name-Surname	Position
1. Mrs. Ladawan Charoen-rajapark	Chairman of the Audit Committee / Independent Director
2. Mr. Amornyot Panich	Audit Committee / Independent Director
3. Asst Prof Dr. Patipan Sae-Lim	Audit Committee / Independent Director

Mrs. Ladawan Charoen-rajapark is an Audit Committee member who has sufficient knowledge and experience in reviewing the reliability of the financial statements.

Risk Management Committee

As of December 31, 2022, the Risk Management Committee consists of 7 members as follows:

Name-Surname	Position
1. Mrs. Ladawan Charoen-rajapark	Chairman of the Risk Management Committee / Independent Director
2. Asst Prof Dr. Patipan Sae-Lim	Risk Management Committee / Independent Director
3. Mr. Pruttipang Tayarachkul	Risk Management Committee
4. Mr. Punnamas Vichitkulwongsa	Risk Management Committee
5. Ms. Kruakao Yerabut	Risk Management Committee
6. Ms. Amornwan Chantrachaichot	Risk Management Committee
7. Mr. Wipas Raiyawa	Risk Management Committee

Nomination and Remuneration Committee

As of December 31, 2022, the Nomination and Remuneration Committee consists of 3 members as follows:

Name-Surname	Position
1. Mr. Amornyot Panich	Chairman of the Nomination and Remuneration Committee / Independent Director
2. Ms. Sutida Mongkolsuthree	Director, Member of the Nomination and Remuneration Committee
3. Mr. Sura Khanittaweekul	Director, Member of the Nomination and Remuneration Committee

Executive Committee

As of December 31, 2022, the Executive Committee consists of 4 members of the Executive Committee as follows:

Name-Surname	Position
1. Mr. Punnamas Vichitkulwongsa	Chairman of the Executive Committee
2. Ms. Kruakao Yerabut	Member of the Executive Committee
3. Ms. Amornwan Chantrachaichot	Member of the Executive Committee
4. Mr. Wipas Raiyawa	Member of the Executive Committee

7.4 Management information

7.4.1 Names and positions of executives

As of December 31, 2022, the company has 6 executives as follows:

Name-Surname	Position
1. Mr. Punnamas Vichitkulwongsa	Chief Executive Officer
2. Ms. Amornwan Chantrachaichot	Acting Chief Marketing Officer
3. Ms. Kruakao Yerabut	Chief Financial Officer
4. Mr. Wipas Raiyawa	Chief Operating Office
5. Ms. Ubolwan Piyachinda	Acting chief credit & collection officer
6. Ms. Saowalak Rakyot	Accounting Manager

1-6 Executives of the company according to the notification of the SEC Re: Defining definitions in the announcement about securities issuance.

7.4.2 Executive compensation policy

The company has established a compensation policy for executives in accordance with knowledge, competence, work experience, and responsibilities, as well as determining compensation according to performance, such as salary, bonus, social security fund. Provident fund, other income and other long-term benefits, etc.



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7.4.3 Executive compensation

At the end of 2022, 2021, and 2020, the Company has paid remuneration to the Company's executives, consisting of salary, bonus, social security fund, provident fund, other income, and other long-term benefits, etc., with details as follows:

Type of compensation	2022		2021		2020	
	number (people)	Compensation (Million baht)	number (people)	Compensation (Million baht)	number (people)	Compensation (Million baht)
Salary, bonus and other benefits	5	22.35	5	16.87	4	15.48

Note:

1. Not including the Accounting Manager
2. Including the number of executives and remuneration for the whole year 2022 (as of December 31, 2022, the company has 5 executives)

7.5 Employees information

By the end of 2022, 2021, and 2020, the total number of employees (excluding executives) of the company was 711, 723, and 570, respectively, which can be mainly divided into the following categories:

Line of work	Number of employees		
	As of 31 December 2022 (people)	As of 31 December 2021 (people)	As of 31 December 2020 (people)
Company Secretary	1	1	1
Internal Audit Department	3	3	1
Risk Management Division	2	2	-
Human Resources & General Affairs Division	6	12	13
Operating Division	25	23	11
Customer Service Department	12	9	6
Accounting & Finance Division	15	16	19
Corporate Planning Division	3	1	- ¹
Information Technology Division	17	12	9
Product Development Division	4	4	-
Marketing Planning Division	5	7	5
Marketing Division	351	380	243
Marketing of Truck Business Division	7	-	-
Credit Service Division	32	34	48
Collection Division	60	71	76
Field Collection Division	135	122	117
Collection Support Division	20	19	15
Outsource Recovery & Auction Division	13	7	6
Total	711	723	570

Note:

1. In 2020, the Company has made an organizational restructuring to be in line with the Company's operation. Therefore, the employees from organizational planning department were transferred to be under other departments as appropriate to their work responsibilities.
2. The number of employees in 2021 does not include 8 contract employees.
3. The number of employees in 2022 does not include 28 contract employees.

Employee Compensation

Compensation for employees of the company (Excluding management) consists of salary, bonus, contributions to the social security fund, and the provident fund, other benefits, and other long-term benefits. For the year ended December 31, 2022, 2021, and 2020, totaling 348.10 million baht, 272.61 million baht, and 206.09 million baht, respectively.

Provident fund

The Company established the Company's provident fund in accordance with the Provident Fund Act 1987 (including as amended). On June 1, 2016, the Company assigned TISCO Asset Management Company Limited to manage the provident fund under the registered TISCO Master Fund. Its purpose is to motivate employees to work with the company and as a guarantee for their future. As of December 31, 2022, there are 655 employees who participated in the provident fund, account for 91%, and 61 employees, who did not participate in the provident fund, account for 9%.

7.6 Other important information

7.6.1 List of persons assigned for various responsibilities.

Accounting supervisor

The Company assigned Miss Saowalak Rakyot to take the position of manager of the accounting department from 1 October 2020. The qualifications of the person holding the position of the supervisor of bookkeeping are shown in Attachment 1.

Company secretary

The Board of Directors Meeting No. 5/2021 on November 9, 2021 has resolved to appoint Miss Kruakao Yerabut is the company secretary. Qualifications of a person holding a position as company secretary appears in Attachment 1. To comply with Section 89/15 of the Securities and Exchange Act B.E. 2535 (Amendment B.E. 2551), it requires a company secretary to be responsible for acting on behalf of the company or the Board of Directors with the scope of duties and responsibilities as follows:

1. Prepare and keep the following documents:
 - (A) Director Register
 - (B) Notice of the Board of Directors' Meeting, Minutes of the Board of Directors' Meetings, and the Company's Annual Reports
 - (C) Notice of the Shareholders' Meeting and Minutes of the Shareholders' Meeting
2. Keep reports of conflicts of interest reported by directors or executives.
3. Perform other actions as specified by the Capital Market Supervisory Board.

Internal auditors

The Company hired P&L Corporation Co., Ltd. to be the internal auditor whereby Miss Wanvimol Jongsureeyapas was appointed from P&L Corporation Co., Ltd. to be the head of internal audit of the Company. The qualifications of a person holding the position of the Company's Internal Audit Supervisor are shown in Attachment 3.



การประกอบธุรกิจ
และผลการดำเนินงาน



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7.6.2 Investor relations

Name : Ms. Kwanchanok Tansopaluck
Address : 163 Thai Samut Building, 15th Floor, Surawong Road, Suriyawong Sub-district, Bang Rak District, Bangkok 10500
Phone number : 02-096-6986
Email : IR@nextcapital.co.th

7.6.3 Auditor's remuneration

The Company hired PricewaterhouseCoopers ABAS Company Limited as the Company Auditor. It has been approved by the 2022 Annual General Meeting of Shareholders because PricewaterhouseCoopers ABAS Company Limited is an independent and reliable auditor. They do not provide any other services to the Company and have any relationship or interest with the Company / Subsidiaries / Executives / Major Shareholders or related persons to any of the above persons.

The remuneration of the Company Auditor (Audit Fee) for the year 2022 is in the total amount of 3,300,000 baht (the Company has no other service fees besides the Audit Fee).

Comparison Table of the Audit Fee

Audit Fee	Fiscal Year 2021	Fiscal Year 2022
Next Capital Public Company Limited	3,050,000	3,150,000
Subsidiary	80,000	150,000
Other expenses	Actual Payment	Actual Payment
TOTAL	3,130,000	3,300,000



8. Corporate Governance Report

8.1 Summary of the Board's Performance in the Past Year

The Board of Directors consists of 9 directors, 4 of which are independent directors, 4 are non-executive directors and 1 executive director. 1 independent director is the chairman of the Board of Directors. The Board of Directors has performed the duty to supervise the management in accordance with the policies, guidelines, and goals for the best interests of the shareholders under the framework of good ethics and taking into account the interests of the stakeholders. In 2022, the Board of Directors held 6 meetings covering the following matters:

1. Supervise the operations of the Company for the best interest of shareholders by performing duties with duty of care, duty of loyalty and avoid conflicts of interest with the Company, as well as comply with the law, objectives, regulations and resolutions of the shareholders meeting (Duty of Obedience), and disclose information to shareholders in a correct, complete, and transparent manner (Duty of Disclosure).
2. Supervise the management to operate in accordance with the established policies, strategies and plans with efficiency and effectiveness, as well as regularly monitor and evaluate the performance of the management.
3. Establish clear and appropriate operating procedures and implement a transparent and efficient internal control system.
4. To supervise the operation to conduct business ethically, respecting rights, and be responsible for shareholders, and stakeholders, conduct business that are beneficial to society and the environment, including being able to adapt under factors of change according to good corporate governance principles.
5. To continuously monitor the performance of the Company to be in accordance with the operating plan.
6. Consider setting up a risk management policy to cover the entire organization and supervise the establishment of a risk management system or process with appropriate measures to support and control methods in order to reduce the impact on the Company's business.
7. To determine the management structure, appoint sub-committees, Chief Executive Officer, including the determination of the scope of authority of such persons.
8. Consider and approve the budget according to the credit limit as specified in the Company's authority manual.
9. Provide reliable accounting, financial reporting, and auditing systems, ensuring that there is a process for assessing the suitability of internal controls and internal audits, risk management, financial reporting and internal audit.
10. Responsible for establishing a governance policy that has a system which supports effective anti-corruption and is a good role model in order to ensure that the executive committee is aware of and prioritizes anti-corruption and fostering it as a corporate culture.



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8.1.1 Nomination, Development and Evaluation of the Board's Performance

The Company's director structure consists of The Board of Directors and Sub-Committees, namely the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Executive Committee. The Board of Directors and the various committees, including the Company's management, consist of qualified, knowledgeable, experienced and qualified persons in accordance with Section 68 of the Public Company Limited Act 1992 and the relevant Capital Market Supervisory Board announcement. In this regard, the selection process for the Board of Directors must consider qualifications in accordance with the laws and regulations as follows:

(1) Independent Director Selection Criteria

Independent director qualifications

A company director who is an independent director, in addition to having the qualifications prescribed by the company. (Please see details of qualifications of company directors in item 8.1.1 (2) section of director qualifications) must have additional qualifications as follows:

1. Holding shares that are not more than one percent of the total number of voting shares of the Company, parent company, subsidiary, associate, major shareholder, or controlling person of the Company. This shall include the shares held by related persons of that independent director.
2. Not being or having been a director who takes part in management, employee, employee, advisor who receives regular salary, or a person in control of the company, parent company, subsidiary, associated company, same-level subsidiary, shareholder, major shareholder or of the Company's controlling person, unless the person has retired from having such nature for at least two years before the appointment. Such prohibited characteristics exclude cases where an independent director used to be a government officer or advisor to a government agency who is a major shareholder or a controlling person of the Company.
3. Not being a person having a blood relationship or by lawful registration in a manner of father, mother, spouse, sibling, and child, including the spouse of children, of other directors, executives, shareholders, major shareholders, person of authority, or persons to be nominated as Directors, Executives or Controllers of a Company or Subsidiary.
4. Does not have or ever had a business relationship with the Company, parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company, in a manner that may obstruct their independent judgment. Including not being or having been a significant shareholder or controlling person of a person having a business relationship with the Company, parent company, subsidiary, associate, major shareholder, or controlling person of the Company, except where the person has been discharged from the aforementioned characteristics for at least two years before the business relationship is appointed under paragraph one. This includes normal commercial transactions, renting or leasing of real estate, transactions relating to assets or services, or giving or receiving financial assistance by accepting or lending, guaranteeing, providing assets as collateral against debts, including other similar circumstances, resulting in the Company or counterparty having an obligation to pay to the other party at least three percent of the net tangible assets of the company or from twenty million baht or more, whichever is lower. Such debt load calculation shall be in accordance with the method of calculating the value of connected transactions in accordance with the Notification of the Capital Market Supervisory Board on Rules on Connected Transactions mutatis mutandis. However, in determining the said debt burden, it shall include the debt burden that occurred during one year prior to the date of having a business relationship with the same person.
5. Not being or having been an auditor of the Company, parent company, subsidiary company, associated company, major shareholder or controlling person of the Company and is not a significant shareholder, controlling person, or partner of the audit firm in which the auditor of the Company, parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company is affiliated, unless they have been discharged from having such characteristics for at least two years prior to the appointment.

6. Not being or having been a professional service provider of any kind, including legal advisory or financial advisory services receiving a service fee of more than two million baht per year from the Company, parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company, and is neither a significant shareholder, a controlling person, or a partner of that professional service provider, unless they have retired from having such characteristics for at least two years prior to their appointment.
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholder who is related to a major shareholder.
8. Shall not operate a business that has the same nature and is in significant competition with the business of the Company or its subsidiaries, or not being a significant partner in a partnership or being a managing director, staff, employee, advisor who receives regular salary or holding shares exceeding one percent of the total number of voting shares of another company operating a business of the same nature and in significant competition with the business of the Company or subsidiary.
9. Not having any other characteristics which prevent him/her from expressing independent opinions with regard to the Company's operations.

Nomination and Appointment of Independent Directors

In the selection and appointment of independent directors, the Nomination and Remuneration Committee will jointly consider the qualifications of persons to be appointed as independent directors, considering the qualifications as stipulated by law and regulations, including considering the prohibited characteristics of the directors under the Public Limited Company Act, the Securities and Exchange Law, the relevant announcements, rules, and / or regulations. In addition, the Nomination and Remuneration Committee will select independent directors from experts with work experience and other suitability. It will then be presented to the Board of Directors and / or the shareholders' meeting. In this regard, the Nomination and Remuneration Committee will consider the appropriateness of the number, structure and composition of the Board of Directors. At least one third of the total number of directors of the Company is required to be independent directors to ensure transparency in the corporate governance of the Company and to be able to provide independent opinions on the work of the management.

(2) Criteria for selection of directors and top level management

Company Directors

Qualifications of the Company's Directors

1. Be a qualified person and not have any prohibited characteristics under the Civil and Commercial Code, Public Limited Company Law, the Law on Securities and Exchange, the regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other related rules.
2. A person who has knowledge and experience in conducting business of the Company.
3. Have enough time to be able to perform their duties effectively.
4. Holding director positions in no more than 5 listed companies on the Stock Exchange of Thailand.
5. Directors must notify the company without delay if they have an interest in a contract made by the Company, either directly or indirectly, or hold increasing or decreasing debentures in the Company or subsidiary.



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Nomination and Appointment of Company Directors

The appointment of Company directors must be reviewed and selected by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will make a preliminary consideration from the qualifications in accordance with the laws and regulations, including considering the prohibited characteristics of the directors under the Public Limited Company Act, the Securities and Exchange Law, the relevant announcements, rules and / or regulations. In addition, the Nomination and Remuneration Committee shall consider the knowledge, capability and experience beneficial to the corporate governance of the Company. The candidate must also be able to dedicate themselves and their time to fully perform their duties and responsibilities in order to present to the Board of Directors and / or the shareholders' meeting (as the case may be) for further appointment as a director of the Company. In voting for the appointment of directors at the shareholders' meeting, a resolution is required by the majority of votes and in accordance with the following rules and procedures.

1. One shareholder has the number of votes equal to one share per one vote.
2. Each shareholder is required to use all the votes according to item 1 to elect one person or several people to be directors, but the votes cannot be divided more or less for any individuals.
3. Persons who receive the highest number of votes in descending order will be elected as directors equal to the number of directors required or to be elected at that time. In the event that persons elected in descending order have equal votes in excess of the number of directors required or to be elected at that time, the chairman of the meeting shall have one additional vote as a deciding vote.

At every annual general meeting of shareholders, Company Directors must retire at least one third of the total number of Directors at that time. If the number of the Company's directors cannot be divided into three equal parts, the number closest to one-third shall retire from office in the first year and for the second year after the registration of the company, a lottery will be drawn on who will retire. In the following years, the directors who are the longest in office shall retire. The retiring company directors may be re-elected to resume the positions.

Executive management

General qualifications

1. Is of Thai nationality.
2. Not over 65 years old on the date of application submission or the date of appointment.
3. Not being the Chief Executive Officer in any other juristic person on the date of application submission or the date of appointment.
4. Able to work for the Company full time.
5. Not an insane person or with a mental infirmity.
6. Not a bankrupt or a dishonest bankrupt.
7. Never been sentenced to imprisonment as a final sentence, regardless of whether the person actually went to prison or not. Unless it is a penalty for an offense committed by negligence or a petty offense or passing the punishment or expiration of the period of waiting for punishment or waiting for the imposition of the penalty, as the case may be, over five years
8. Never had to be sentenced or ordered by the court to have assets vested in the state due to unusual wealth or an unusual increase in assets.
9. Not a political official, a member of the House of Representatives, a senator, a local councilor, or a local administrator.
10. Not a holder of a position in a political party or an officer of a political party.
11. Has never been fired, laid off or dismissed for malpractice.

Specific qualifications

1. Have completed at least a bachelor's degree.
2. Have knowledge and experience in the management of credit business, leasing business or financial institution business for at least 5 years.
3. Ability to analyze credit business data.
4. Have a vision of organizational management services such as (1) Marketing and sales management (2) Project management (3) Financial management (4) Personnel management (5) Risk management etc.
5. To have initiative skills and a perspective to analyze the overall and direction of the Company's business.
6. Have analytical, planning, management, and evaluation skills.
7. Have morals and ethics in management and corporate governance, with good personality, leadership and interpersonal skills.

Executive management recruitment and appointment

In the selection of executive management personnel, the Nomination and Remuneration Committee will screen and select personnel who are qualified for the performance of their duties, with skills and experience that are beneficial to the Company's operations. The candidate shall also have a good understanding of the Company's business in order to be able to manage the work to achieve the objectives and goals set by the Board of Directors. The person shall be able to communicate well with subordinates and those involved in operations and able to motivate the Company's personnel to drive the organization in accordance with the Company's strategy, goals, and vision.

Executive management's appointment must be nominated and reviewed by the Nomination and Remuneration Committee and approved by the Board of Directors' meeting. A person appointed to the position of the top level executive of the Company must meet the qualifications under Section 68 of the Public Limited Companies Act 1992 (including the additional amendments) and must not have prohibited characteristics according to the notification of the Securities and Exchange Commission at KorJor. 8/2553 Re: Determination of Untrustworthy Characteristics of Company Directors and Executives dated April 23, 2010 (including the amendments), including having knowledge and abilities and working experience suitable for the business operation of the Company as well.





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8.1.2 Meeting attendance and remuneration for individual committees

Details of the meeting attendance are as follows:

Name-Surname	Position	Annual meeting 2022 (Attendance / all meetings)					
		Shareholders' Annual General Meeting	Extraordinary Shareholders' meeting	Meeting of the Board of Directors	Audit Committee Meeting	Risk Management Committee Meeting	Meetings of the Nomination and Remuneration Committee
1. Mr. Chaiwat Utaiwan	Chairman of the Board / Independent Director	1/1	-	6/6	-	-	-
2. Mrs. Ladawan Charoen-rajapark ¹	Independent Director / Chairman of the Audit Committee / Chairman of the Risk Management Committee	-	-	3/5	3/3	3/3	-
3. Mr. Amornyot Panich	Independent Director / Chairman of the Nomination and Remuneration Committee / Audit Committee	1/1	-	6/6	4/4	-	2/2
4. Asst Prof Dr. Patipan Sae-Lim	Independent Director / Audit Committee / Risk Management Committee	1/1	-	6/6	4/4	4/4	-
5. Mr. Sura Khanittaweeskul	Director / Member of the Nomination and Remuneration Committee	1/1	-	6/6	-	-	2/2
6. Mr. Pruttiphang Tayarachkul	Director / Member of the Risk Management Committee	1/1	-	6/6	-	4/4	-
7. Mrs. Wassana Pongsangluk	Director	1/1	-	6/6	-	-	-

Name-Surname	Position	Annual meeting 2022 (Attendance / all meetings)					
		Shareholders' Annual General Meeting	Extraordinary Shareholders' meeting	Meeting of the Board of Directors	Audit Committee Meeting	Risk Management Committee Meeting	Meetings of the Nomination and Remuneration Committee
		Executive Committee Meeting					
8. Ms. Sutida Mongkolsuthree	Director / Member of the Nomination and Remuneration Committee	1/1	-	5/6	-	-	-
9. Mr. Punnamas Vichitkulwongsa	Director / Chairman of the Executive Committee / Member of the Risk Management Committee	1/1	-	6/6	-	4/4	15/15
10. Ms. Krakaew Yerabut	Risk Management Committee / Executive Committee	1/1	-	-	-	4/4	15/15
11. Ms. Amornwan Chantachaichot ²	Member of the Risk Management Committee / Executive Committee	1/1	-	-	-	3/3	15/15
12. Mr. Wipas Raiyawa ³	Member of the Risk Management Committee / Executive Committee	1/1	-	-	-	3/3	12/12
Directors resigned during the year 2022							
13. Mr. Wirach Morakotkarn ⁴	Independent Director / Chairman of the Audit Committee / Chairman of the Risk Management Committee	1/1	-	1/1	1/1	1/1	-
14. Mr. Phira Chompoonsri ⁵	Director	1/1	-	3/4	-	-	-

Note :

1. The Board of Directors Meeting No. 2/2022 on May 3, 2022 resolved to appoint such person as the company's Director to replace the resigned director.
2. The Board of Directors Meeting No. 1/2022 on February 21, 2022 resolved to appoint such person to be a member of the Risk Committee.
3. The Board of Directors Meeting No. 1/2022 on February 21, 2022 resolved to appoint such person to be a member of the Risk Committee and member of Executive Committee.
4. Mr. Wirach Morakotkarn resigned from being an Independent Director, Chairman of the Audit Committee, Chairman of the Risk Management Committee, effective from May 2, 2022
5. Mr. Phira Chompoonsri resigned as the company's Director effective from October 7, 2022



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Directors' remuneration

(1) Monetary compensation

In 2022, the Company paid remuneration to 4 committees, namely, the Board of Directors, the Audit Committee, the Risk Management Committee and the Nomination and Remuneration Committee. The remuneration for directors consists of meeting allowances paid according to the number of times attended as follows:

Name-Surname	Directors' remuneration (baht)				Total (baht)
	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	
1. Mr. Chaiwat Utaiwan	180,000	-	-	-	180,000
2. Mrs. Ladawan Charoen-rajapark ¹	45,000	75,000	60,000	-	180,000
3. Mr. Amornyot Panich	90,000	60,000	-	40,000	190,000
4. Asst Prof Dr. Patipan Sae-Lim	90,000	60,000	60,000	-	210,000
5. Mr. Sura Khanittaweekul	90,000	-	-	30,000	120,000
6. Mr. Pruttipang Tayarachkul	90,000	-	60,000	-	150,000
7. Mrs. Wassana Pongsangluk	90,000	-	-	-	90,000
8. Ms. Sutida Mongkolsuthree	75,000	-	-	30,000	105,000
9. Mr. Punnamas Vichitkulwongsa	-	-	-	-	-
Directors resigned during the year 2022					
10. Mr. Wirach Morakotkarn ²	15,000	25,000	20,000	-	60,000
11. Mr. Phira Chompoosri ³	45,000	-	-	-	45,000
Total	810,000	220,000	200,000	100,000	1,330,000

- Note :
1. The Board of Directors Meeting No. 2/2022 on May 3, 2022 resolved to appoint such person as the company's Director to replace the resigned director.
 2. Mr. Wirach Morakotkarn resigned as Independent Director / Chairman of the Audit Committee / Chairman of the Risk Management Committee, effective from May 2, 2022.
 3. Mr. Phira Chompoosri resigned as the company's Director effective from October 7, 2022

The 2022 Annual General Meeting of Shareholders on April 21, 2022 approved the remuneration of the Board of Directors and sub-committees for the year 2022 as follows:

Payment of meeting allowances

	President	Director
Board of Directors¹		
Meeting allowance (baht / person / time)	30,000	15,000
Audit Committee		
Meeting allowance (baht / person / time)	25,000	15,000
Risk Management Committee		
Meeting allowance (baht / person / time)	20,000	15,000
Nomination and Remuneration Committee		
Meeting allowance (baht / person / time)	20,000	15,000
Executive Committee		
Meeting allowance (baht / person / time)	-	-

Note: 1, the directors who hold executive positions will not receive remuneration as directors.

(2) Non-monetary compensation

-None-

8.1.3 Supervision of Subsidiaries and Associated Companies

To be comply with good corporate governance principles regarding the establishment of a framework and mechanism to oversee policies and operations in subsidiaries and other businesses in which the Company invests, the company has prepared and reviewed the policies to supervise the operations of subsidiaries and associated companies for the subsidiaries' management. The company will supervise by appointing the Company's representatives to serve as directors or executives in subsidiaries and associated companies in proportion to their investment to oversee the subsidiaries; management to be in accordance with the Company's policies with efficiency and effectiveness.

Directors and executives appointed by the resolution of the Board of Director's meeting to hold positions in subsidiaries and associated companies must maintain the scope and responsibilities as follows:

1. Determine the scope of authority in the exercise of clear discretion which may result in the consideration of such directors and executives for voting in the Board of Director's meetings of subsidiaries and associated companies in matters of importance prior the approval from the Board of Directors of subsidiaries and associated companies.
2. Monitor for subsidiaries and associated companies in the disclosure of financial status and operating results, related transactions, and acquisition or disposition of significant assets to be complete and correct.
3. Monitor and supervise the directors and executives of subsidiaries and associated companies to comply with duties and responsibilities as required by laws.
4. Monitor the operating results of subsidiaries or associated companies.



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If subsidiaries operate businesses which have significant impacts on the company, they must obtain a resolution from the Board of Directors' meeting or the Company's Shareholder's meeting prior to the transactions, with considerations of the said transactions of subsidiaries and associated companies in the same manners as the transactions of the same nature and sizes as the company, which must receive a resolution from the Board of Director's meeting or the Shareholder's meeting of the company. For subsidiaries, the Company stipulates that persons appointed by the Company must supervise subsidiaries to undertake connected transactions, acquisition or disposition of asset transactions, or any other important transactions of such subsidiaries to be complete and correct in accordance with the rules of the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand, using the rules related to disclosure of information and the above transactions in the same manners as the Company's rules, including to supervise the collection of data and accounting records of subsidiaries for the Company to be able to examine and collect in preparation of financial statements in time as required by the Stock Exchange of Thailand.

8.1.4 Following up on compliance with corporate governance policies and practices

The Company realizes the importance of good corporate governance by establishing a good corporate governance policy in accordance with the good corporate governance guidelines of the Securities and Exchange Commission (hereinafter referred to as "SEC") and the Stock Exchange of Thailand (hereinafter referred to as "Stock Exchange") as a practice for directors, executives, and employees of the Company at all levels. This will help promote the operation of the Company to be systematic, orderly and with clear standards that can be examined, which will foster fairness and transparency, and create confidence among shareholders, investors, and other related persons. The Company will supervise and manage in accordance with the objectives and goals of the Company under the strategy, operating policy, and conducting business ethically and in accordance with the relevant laws. The Company shall implement effective monitoring, evaluation and reporting of performance. This includes respecting rights and being responsible for shareholders and stakeholders, taking into account the benefits of society and the environment, as well as adapting to the constant changes that have occurred in order to enable the Company to compete and conduct business in a sustainable manner.

In 2022, the Company has followed up on the following issues to ensure compliance with good corporate governance.

1. Review the roles and duties between the Board of Directors, the sub-committees and the management to ensure consistency in the business operations of the organization and that the Company achieve its objectives.
2. Operations are supervised to ensure that the Company's operations and strategies are in line with the Company's objectives and main goals, as well as proper and safe application of innovation and technology, taking into account all stakeholders of the Company.
3. The board has appropriate balance of power.
4. Support training and education in order to continuously improve the performance of duties.
5. Ensure that information technology is used to increase business opportunities and improve operations.
6. Supervise the risk management system and internal controls to be in an appropriate manner, as well as to supervise the operations in accordance with the relevant laws and standards.
7. Disseminate important information in a correct, adequate and timely manner according to the specified criteria.
8. All shareholders are provided with equal opportunities.

In addition, the company has followed up the operations to achieve the following 4 issues of good corporate governance principles as follows:

(1) Prevention of Conflicts of Interest

The Company realizes the importance of conducting its business with honesty, transparency, and accountability for the best interests of the Company, shareholders, stakeholders and related parties with fairness and caution in the operation to avoid causing a conflict of interest and avoid taking any actions that may cause a conflict of interest according to the principles of good corporate governance. The Board of Directors has established a policy of conflict of interest for directors, executives, and employees to strictly adhere to the guidelines in order to avoid any action that may be contrary to the interests of the Company. If it is necessary, cannot be avoided and must be done, the Company will ensure that such transactions are done with transparency and fairness, the same level as transactions with outsiders, taking into account the best interests of the Company and fairness to all stakeholders. In addition, directors and executives must prepare a report on the disclosure of conflicts of interest every year or when it occurs.

The Results of Monitoring the Prevention of Conflict of Interest

In 2022, it was not found that directors, executives, and employees were acting in a way that would create a conflict of interest.

(2) Using inside information for profit

The Company supervises the use of inside information of the Company to ensure equality and fairness. The directors, executives, and employees involved with inside information are required to acknowledge guidelines and precautions on the use of inside information of the Company in compliance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission by requiring directors, executives, including persons holding executive positions in accounting or finance at the department manager level or above or equivalent, spouse, and underage children to report changes in their securities holding to the Securities and Exchange Commission under Section 59, including the penalties under Section 275 of the Securities and Exchange Act 1992 (including amendments) within 3 business days from the date of purchase, sale, transfer, or accept transfer of securities.

Before the Company will present for approval the statement of financial position and statement of comprehensive income to the Board of Directors, the Company Secretary will notify directors, executives, including those holding executive positions in accounting or finance at the department manager level or above or equivalent, and the relevant practitioners who have received material inside information, to refrain from trading the Company's securities for at least 30 days in advance of the public disclosure and at least 24 hours after the disclosure of information to the public.

The Results of Monitoring the Use of Inside Information for Profit

In 2022, it was not found that directors, executives, and those holding executive-level positions in accounting or finance had traded in securities during the period that the Company required to refrain from trading.

(3) Anti-Corruption

The Company intends to conduct its business with transparency and auditability according to good corporate governance principles by requiring that there be a control and audit that proves to reduce and prevent risks of corruption within the organization as well as all forms of corruption, both directly and indirectly. The Company has demonstrated its commitment to fight against corruption, including announcing its intention to join the Private Sector Collective Action Coalition Against Corruption (CAC) and was certified as a member of the Private Sector Collective Action Coalition against Corruption in Thailand (CAC) on December 31, 2022. The Company realizes the importance of conducting business carefully in the area of corruption by establishing an anti-corruption policy for directors, executives, and employees to abide by the principles of good corporate governance and for the best interests of the shareholders, stakeholders, and related parties. The Company has set up the organizational structure in order to clearly divide the duties, responsibilities, work processes, and lines of command in each department so that there is a balance of power and tightness in the



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checks between them appropriately. In addition, the Company also provides a communication channel for employees and stakeholders to report clues, complaints, suggestions to the Company in order to investigate the facts according to the process and improve accordingly.

The Results of Anti-Corruption Monitoring

In 2022, the directors, executives and employees were not found to commit any acts of corruption.

(4) Whistleblowing

The Company has set up a whistleblowing policy and complaints policy to ensure that the anti-corruption participant has a channel and process for whistleblowing reporting complaints that are transparent, safe, and fair to whistleblowers or complainants. The information and details of the whistleblowers or complainants and the respondent notified to the Company will be kept confidential. Any disclosure of information will be considered by the Company by taking into account the safety and damage of the whistleblower, or the complainant, the source of the information, or the person concerned. The channels of contact with the Company are as follows:

- 1) By mail
Send to Director or Audit Committee
Next Capital Public Company Limited.
No 163, Thai Samut Building, the 15th Floor, Surawongse Road, Suriyawongse, Bangrak Bangkok 10500
- 2) By email
Company's directors: Directors@Nextcapital.co.th or
Audit Committee: Auditcommittee@Nextcapital.co.th or
Company's secretary: Comsec@nextcapital.co.th
- 3) Website: <http://www.nextcapital.co.th/>

The Results of Whistleblowing Monitoring

In 2022, there were no reports of complaints related to fraud and corruption or clues of illegal acts.

8.2 Report of the Audit Committee's performance results

8.2.1 Number of meetings and meeting attendances of the Audit Committee

The Audit Committee's meeting attendances are as follows:

Name – Surname	Meetings of the Audit Committee of 2022
	(No. of meeting attendance/Total no. of meetings)
1. Mrs. Ladawan Charoen-rajapark ¹	3/3
2. Mr. Amornyot Panich	4/4
3. Asst Prof Dr. Patipan Sae-Lim	4/4
4. Mr. Wirach Morakotkarn ²	1/1

- Note :
1. The Board of Directors Meeting No. 2/2022 on May 3, 2022 resolved to appoint such person as the company's Director to replace the resigned director.
 2. Mr. Wirach Morakotkarn resigned as Independent Director / Chairman of the Audit Committee / Chairman of the Risk Management Committee, effective from May 2, 2022.

8.2.2 Performance results of the Audit Committee

In 2022, the results of the performance of the Audit Committee were as follows:

1. Review the quarterly financial statements and all financial statements of 2022 of the Company both in terms of the accuracy and the sufficiency of the information disclosed. The Audit Committee has had a meeting with the auditor without the presence of a director in order to be confident that the Company's financial reports have been prepared correctly and completely as appropriate in the essence of the report and that they are accountable according to the generally accepted accounting standards, including containing sufficient supporting information for the financial reports, prior to presenting to the Board of Directors for approval.
2. Make a consideration to ensure that there is an effective and efficient internal audit procedure by reviewing the annual internal audit plan and the internal audit report of the internal auditor, including monitoring the results and progress of any corrective actions (if any) with the management closely. In this regard, the independence of the internal audit unit has been considered with the approval of the appointment, transfer, and dismissal of the head of the internal audit unit.
3. Make a consideration regarding the audit results of the Company's operation to be in accordance with the Civil and Commercial Code, Public Limited Company Law, Laws on Securities and Exchange, Stock Exchange's requirements, and laws relating to the Company's business.
4. Review the Company's risk management that has been assessed on both internal and external factors, management of risks, and monitoring the progress from related agencies to be confident that the Company is able to operate according to the set goals and to ensure that the Company can manage the risks to be at the acceptable level in a timely manner should any incidents occur that may affect the Company's operation in achieving its objectives.
5. Review and comment on entering into the connected transactions or transactions that may have a conflict of interests on a quarterly and annual basis.
6. Make a consideration regarding the selection and proposal for the appointment of the company's auditor by reviewing the tasks of the accounts auditor and the remuneration of the accounts auditor based on their knowledge of the business, experiences, suitability of the remuneration, and the independency of the auditor and propose to the Board of Directors for consideration on the appointment of the Company's auditor and compensation for the audit, to be further proposed for approval at the shareholders' general meeting.

In conclusion, the Audit Committee has performed their tasks completely as per the requirements on the Charter of the Audit Committee approved by the Board of Directors and sees that the Company has reported its financial information accurately and completely and has a proper operation with internal audit and risks management that are appropriate and effective. The Company complies with the law, regulations, and various obligations, as well as having a correct practice regarding connected transactions. The Company's operation is in compliance with the good corporate governance system, which is sufficient and reliable, including having a consideration on the independency of the auditor to appoint and propose the remuneration of the auditing service. The company has a special meeting with the auditor 1 time without the management's attendance.



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8.3 Summary of the sub-committee performance

8.3.1 No. of meetings and meeting attendances of the sub-committee

The meeting attendance of the risk management committee are as follows:

Name – Surname	Risk Management Committee meeting of 2022
	(Meeting attendances/Total no. of meetings)
1. Mrs. Ladawan Charoen-rajapark ¹	3/3
2. Asst Prof Dr. Patipan Sae-Lim	4/4
3. Mr. Prutipang Tayarachkul	4/4
4. Mr. Punnamas Vichitkulwongsa	4/4
5. Ms. Kruakao Yerabut	4/4
6. Ms. Amornwan Chantrachaichot ²	3/3
7. Mr. Wipas Raiyawa ³	3/3
8. Mr. Wirach Morakotkarn ⁴	1/1

- Note :
1. The Board of Directors Meeting No. 2/2022 on May 3, 2022 resolved to appoint such person as the company's Director to replace the resigned director.
 2. The Board of Directors Meeting No. 1/2022 on February 21, 2022 resolved to appoint such person to be a member of the Risk Committee.
 3. The Board of Directors Meeting No. 1/2022 on February 21, 2022 resolved to appoint such person to be a member of the Risk Committee and member of Executive Committee.
 4. Mr. Wirach Morakotkarn resigned as Independent Director, Chairman of the Audit Committee, Chairman of the Risk Management Committee, effective from May 2, 2022

Meeting attendance of Nomination and Remuneration Committee were as follows:

Name-Surname	Nomination and Remuneration Committee meeting of 2022
	(Meeting attendances/Total no. of meetings)
1. Mr. Amornyot Panich	2/2
2. Mr. Sura Khanittaweekul	2/2
3. Ms. Sutida Mongkolsuthree	2/2

The meeting attendance of the Executive Committee were as follows:

Name-Surname	Executive committee meeting of 2022
	(Meeting attendances/Total no. of meetings)
1. Mr. Punnamas Vichitkulwongsa	15/15
2. Ms. Kruakao Yerabut	15/15
3. Ms. Amornwan Chantrachaichot	15/15
4. Mr. Wipas Raiyawa ¹	12/12

- Note :
1. The Board of Directors Meeting No. 1/2022 on February 21, 2022 resolved to appoint such person to be a member of the Risk Committee and member of the Executive Committee.

8.3.2 Performance results of the sub-committee

The risk management committee comprises 7 directors, 2 of them are independent directors, 1 are non-executive directors and the other 4 are executive directors. The risk management committee has performed their duties in line with the guidelines and the principles of good governance. In 2022, the risk management committee held a total of 4 meetings, covering the following matters.

1. Follow up on the risk management results of 2022 in every quarter and has provided recommendations to the risk management working group in order to improve the Company's risk management of the Company to be appropriate and efficient. Furthermore, the Committee has reviewed the risk management practices to ensure consistency with the risk management policy to present to the audit committee for their acknowledgement.
2. Assess the performance of risk management to ensure consistency with the set policies to achieve efficiency and effectiveness.
3. Improve risk management practices to ensure that there is sufficient and appropriate implementation of risk management with the ability to manage the risk to be at the accepted level and that risk management is being practiced on a regular basis.

Performance of the Nomination and Remuneration Committee

The nomination and remuneration committee comprises 3 directors of which the chair is an independent director and 2 non-executive directors. The nomination and remuneration committee has performed their duties as assigned by the board of directors with prudence, transparency, and fairness, taking into account the best interest of the stakeholders. In 2022, the nomination and remuneration committee held a total of 2 meetings covering issues as follows:

1. Considered the appointment of directors to replace the ones who have completed their terms by considering persons with appropriate qualifications in line with the specified qualifications criteria to propose to the board of directors for their consideration and approval to propose the suitable candidate to the shareholders general meeting to be appointed as directors.
2. Considered the appointment of directors to replace the directors who have resigned. The nomination and remuneration committee has been thorough in the consideration of persons with knowledge, abilities, and suitable qualifications to propose to the board of directors to consider and appoint as a director.
3. Considered and determine the remuneration rate for the board of directors and the sub-committees of the year 2022 by reviewing the ensure that the remuneration is in line with their burden, responsibilities, and work performance to propose to the board of directors and the shareholders general meeting of 2022.
4. Considered to define the KPI to measure the performance results of the chief executive officer and proposed to the board of directors for approval.
5. Consider and evaluate the 2022 performance of the chief executive officer and present to the Board of Directors for approval.
6. Considered to set the criteria for the 2022 bonus and salary payment for the board of directors' approval.
7. Review the completeness of the Nomination and Remuneration Committee Charter to be in compliance with the corporate governance policy.

In addition, in 2022, the Board of Directors has provided an opportunity for shareholders to nominate persons they deem appropriate to be elected as directors, which appears that no shareholders nominate persons to enter the nomination process at the annual general meeting of 2023.



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Performance of the Executive Committee

The Executive Committee consists of 4 Executive whereby the Executive Committee has performed the duty of supervising operations in accordance with the objectives and goals set by the Board of Directors. In the year 2022, the Executive Committee had a total of 15 meetings covering the following matters:

1. Consider setting up policies, strategies, and business plans, including management structure and authorization powers of the company for submission to the Board of Directors.
2. Consider the annual budget to propose to the Board of Directors and control the budget disbursement in accordance with the Board's approval.
3. To control, supervise, and monitor the Company's performance in accordance with the policies, goals, business plans, business strategies, and the specified budget and administrative powers as approved by the board of directors to be efficient and conducive to business conditions and report operations to the board of directors.
4. Consider and approve operations that are normal business transactions of the Company, with the amount for each transaction in accordance with the approval power schedule approved by the board of directors.
5. Consider the organizational structure that is suitable for the Company's operations for approval to the board of directors.



9. Internal control and related transactions

9.1 Internal control

The Company realizes the importance of managing a good internal control system as it will enhance the efficiency of the Company's operations. The Board of Directors has assigned the Audit Committee to review and assess the internal control system as well as review the policy, risk management guidelines, the annual risk management plan and acknowledging the progress of the operations to ensure that it is accordance with the plans of the risk management working group on a regular basis. The operating plans are reviewed and revised to suit the environment and situation and presented to the Board of Directors every quarter to establish guidelines for corporate governance as well as the administration and control of the management's operations and to assess the sufficiency of the internal control system relevant to the business operations.

9.1.1 Sufficiency and suitability of internal control system

The Audit Committee has reviewed and reported a summary of the internal audit results, recommendations and the results of the remediation follow-up on the audit report and regularly presented to the Board of Directors in order to focus on ensuring the review of the internal audit on corporate governance, operations, compliance with the relevant rules and regulations and corporate risk management are consistently effective and efficient. The Audit Committee has jointly assessed the adequacy of the internal control system during the year 2022 at the Board of Directors meeting No. 1/2023 on February 21, 2023. The Board of Directors considered the adequacy and appropriateness of the internal control system of the Company based on the assessment of the adequacy of the internal control system of the Office of the Securities and Exchange Commission and found that the Company has an adequate internal control system, and there are enough personnel to operate the system effectively. In addition, there is monitoring and supervision of the operations to be able to protect the Company's assets from improper or unauthorized usage by directors or executives. This includes transactions with persons who may have a conflict of interest and sufficiently connected persons.

9.1.2 Defects in the internal control system

In 2022, the Audit Committee has reviewed the internal control system and followed up on the results of correcting the deficiencies on a quarterly basis in order to ensure that the Company has a suitable, sufficient and efficient internal control system. In addition, the Company has hired an internal audit service provider, who is an expert in the audit of internal control systems, to conduct the audit according to the annual internal audit plan, including the critical operating system, considered and approved by the Audit Committee. The committee also assigned a responsible person to follow up on the improvement of deficiencies according to the audit report. The results of the internal audit found that the Company had adequate internal control systems suitable for the nature of the business and did not find any significant deficiencies or weaknesses in the internal control system. Furthermore, the Company has proper maintenance of assets and full disclosure of information. Defects in the internal control system have been detected and corrected. These included the improvement for operating procedures of Credit Approval Support Department, Human Resources Department and Human Resources and Organizational Development Department, which have been corrected in 2022.

9.1.3 Opinion of the Audit Committee in case it is different from the opinion of the Board of Directors

In 2022, the Company held a total of four Audit Committee meetings. Attendees of the meeting consisted of the Chairman of the Audit Committee, Audit Committee, secretary of the Audit Committee, internal auditors, auditors, and management of the company. Opinions and resolutions of the Audit Committee meeting were presented to the Board of Directors every time. The Chairman of the Audit Committee and all members of the Audit Committee attended every meeting of the Board of Directors. The observations on internal control that have been submitted to the Audit Committee and the Board of Directors for their consideration. However, there were no issues where the Audit Committee's opinions differ from the Board of Director's opinion or the auditor in any way.



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Opinions of the Board of Directors on the Company's internal control system

The Company pays attention to a good internal control system and adheres to the principles of good corporate governance. That is to have a system of operations that is transparent, fair, reliable and there is a balance of power that can be verified. This will lead to the best gains for the shareholders, employees, customers, partners and all concerned parties. The Audit Committee has reviewed the adequacy of the Company's internal control system, including reviews to ensure that the Company operates its business in accordance with the rules of the Securities and Exchange Commission, the Stock Exchange of Thailand, Public Company Law, Securities and Exchange Law, or other criteria related to the Company and/or Company business.

In the Board of Directors meeting no. 1/2023 on February 21, 2023, the Board of Directors considered and prepared a form to assess the adequacy of the Company's internal control system based on the assessment of the adequacy of the internal control system of the Securities Commission and Stock Exchange. The meeting agreed that "the Company has an adequate internal control system with sufficient number of personnel to operate according to the system efficiently. There is monitoring and supervising of the operations to ensure that the Company's assets are protected from being misused by directors or executives without proper authorization, including sufficient protection from transactions with persons who may have a conflict of interests or "connected persons." The mentioned internal control system covers all five elements according to the international standards of The Committee of Sponsoring Organizations of the Treadway Commission (COSO) as follows:

1. Control environment

The Company has set clear and measurable business goals including determining the business plan, the annual budget and the key performance indicators (KPI) by considering the reasonable feasibility of the defined goals. There is an organizational structure to support the operations of the Company and it also promotes effective internal control. This is for example, the separation of duties and responsibilities to achieve a check and balance between each other, and supporting the Three Lines of Defense model, consisting of: Group 1. Persons responsible for the operations involving the business and transactions that are the main mission of the Company; Group 2. Persons authorized to oversee and review the authority of persons operating in Group 1, especially before making a decision and during the operation; and Group 3. Persons responsible for internal audits to ensure that the operation is correct, appropriate, adequate, and acceptable. In addition, the Company has established a corporate governance policy, business code of conducts, and code of ethics to be used as a framework for the operations and has been communicated to all employees for their acknowledgment including disseminating to third parties.

2. Risk Assessment

The Company has established a risk management policy to be used as a guideline and framework for the operation of all departments of the Company. The Risk Management Committee has the power and duty to review the risk management report and the operation to assure that the risk management is adequate and appropriate, able to manage risks to an acceptable level and to be carried out on an ongoing basis, including reporting the performance of the Risk Management Committee to the Audit Committee for consideration on a quarterly basis. The Company has also appointed a risk management working group to perform risk management in accordance with the Company's risk management policy and consider important risks that are consistent with the Company's business such as operation, finance, information technology, legal and regulatory aspects. The working group shall also make suggestions on the preventative measures and ways to reduce risks to be at an acceptable level, as well as monitoring, assessing and improving the operating plan to reduce risks on an ongoing basis to suit the business conditions.

3. Control Activities

The Board of Directors has appointed four sub-committees, consisting of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and the Executive Committee. The four committees performed their duties within the scope and authority assigned to control and supervise the operations of the management taking into account the separation of duties and responsibilities in terms of the duties of giving an approval, duties of accounts and information recording, and duties of assets management, which are done in order to have appropriate checks and balances.

The Audit Committee has reviewed and approved an annual audit plan to cover high-risk operational processes. In order to be certain that all operational performances have adequate operational controls in terms of finance, operations and compliance with the laws, rules and regulations, the Company hired an internal audit service provider (P&L Corporation Co., Ltd.) to audit, monitor and evaluate the internal control system and assign the internal audit division to follow up on the audit results. The internal auditors report the audit results directly to the Audit Committee, cooperated by the internal audit department, for the Audit Committee to inspect and review the various activities' operating systems, including being able to sufficiently and appropriately supervise transactions with persons who may have a conflict of interest or connected persons. In this regard, the Audit Committee has reviewed important issues detected and reported the results of the corrective actions and measures to prevent possible errors.

In the event of transactions with businesses or persons related to the Company which may create a conflict of interest, the Company requires a transparent approval process where the interest of the Company must be taken into account in the same manner as doing transactions with any other third parties. A monitoring and audit system must be established to ensure that the transactions are done in the correct process.

4. Information and Communication

The Company requires adequate storage for material information for financial reporting. The Company uses accounting policies that are suitable for the nature of the business of the Company and in accordance with the generally accepted accounting principles including the use of Thai Financial Reporting Standards (TFRS) by filing the various accounts supporting documents in a complete manner and separated by category. There have been no reports from the auditors that there was any defect in this matter. Regarding supporting documents for consideration by the Board of Directors, the Company shall deliver proposed information along with factual documents to the Board of Directors to study prior to making the decision 7 days in advance. The Company Secretary is the contact person for the Board of Directors to request for any additional information. Furthermore, the Company has established an information system that contains sufficient information for decision making. The Company communicates work-related information, policies, and procedures of the Company for the employee's acknowledgement to ensure that all operation and activities are conducted efficiently.

5. Monitoring Activities

The Company monitors and assess the performance results on an ongoing basis to be confident that the performance achieved is in accordance with the set goals and that the internal control is efficient. The management is required to report the performance results to the Board of Directors meeting every quarter or when an incident occurs. In 2022, there were a total of six Board of Directors meeting held. The Audit Committee is required to conduct a review and provide confidence on the internal control system covering all important systems of the business operation. In addition, it is also assigned to follow up on the improvement of deficiencies according to the audit report. From the audit results, the Company has an adequate internal control system suitable for the nature of the entity and no significant deficiencies or weaknesses in the internal control system were found. There is proper maintenance of assets and complete disclosure of information. Defects in the internal control system have been detected and corrected. These included the improvement for operating procedures of the Credit Approval Support Department, Human Resources Department and Human Resources and Organizational Development Department, which have been corrected.

In conclusion, the Company has implemented the management and internal control systems that are sufficient and effective to protect assets. There is a risk management plan for risks that may occur and has adequate number of personnel to ensure that the Company's internal control system is sufficient and appropriate. The Company is able to improve and tune the internal control system to be in line with the changing situations effectively in order to achieve the Company's objectives in accordance with all applicable laws and regulations and in accordance with good corporate governance principles.



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For the results of the internal audit in 2022, the Audit Committee made a summary report of the internal control performance, recommendations and remedial results follow-up to the Board of Directors on a regular basis in order to focus on the audit of compliance with relevant rules and regulations and the risk management of the organization to continually be efficient and effective.

There were no issues on the Audit Committee's opinion that were inconsistent or different from the opinion of the Board of Directors or the auditor in any way.

9.1.4 Opinion of the Audit Committee on the person holding the position of Internal Auditor

The Audit Committee has considered the educational qualifications, work experience, and training of the internal auditor and agreed that Miss Wanvimol Jongsureeyapashas has adequate qualifications to audit and assess the Company's internal control system efficiently. Furthermore, Miss Wanvimol Jongsureeyapashas has been trained and certified in Internal Auditing (IACP) by the Federal of Accounting Professions under the Royal Patronage of His Majesty the King (FAP) and trained in the Thai Internal Auditor Certification Program (CPIAT). She does not have any connection whatsoever to the Company, and therefore she is able to conduct the audit and provide opinions independently and impartially.

In addition, the internal audit department coordinates internal audits with internal audit service providers and performs duties in the internal audit department of the organization. The person must be independent to audit, monitor, and assess the internal control system of the Company prior to hiring a third-party to audit the system. This will allow the Company time to address any problems prior to the audit of an outsourced auditor.

9.1.5 Guidelines on the Appointment, Removal and Transfer of Internal Auditors

The appointment, removal and transfer of internal auditors is the authority and duty of the Audit Committee to consider as specified in the Audit Committee Charter. The appointment, removal and transfer of internal auditors must take into account the efficiency and effectiveness of the internal audit process, including independence in reviewing and giving opinions to the Audit Committee.

9.2 Related Transactions

9.2.1 Summary of relationship details of individuals and juristic persons that may have conflicts with the Company

The Company has significant related transactions with individuals and juristic persons that may have conflicts with the Company as of December 31, 2022 as follows:

Individuals/juristic persons that may have conflicts	Nature of business	Relationship details
1. Com7 Public Company Limited ("COM7")	Operate the business of selling IT products, mobile phone and accessories, repair services and so on.	- COM7 is a major shareholder of the Company. As of December 31, 2022, COM7 holds 34.32% of the Company's total issued and paid-up shares amounting to 675.00 million baht. - There is 1 joint director, namely (1) Mr. Sura Kanittaweekul.
2. Synnex (Thailand) Public Company Limited ("SYNEX")	Operate the business of selling computer technology products, information systems and communication equipment.	- SYNEX is a major shareholder of the Company. As of December 31, 2022, SYNEX holds 26.98% of the Company's total issued and paid-up shares amounting to 675.00 million baht. - There are 2 joint directors, namely (1) Mr. Puttiphan Tayarachkul, (2) Ms. Sutida Mongkolsuthree
3. Synnex Incubation Company Limited ("Synnex Incubation")	Operate the business of investing in potential businesses or related businesses to digital technology.	- Synnex incubation has SYNEX as a joint major shareholder. As of December 31, 2022, SYNEX holds 100% of Synnex Incubation's total issued and paid-up shares amounting to 255.00 million baht. - There is 1 joint director, namely (1) Ms. Sutida Mongkolsuthree.
4. Service Point Company Limited ("Service Point") (formerly known as Prism Solutions Company Limited ("PRISM"))	Operate the business of installing equipment related to the network system, both hardware and software, including providing off-site service, assembling computer server, system administration service, peripherals, and applications.	- Service Point has SYNTEX as a joint major shareholder. As of December 31, 2022, SYNEX holds 100% of Service Point's total issued and paid-up shares amounting to 115.00 million baht. - There is 1 joint director, namely (1) Ms. Sutida Mongkolsuthree.
5. TKS Technology Public Company Limited ("TKS")	Operate the business of producing and distributing of business and security printing template, digital printing service, continuous printing paper for computer and, printing warehousing service.	- TKS is a major shareholder of SYNEX. As of December 31, 2022, TKS holds 38.51% of SYNEX's total issued and sold shares amounting to 847.36 million baht. - There are 2 joint directors, namely (1) Ms. Sutida Mongkolsuthree, (2) Mrs. Ladawan Charoenratchaphak.
6. TKS. Siam Press Management Company Limited ("SPM")	Operate the business of providing counterfeit-free printing services and integrated solutions.	- TKS Siam Press is a subsidiary of TKS Technology Public Co., Ltd. which holds 100% of TKS Siam Press's total issued and paid-up shares amounting to 560.00 million baht. - There is 1 joint director, namely (1) Ms. Sutida Mongkolsuthree.



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เอกสารแนบ

Individuals/juristic persons that may have conflicts	Nature of business	Relationship details
7. Plus Tech Innovation Public Company Limited ("PTECH") (formerly known as TBSP Public Company Limited) ("TBSP")	Operate the business of providing comprehensive card services and payment solutions.	- Plus Tech Innovation Public Co., Ltd. ("PTECH") is an associate company of TKS which holds 25% of the total issued and paid-up shares of Plus Tech Innovation Public Co., Ltd. amounting to 244.87 million baht. - There is 1 joint director, namely (1) Ms. Sutida Mongkolsuthree. - There are 2 joint directors, namely (1) Mr. Sura Kanittaweekul, (2) Mrs. Wassana Pongsaengluek.
8. Thunder FinFin Company Limited ("Thunder FinFin")	Operate the business of selling telephones and telecommunication equipment	- Next Money is a subsidiary of the Company. The Company holds 80% of Next Money's total issued and paid-up shares amounting to 50.00 million baht. - There are 3 joint directors, namely (1) Ms. Suthida Mongkolsuthree, (2) Mrs. Wassana Pongsaengluek, (3) Mr. Punnamas Wichitkulwongsa.
9. Next Money Company Limited ("Next Money")	Operate the business of providing loans.	

Summary of details of related transactions of individuals and juristic persons that may have conflicts with the Company

Com7 Public Company Limited

Details of related transactions	Transaction Value (Baht)		Necessity and reasonability	Opinion of the Audit Committee
	Year 2022	Year 2021		
Purchase equipment and intangible assets	648,877	6,604,036	The Company purchased telephones and information technology work equipment for normal business operations, in line with expenses for training staffs in information technology for the Company's benefit in business operations. The transaction was in accordance with normal trading conditions and similar price as third parties. The price was compared with 2 or more third parties and it was at the market price.	The purchase transaction was in accordance with the Company's necessity to modernize its information technology work equipment. The business operation of Com7 Public Co., Ltd. was considered as a normal business partner of the Company. The Company considered selecting sellers by comparing prices with 2 or more third parties. It was found that the transaction with Com7 Public Co., Ltd. was in compliance with normal trading conditions. The price was comparable to outside operators with no different payment terms. The Audit Committee therefore had an opinion that such transaction was necessary and reasonable, with a comparison of price and trading conditions which caused no disadvantages to the Company.
Other expenses	82,967	-		



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Details of related transactions	Transaction Value (Baht)		Necessity and reasonability	Opinion of the Audit Committee
	Year 2022	Year 2021		
Financial cost	9,236,032	991,233	In 2022, the Company borrowed 1,600 million baht from Com7 Public Co., Ltd. as working capital and business expansion. The interest rate was 2.70-3.30 per year or lower than the interest rate for short-term loans from financial institutions of 2.95-4.00% per year. The Company repaid the loans in installments until June 2022.	The said loan transaction was based on the Company's necessity of working capital for a purpose of business expansion with lower loan interest rate than financial institutions. The Audit Committee had an opinion that such loans transaction was in accordance with normal business operations which required working capital. In addition, the interest rate was lower when compared to that of financial institutions. Thus, the transaction was necessary, reasonable and beneficial to the Company.
Loans	300,000,000	-	In 2021, the Company borrowed 300 million baht from Com7 Public Company Limited as working capital and business expansion. The interest rate was 2.70% per year, lower than that of short-term loans from financial institutions of 2.95-3.14% per year.	The Audit Committee considered and had an opinion that the transaction was necessary for the Company's business operations. There was no compensation between both parties. Therefore, the transaction was necessary and reasonable for the Company's maximum benefit.
Beginning balance	1,600,000,000	300,000,000	As of December 31, 2022, the Company had no debt obligations guaranteed by Com7 Public Co., Ltd. since the Company made the final loans repayment on September 9, 2022.	
Additional loans	(1,900,000,000)	-		
Repayment	-	300,000,000		
Balance (as of December 31)	-	44,384		
Accrued interest (as of December 31)	-	-		
Loan Guarantee	-	664,627	In 2021, the Company received marketing support from Com7 Public Co., Ltd. for activities to boost sales according to the Company's normal business operations.	The marketing support transaction from Com7 Public Company Limited was reasonable and in line with normal trading conditions for the Company's benefit.
Other income	-	-		The Audit Committee considered and had an opinion that such transaction was in accordance with normal trading conditions. It was reasonable and beneficial to the Company.

Details of related transactions	Transaction Value (Baht)		Necessity and reasonability	Opinion of the Audit Committee
	Year 2022	Year 2021		
Purchase equipment and intangible assets	122,260	1,326,973	The Company purchased computers and information technology work equipment for normal business operations. The transaction was beneficial to the Company according to normal business operations. The said transaction was in line with normal trading conditions and similar price as third parties. The price was compared with 2 or more third parties and it was at the market price.	The said purchase transaction was in accordance with the Company's necessity to modernize its information technology work equipment. The business operation of Synnex (Thailand) Public Company Limited was considered as a normal business partner of the Company. The price was compared with 2 third parties. From the consideration, it was found that the transaction with Synnex (Thailand) Public Co., Ltd. was in accordance with normal trading conditions. The price was comparable to outside operators with no different payment terms. The Audit Committee therefore had an opinion that such transaction was necessary and reasonable, with a comparison of price and trading conditions which caused no disadvantages to the Company.
Financial cost	2,237,671	-	In 2022, the Company borrowed 500 million baht from Synnex (Thailand) Public Co., Ltd. as working capital and business expansion. The interest rate was 3.30% per year or lower than that of short-term loans from financial institutions of 2.95-4.00% per year. The Company repaid the loan in full in June 2022.	The said loan transaction was necessary as working capital of the Company for a purpose of business expansion. The loan interest rate was lower than that of financial institutions. Therefore, the Audit Committee had an opinion that such loans transaction was in accordance with normal business operations which required working capital. In addition, the interest rate was lower than that of financial institutions. Thus, the transaction was necessary, reasonable, and beneficial to the Company.
Loans				
Beginning balance	-	-		
Additional loans	500,000,000	-		
Repayment	(500,000,000)	-		
Balance (as of December 31)	-	-		



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การกำกับ
ดูแลกิจการ



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เอกสารแนบ

Details of related transactions	Transaction Value (Baht)		Necessity and reasonability	Opinion of the Audit Committee
	Year 2022	Year 2021		
Loan Guarantee	-	-	As of December 31, 2022, the Company had no debt obligations guaranteed by Synnex (Thailand) Public Co., Ltd. since the Company made the final loan repayment on September 9, 2022.	The Audit Committee considered and had an opinion that such transaction was necessary for the Company's business operations with no compensation between the two parties. The transaction was necessary, reasonable, and beneficial to the Company.
Other service expenses	-	198,320	In 2021, the purchase transaction of a computer system for efficient personnel management was beneficial to the Company. Therefore, Synnex (Thailand) Public Co., Ltd. was hired as an information technology system consultant. The said transaction was in accordance with normal trading conditions. The price was the same as that of third parties and at the market price.	The transaction of hiring an information technology system consultant to set up a computer system for personnel management was necessary in business operations. The Audit Committee had an opinion that the hiring of an information technology system consultant for setting up a computer system was in line with normal business operations and normal trading conditions. There were no different payment terms.

Details of related transactions	Transaction Value (Baht)		Necessity and reasonability	Opinion of the Audit Committee
	Year 2022	Year 2021		
service fee	4,149,411	5,464,637	The Company hired TKS Siam Press Management Co., Ltd. to print, pack, and deliver invoices. TKS Siam Press Management Co., Ltd. has expertise in printing a large number of documents in a short time and accurately.	Such procurement transaction was necessary for the Company. The business operation of TKS Siam Press Management Co., Ltd. was considered as a normal business partner of the Company. The company considered selecting sellers by comparing prices with 2 or more third parties.
Service fee payable (as of December 31)	295,194	497,087	The transaction was in accordance with normal trading conditions. It was the same price as the third parties. The price was compared with 2 outsiders and it is at the market price.	From the consideration, it was found that such transaction with TKS Siam Press Management Co., Ltd. was in compliance with normal trading conditions. The price was comparable to third parties with no different payment terms

Plus Tech Innovation Public Company Limited (formerly known as TBSP Public Company Limited)

Details of related transactions	Transaction Value (Baht)		Necessity and Reasonability	Opinion of the Audit Committee
	Year 2022	Year 2021		
Service fee	918,000	877,300	The Company purchased the Next Card for the Company's normal business operations. Such transaction was in accordance with normal trading conditions and at the market price.	The purchase transaction was necessary for the Company. The business operation of Plus Tech Innovation Public Co., Ltd. was considered as a normal business partner of the Company. From the consideration, it was found that the transaction with Plus Tech Innovation Public Co., Ltd. was in accordance with normal trading conditions and at the market price.



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ดูแลกิจการ

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hunder FinFin Company Limited

Details of related transactions	Transaction value (baht)		Necessity and Reasonability	Opinion of the Audit Committee
	Year 2022	Year 2021		
Service income	-	42,897	In 2021, the Company provided debt collection service for telephone and communication equipment to Thunder FinFin Co., Ltd. Such transaction was in compliance with the Company's normal business operations, normal trading conditions, and at the market price. In 2022, the Company did not provide such debt collection service due to the end of service contract.	The said transaction was reasonable according to fairness of the price and with similar conditions as that with third parties. From the consideration, it was found that such transaction with Thunder FinFin Co., Ltd. was in accordance with normal trading conditions. The price is comparable to outside operators with no different payment terms.

Next Money Company Limited

Details of related transactions	Transaction value (baht)		Necessity and Reasonability	Opinion of the Audit Committee
	Year 2022	Year 2021		
Other debtors (as of December 31)	-	23,794	In 2021, the Company reserved payment for agent fees and other related expenses to Next Money Co., Ltd. Such transaction was in compliance with actual expenses following normal business operations and conditions of relevant agencies. In September 2022, the Company received a full refund.	The reserve transaction for payment of agent fees and other related expenses to Next Money Co., Ltd. was necessary for business operations. From the consideration, it was found that such transaction with Next Money Co., Ltd. was necessary and reasonable, with no different payment terms. It did not cause the Company to lose any benefits.

SECTION

03

FINANCIAL STATEMENTS





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Independent Auditor's Report

To the Shareholders and the Board of Directors of Next Capital Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Next Capital Public Company Limited (the Company) and its subsidiaries (the Group) and separate financial position of the Company as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Allowance for expected credit losses on hire-purchase receivables. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and informing my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<i>Allowance for expected credit losses on hire-purchase receivables</i> Refer to Notes to the financial statements which are Note 7: Critical accounting estimates, assumptions and judgments, Note 10: Hire-purchase receivables and Note 11: Allowance for expected credit losses. As at 31 December 2022, hire-purchase receivable amount and allowance for expected credit loss amount contributed 89% and 7% of the total assets in the consolidated financial statements and the separate financial statements, respectively. I focused on this matter because allowance for expected credit losses is an accounting estimate with significant amount to the financial statements, and the requirements under Thai Financial Reporting Standard No. 9 - Financial Instruments related to impairment require the use of complex models, historical data adjusted by current observable data, and forward-looking information, including significant management's judgments and assumptions as follows: • Staging conditions and criteria; • Expected lifetime; • Expected future cash flows; • Forward-looking macroeconomic information, and weighting; and • Management overlay	I evaluated management's judgments in estimating the allowance for expected credit losses on hire-purchase receivables by inquiries with management about the method used and the assumptions made, and I obtained an understanding of management's process and basis in calculating the allowance for expected credit losses on hire-purchase receivables. I evaluated the appropriateness of the collective approach model calculation whether it is in accordance with Thai Financial Reporting Standard No. 9 by selecting samples and testing the operating effectiveness of related controls as follows: • Development, testing, and approval of the model; • Completeness and accuracy of critical input data; • Completeness and accuracy of data transfers from the source system for the calculation in the model, and recording transactions from the model to the general ledger; In addition, I also performed additional procedures as follows: • Performed understanding of significant assumptions used in the model and weighting of future economic factors for forward-looking, challenged management, considered the reasonableness of the significant assumptions and assessed the correlation of economics factors based on the results of the model consultant • Tested the accuracy and appropriateness of the staging including debtors under the COVID-19 relief measures • Assessed and tested the reasonableness of overlay applied by management by considering the reasonableness of management's judgments and the accuracy of staging • Tested the accuracy of new effective interest rate for debtors who entered the relief measures by considering cash flows after the measures • Tested the accuracy of the calculation of the allowance for expected credit losses in the model and reconciled to the general ledger Based on the above procedures, models and assumptions used in the estimation of the allowance of expected credit losses on hire-purchase receivables are appropriate according to supporting evidence.



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Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

PricewaterhouseCoopers ABAS Ltd.

Sakuna Yamsakul

Certified Public Accountant (Thailand) No. 4906

Bangkok

21 February 2023



Statement of Financial Position

Next Capital Public Company Limited
As at 31 December 2022



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



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	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	9	525,641,550	75,037,658	475,899,440	24,998,930
Current portion of hire-purchase receivables, net	10	3,122,003,753	2,256,620,144	3,122,003,753	2,256,620,144
Other receivables	12	58,433,765	56,757,559	58,433,765	56,781,173
Foreclosed assets, net	14	60,310,883	26,810,003	60,310,883	26,810,003
Other current assets	15	177,436,333	93,737,917	177,435,478	93,737,585
Total current assets		3,943,826,284	2,508,963,281	3,894,083,319	2,458,947,835
Non-current assets					
Investment in subsidiary	16	-	-	40,000,000	40,000,000
Hire-purchase receivables, net	10	4,305,566,365	3,206,976,284	4,305,566,365	3,206,976,284
Building improvements and equipment	17	9,731,498	10,471,057	9,731,498	10,471,057
Right-of-use assets	18	42,438,631	34,619,730	42,438,631	34,619,730
Intangible assets	19	29,825,903	34,773,441	29,797,903	34,773,441
Deferred taxes assets	20	24,982,116	32,334,958	24,982,116	32,334,958
Other non-current assets		3,357,600	3,030,760	3,357,600	3,030,760
Total non-current assets		4,415,902,113	3,322,206,230	4,455,874,113	3,362,206,230
Total assets		8,359,728,397	5,831,169,511	8,349,957,432	5,821,154,065

The accompanying notes are an integral part of this financial statement.

Statement of Financial Position (Cont'd)

Next Capital Public Company Limited
As at 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	21	262,239,887	379,982,381	262,086,117	379,902,381
Short-term borrowings from financial institutions	22	-	485,000,000	-	485,000,000
Current portion of long-term borrowings from financial institutions	22	1,742,333,333	639,555,556	1,742,333,333	639,555,556
Short-term borrowings from related company	22	-	300,000,000	-	300,000,000
Current portion of derivative liabilities	5.1 a)	10,030,171	15,903,391	10,030,171	15,903,391
Income tax payable		3,705,790	44,021,730	3,705,790	44,021,730
Current portion of lease liabilities	18	15,063,137	16,585,854	15,063,137	16,585,854
Other current liabilities		8,093,517	7,423,146	8,093,517	7,422,756
Total current liabilities		2,041,465,835	1,888,472,058	2,041,312,065	1,888,391,668
Non-current liabilities					
Long-term borrowings from financial institutions	22	2,042,763,889	1,878,500,000	2,042,763,889	1,878,500,000
Derivatives liabilities	5.1 a)	4,712,737	25,386,747	4,712,737	25,386,747
Lease liabilities	18	27,307,542	18,163,063	27,307,542	18,163,063
Employee benefit obligations	23	10,699,195	9,870,630	10,699,195	9,870,630
Provision for decommissioning costs		2,502,000	2,502,000	2,502,000	2,502,000
Total non-current liabilities		2,087,985,363	1,934,422,440	2,087,985,363	1,934,422,440
Total liabilities		4,129,451,198	3,822,894,498	4,129,297,428	3,822,814,108

The accompanying notes are an integral part of this financial statement.



Statement of Financial Position (Cont'd)

Next Capital Public Company Limited
As at 31 December 2022



การประกอบธุรกิจ
และผลการดำเนินงาน



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ดูแลกิจการ



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		Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Notes		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
Ordinary shares 1,613,000,000 shares					
(2021: 938,000,000 shares)					
at par value of Baht 0.50 each					
24		806,500,000	469,000,000	806,500,000	469,000,000
Issued and paid-up share capital					
Ordinary shares 1,350,000,000 shares					
(2021: 900,000,000 shares)					
paid-up at Baht 0.50 each					
24		675,000,000	450,000,000	675,000,000	450,000,000
24		2,351,384,499	666,980,000	2,351,384,499	666,980,000
24		115,199,861	-	115,199,861	-
		14,559,416	4,626,358	14,559,416	4,626,358
Retained earnings					
Appropriated					
Legal reserve					
26		55,157,011	46,900,000	55,157,011	46,900,000
Unappropriated					
		1,020,847,301	862,813,755	1,021,153,544	862,865,710
		(11,794,327)	(33,032,111)	(11,794,327)	(33,032,111)
Equity attributable to owners of the parent					
		4,220,353,761	1,998,288,002	4,220,660,004	1,998,339,957
Non-controlling interests					
		9,923,438	9,987,011	-	-
Total equity					
		4,230,277,199	2,008,275,013	4,220,660,004	1,998,339,957
Total liabilities and equity					
		8,359,728,397	5,831,169,511	8,349,957,432	5,821,154,065

The accompanying notes are an integral part of this financial statement.

Statement of Comprehensive Income

Next Capital Public Company Limited
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Revenue					
Interest income from hire-purchase		1,510,825,246	1,028,315,219	1,510,825,246	1,028,315,219
Fee and service income		180,108,946	143,597,915	180,108,946	143,597,915
Other income	27	230,922,000	209,980,524	230,836,532	209,941,304
Total revenue		1,921,856,192	1,381,893,658	1,921,770,724	1,381,854,438
Expenses					
Selling and administrative expenses	28	670,802,177	527,806,019	670,398,848	527,701,855
Expected credit loss		875,033,892	363,363,625	875,033,892	363,363,625
Loss on disposals of foreclosed assets		7,838,385	3,998,180	7,838,385	3,998,180
Finance costs	29	158,490,131	97,307,313	158,490,131	97,307,313
Total expenses		1,712,164,585	992,475,137	1,711,761,256	992,370,973
Profit before income tax expense		209,691,607	389,418,521	210,009,468	389,483,465
Income tax expense	30	(44,869,253)	(78,476,962)	(44,869,253)	(78,476,962)
Profit for the year		164,822,354	310,941,559	165,140,215	311,006,503

The accompanying notes are an integral part of this financial statement.



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Statement of Comprehensive Income (Cont'd)

Next Capital Public Company Limited
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of post-employment benefit obligations	31	1,755,787	3,510,129	1,755,787	3,510,129
Income tax on item that will not be reclassified to profit or loss	30	(351,157)	(702,026)	(351,157)	(702,026)
Total items that will not be reclassified to profit or loss		1,404,630	2,808,103	1,404,630	2,808,103
<i>Items that may be reclassified subsequently to profit or loss</i>					
Gains on cash flow hedges	31	26,547,230	4,508,286	26,547,230	4,508,286
Income tax relating to items that will be reclassified to profit or loss	30	(5,309,446)	(901,657)	(5,309,446)	(901,657)
Total items that may be reclassified to profit or loss		21,237,784	3,606,629	21,237,784	3,606,629
Other comprehensive income for the year, net of tax		22,642,414	6,414,732	22,642,414	6,414,732
Total comprehensive income for the year		187,464,768	317,356,291	187,782,629	317,421,235
Profit (loss) attributable to:					
Owners of the Company		164,885,927	310,954,548	165,140,215	311,006,503
Non-controlling interests		(63,573)	(12,989)	-	-
		164,822,354	310,941,559	165,140,215	311,006,503
Total comprehensive income (expense) attributable to:					
Owners of the parent		187,528,341	317,369,280	187,782,629	317,421,235
Non-controlling interests		(63,573)	(12,989)	-	-
		187,464,768	317,356,291	187,782,629	317,421,235
Earnings per share					
Basic earnings per share (Baht per share)	32	0.14	0.35	0.14	0.35

The accompanying notes are an integral part of this financial statement.

Statement of Changes in Equity (cont'd)

Next Capital Public Company Limited
For the year ended 31 December 2022

Consolidated financial statements												
Attributable to owners of the parent												
Notes	Issued and paid-up share capital	Premium on paid-up capital	Warrants	Other reserves - share-based payments	Retained earnings		Other component of equity - cash flow hedges	Total owners of the parent	Non-controlling interests	Total		
	Baht	Baht	Baht	Baht	Appropriated legal reserve	Unappropriated retained earnings				Baht	Baht	
Opening balance at 1 January 2021	450,000,000	666,980,000	-	-	30,000,000	565,951,104	(36,638,740)	1,676,292,364	-	-	1,676,292,364	
Total comprehensive income (expense) for the year	-	-	-	-	-	313,762,651	3,606,629	317,369,280	(12,989)	-	317,356,291	
Non-controlling interests from investment in subsidiary	-	-	-	-	-	-	-	-	-	10,000,000	10,000,000	
Share-based payment	25	-	-	4,626,358	-	-	-	4,626,358	-	-	4,626,358	
Distribution to legal reserve	26	-	-	-	16,900,000	(16,900,000)	-	-	-	-	-	
Closing balance at 31 December 2021	450,000,000	666,980,000	-	4,626,358	46,900,000	862,813,755	(33,032,111)	1,998,288,002	9,987,011	2,008,275,013		
Opening balance at 1 January 2022	450,000,000	666,980,000	-	4,626,358	46,900,000	862,813,755	(33,032,111)	1,998,288,002	9,987,011	2,008,275,013		
Ordinary shares issued	24	225,000,000	1,684,404,499	-	-	-	-	1,909,404,499	-	1,909,404,499		
Warrants issued	24	-	-	115,199,861	-	-	-	115,199,861	-	115,199,861		
Total comprehensive income (expense) for the year	-	-	-	-	-	166,290,557	21,237,784	187,528,341	(63,573)	187,464,768		
Share-based payment	25	-	-	9,933,058	-	-	-	9,933,058	-	9,933,058		
Distribution to legal reserve	26	-	-	-	8,257,011	(8,257,011)	-	-	-	-		
Closing balance at 31 December 2022	675,000,000	2,351,384,499	115,199,861	14,559,416	55,157,011	1,020,847,301	(11,794,327)	4,220,353,761	9,923,438	4,230,277,199		

The accompanying notes are an integral part of this financial statement.

Statement of Changes in Equity (cont'd)

Next Capital Public Company Limited
For the year ended 31 December 2022

Separate financial statements															
Notes	Issued and paid-up share capital	Premium on paid-up capital	Warrants	Other reserves		Retained earnings		Other component of equity - cash flow hedges	Total						
				Baht	Baht	Appropriated legal reserve	Unappropriated retained earnings								
										Baht	Baht				
	450,000,000	666,980,000	-	-	-	30,000,000	565,951,104	(36,638,740)	1,676,292,364						
	-	-	-	-	-	-	313,814,606	3,606,629	317,421,235						
25	-	-	-	-	4,626,358	-	-	-	4,626,358						
26	-	-	-	-	-	16,900,000	(16,900,000)	-	-						
	450,000,000	666,980,000	-	-	4,626,358	46,900,000	862,865,710	(33,032,111)	1,998,339,957						
	450,000,000	666,980,000	-	-	4,626,358	46,900,000	862,865,710	(33,032,111)	1,998,339,957						
	225,000,000	1,684,404,499	-	-	-	-	-	-	1,909,404,499						
24	-	-	115,199,861	-	-	-	-	-	115,199,861						
	-	-	-	-	-	-	166,544,845	21,237,784	187,782,629						
25	-	-	-	-	9,933,058	-	-	-	9,933,058						
26	-	-	-	-	-	8,257,011	(8,257,011)	-	-						
	675,000,000	2,351,384,499	115,199,861	14,559,416	55,157,011	1,021,153,544	(11,794,327)	4,220,660,004							

การประกอบธุรกิจ
และการดำเนินงาน

การกำกับ
ดูแลกิจการ

งบการเงิน

เอกสารแนบ

Statement of Cash Flows

Next Capital Public Company Limited
For the year ended 31 December 2022

Note	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Profit before income tax expense	209,691,607	389,418,521	210,009,468	389,483,465
Adjustments for:				
Depreciation and amortisation	28 28,719,725	28,248,285	28,719,725	28,248,285
Expected credit losses	875,033,892	363,363,625	875,033,892	363,363,625
Losses on disposals and write-off of equipment	82,984	59	82,984	59
Losses (Gains) on disposals and write-off of intangible asset	7,303,366	(220,516)	7,303,366	(220,516)
Losses on lease modifications	34,204	-	34,204	-
Employee benefit expense	4,240,202	2,386,839	4,240,202	2,386,839
Share-based payment expense	9,933,058	4,626,358	9,933,058	4,626,358
Interest income from hire-purchase	(1,510,825,246)	(1,028,315,219)	(1,510,825,246)	(1,028,315,219)
Finance costs	158,490,131	97,307,313	158,490,131	97,307,313
Loss from operating activities before changes in working capital	(217,296,077)	(143,184,735)	(216,978,216)	(143,119,791)
Changes in working capital:				
Hire-purchase receivables, net	(3,606,740,204)	(2,472,415,951)	(3,606,740,204)	(2,472,415,951)
Foreclosed assets, net	443,736,135	236,154,214	443,736,135	236,154,214
Other receivables	(3,206,760)	6,758,774	(3,183,146)	6,735,160
Other current assets	(83,698,416)	(71,145,423)	(83,697,893)	(71,145,091)
Other non-current assets	(326,840)	(59,900)	(326,840)	(59,900)
Trade and other payables	(120,853,018)	236,527,658	(120,926,788)	236,447,658
Other current liabilities	670,371	4,104,366	670,761	4,103,976
Employee benefit obligations	(1,655,850)	-	(1,655,850)	-
Cash used in operating activities	(3,589,370,659)	(2,203,260,997)	(3,589,102,041)	(2,203,299,725)
Interest received	1,802,851,407	1,164,583,677	1,802,851,407	1,164,583,677
Interest paid	(155,362,934)	(95,629,570)	(155,362,934)	(95,629,570)
Income tax paid	(83,394,044)	(53,244,931)	(83,394,044)	(53,244,931)
Net cash from operating activities	(2,025,276,230)	(1,187,551,821)	(2,025,007,612)	(1,187,590,549)

The accompanying notes are an integral part of this financial statement.



Statement of Cash Flows (Cont'd)

Next Capital Public Company Limited
For the year ended 31 December 2022



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



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	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Proceeds from disposals of intangible asset		-	934,580	-	934,580
Proceeds from disposals of equipment		3,981	-	3,981	-
Payments for purchases of equipment		(5,484,725)	(8,553,636)	(5,484,725)	(8,553,636)
Payments for purchases of intangible assets		(7,073,460)	(6,995,825)	(7,045,460)	(6,995,825)
Payments for acquisition of subsidiary		-	-	-	(40,000,000)
Net cash in investing activities		(12,554,204)	(14,614,881)	(12,526,204)	(54,614,881)
Cash flows from financing activities					
Proceeds from short-term borrowing from financial institutions		910,000,000	1,185,000,000	910,000,000	1,185,000,000
Payments on short-term borrowings from financial institutions		(1,395,000,000)	(950,000,000)	(1,395,000,000)	(950,000,000)
Proceeds from short-term borrowings from related company		700,000,000	300,000,000	700,000,000	300,000,000
Payments on short-term borrowings from related companies		(1,000,000,000)	-	(1,000,000,000)	-
Proceeds from long-term borrowing from financial institutions	22	2,280,000,000	1,220,000,000	2,280,000,000	1,220,000,000
Payments on long-term borrowings from financial institutions	22	(1,012,958,334)	(1,169,444,444)	(1,012,958,334)	(1,169,444,444)
Payment for principal elements of lease payments		(18,112,790)	(16,682,340)	(18,112,790)	(16,682,340)
Proceeds from issue of ordinary shares	24	2,025,000,000	-	2,025,000,000	-
Payment for share issue costs		(494,550)	-	(494,550)	-
Proceeds from non-controlling interests		-	10,000,000	-	-
Net cash from financing activities		2,488,434,326	578,873,216	2,488,434,326	568,873,216
Net change in cash and cash equivalents		450,603,892	(623,293,486)	450,900,510	(673,332,214)
Cash and cash equivalents at the beginning of the year		75,037,658	698,331,144	24,998,930	698,331,144
Cash and cash equivalents at the end of the year	9	525,641,550	75,037,658	475,899,440	24,998,930
Outstanding balances of non-cash transactions					
Payables from purchases of equipment		53,227	46,800	53,227	46,800
Payables from purchases of intangible assets		361,900	385,000	361,900	385,000
Acquisition of right-of-use assets	18	12,411,836	12,249,905	12,411,836	12,249,905

The accompanying notes are an integral part of this financial statement.

Notes to the Financial Statements

Next Capital Public Company Limited
For the year ended 31 December 2022

1 General information

Next Capital Public Company Limited ("the Company") is a public limited company and is a listed company in the Stock Exchange of Thailand (SET), which is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

163 Thai Samut Building, 15th Floor, Surawong Road, Suriya Wong, Bang Rak, Bangkok 10500.

The Company and its subsidiary ("the Group") are principally engaged in the financial services specifically motorcycle and used truck hire-purchase and loans secured against vehicle registrations.

As at 31 December 2022, the Company has 27 branches (2021: 24 branches).

These consolidated and separate financial statements are authorised for issue by the Board of Directors on 21 February 2023.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except derivative liabilities measured at fair value.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, and areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3 New and amended financial reporting standards

3.1 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and relevant to the Group

- a) **Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business** provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

This amended standard has no significant impacts to the Group's financial statements.



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3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 and relevant to the Group.

The following amended TFRSs have not been early adopted by the Group.

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) **Amendment to TAS 41 Agriculture** clarified about removal of the requirement for entities to exclude cash flows for taxation when measuring fair value of biological asset.
- d) **Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- e) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

Management is assessing impacts from these amended standards to the Group's financial statements.

4 Accounting policies

4.1 Principles of consolidation accounting

a) Subsidiary

Subsidiary is all entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary is consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investment in subsidiary is accounted for using cost method.

b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

When the Group loses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

c) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

4.2 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

4.3 Financial asset

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on business model for managing the asset and the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expenses in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income from hire-purchase and other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.



การประกอบธุรกิจ
และผลการดำเนินงาน



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ดูแลกิจการ



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e) Impairment

The Group estimates expected credit losses on a forward looking basis for its financial assets classified as amortised cost and debt instrument carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment and reversal of impairment losses are recognised in profit or loss as a separate line item.

f) Interest income recognition

The Group recognises interest income using the effective interest rate. By this calculation, the effective interest rate is applied to the book value of financial assets, except for financial assets that are not purchased or originated credit-impaired but later became a credit-impaired which the Group applies the effective interest rate to the amortised cost after deducting allowance for expected credit losses of the financial assets for the subsequent reporting periods.

g) Offsetting

Financial assets and financial liabilities will be offsetting one another and will be presented as the net amount in the statement of financial position only when the Group has legal rights to offset the amount to recognise and the Group has intention to settle with net amount or has intention to recognise both assets and liabilities together. In some situation, although the Group has an agreement to offset, if the management does not have an intention to settle both assets and liabilities together, the financial assets and financial liabilities will be presented as gross balance in the statement of financial position.

However, for the reporting periods ending between 1 January 2020 and 31 December 2021, the Group applies the temporary exemption guidance for entities assisting debtors affected by the situation impacting the Thai economy announced by the Federation of Accounting Professions (TFAC) in accordance with the relief measures issued by Bank of Thailand in No. Wor 276/2563 guidelines to assist debtors affected by the situation impacting the Thai economy, dated 28 February 2020 and in No. Wor 380/2563 additional measures to assist debtors affected by COVID-19, dated 26 March 2020.

The Group applied the temporary relief measures as follows:

- In the event that the debt restructuring causes an original effective interest rate to no longer reflect the estimated cash flow to be received from the loans, the Group used a new effective interest rate for the calculation of the current value of the restructured loans under the Bank of Thailand's circular assistance guidelines.
- For measuring the expected credit losses by general approach, the Group has chosen to consider the weight of the data that is anticipated in the future, caused by a temporary crisis such factors relevant to future expectations, less than the data that reflects debtors' ability to pay from the past experience.
- The Group applied the staging for hire-purchase receivables as previously before restructured loans under the Bank of Thailand's circular assistance guidelines.

4.4 Hire-purchase receivables

Hire-purchase receivables are initially recognised at the contract value and subsequently measured at net realisable value at the amount of receivables under the contract less with deferred interest income plus deferred commission deducted by allowance for expected credit loss.

Commission expense, which is the initial direct costs incurred together with the hire-purchase contracts, is deferred and amortised as expenses over the period of the hire-purchase contract in proportion to the recognition of interest income in each period of the contract. In the event that the contract is terminated before the due date of the contract, the remaining deferred commission will be recognised as expense in full amount, and the remaining deferred interest income before a deduction of discount from early termination will be recognized as fee and service income.

Subsequent recoveries of amounts previously written off are recognised in other income.

4.5 Foreclosed assets

Foreclosed assets are properties seized from default receivables. They are initially recognised at the lower of cost or net realisable value, and subsequently recognised the allowance for diminution in value at the rate determined by the Group based on expected selling price net of cost of selling the properties at the end of the reporting period.

Gains or losses from disposals of foreclosed assets are recognised in profit or loss when a sale is made. Losses on impairment are recognised as expenses in profit or loss.

4.6 Building improvements and equipment

All building improvements and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building improvements	2-5 years
Fixture and equipment	5 years
Computers	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, by the Group at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gains or losses.

4.7 Intangible assets

Acquired intangible assets

Separately acquired intangible assets such as computer software and golf membership right is measured at historical cost.

The assets with limited life are subsequently carried and cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

Computer software	5-10 years
Golf membership right	10 years

Cost associated with maintaining computer software are recognised as an expense as incurred.



การประกอบธุรกิจ
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การกำกับ
ดูแลกิจการ



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เอกสารแนบ

4.8 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

4.9 Leases

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

4.10 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation/modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated/modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

4.11 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from;

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the year in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแนบ

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.12 Employee benefits

Short-term employee benefits

Liabilities for short-term employee benefits such as salaries, paid annual leave and paid sick leave, bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

Defined contribution plan

The Group pays contributions to a separate fund on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

4.13 Share-based payment

Employee options

The Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the options is recognised as an expense over the vesting period, with a corresponding increase in equity. The fair value of the options is determined by:

- including any market performance conditions (e.g. the entity's share price);
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time); and
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

At the end of each reporting period, the Group reviews the number of options that are expected to vest. It recognises the impact of the revision, if any, in profit or loss with a corresponding adjustment to equity.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

The option granted by the Group to the employees of subsidiary is treated as a capital contribution.

4.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

4.16 Revenue and expense recognition

a) Interest income from hire-purchase

The interest recognition will be changed to recognise based on the effective interest rate as mentioned in Note 4.3 f).

b) Fee and service income

Fee and service income consists of income from motorcycle registration services and income from motorcycle insurance services, which are recognised at a point in time when the performance obligation is satisfied and it is probable to collect the consideration.

c) Other income

Other income consists of penalty on late instalments, bad debt returns and other income, which are recognised at a point in time when the performance obligation is satisfied and it is probable to collect the consideration.

d) Expenses

Expenses are recognised on accrual basis.

4.17 Dividend distribution

Dividend distributed to the Group's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

4.18 Hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group designates certain derivatives as:

- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges)

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items and its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a current or non-current asset or liability following the maturity of related hedged item.

The fair values of derivative financial instruments designated in hedge relationships and movements in the hedging reserve in shareholders' equity are shown in Note 5.1 a).



การประกอบธุรกิจ
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Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge all of its borrowings, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

Hedge ineffectiveness for interest rate swaps is assessed using the principles as follows;

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in the cash flow hedge reserve within equity. Gains or losses relating to the ineffective portion is recognised immediately in profit or loss within other gains or losses.

The Group uses interest rate swaps to hedge cash flow risk as the hedging instrument. Gains or losses relating to the effective portion of the change in fair value of the interest rate swap contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rates borrowings is recognised in profit or loss within finance costs at the same time as the interest expense on the hedged borrowings.

5 Financial risk management

The group's exposure to financial risks and how these risks could affect the future financial performance are as follows:

Risk	Exposure arising from	Measurement	Management
Market risk -interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Credit risk	Cash and cash equivalents, hire-purchase receivables, and other receivables	Aging analysis Credit ratings	Diversification of bank deposits Obtains security in the form of hire-purchase assets, which can be called upon if the counterparty is in default under the terms of the agreement, and has a policy for some credit applicants to place a down payment deducted from the collateral value for credit consideration
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans.

5.1 Market risk

a) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group using floating-to-fixed interest rate swaps when necessary. Generally, the Group enters into long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. During 2022 and 2021, the Group's borrowings at variable rate were denominated in Baht.

The Group's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced (see table below) and to that extent are also exposed to the risk of future changes in market interest rates.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing rate of the borrowings at the end of the reporting period are as follows:

	Consolidated and separate financial statements			
	2022		2021	
	Baht	% of borrowings	Baht	% of borrowings
Variable rate borrowings	3,543,430,555	93.62%	1,317,500,000	39.89%
Fixed rate borrowings				
- repricing or maturity dates:				
Less than 1 year	166,666,667	4.40%	643,888,889	19.49%
1 - 5 years	75,000,000	1.98%	1,341,666,667	40.62%
	3,785,097,222	100.00%	3,303,055,556	100.00%

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings. An analysis by maturities is provided in note 5.3 b)

Instruments used by the Group

Interest rate swaps currently in place cover approximately 43.83% (2021: 83.49%) of the Group's variable loan principal outstanding. The fixed interest rates of the swaps range between 3.75% and 4.35% (2021: 3.75% and 4.35%) and the variable rates of the loans are between 1.20% and 1.41% above the Thai Baht Interest Rate Fixing (THBFIX) and Thai Overnight Repurchase Rate (THOR) which at the end of the reporting period floating interest rates of the swaps range between 2.27% and 2.96% (2021: 1.69% and 1.78%). The interest rate swaps, which variable interest rates refer to the Thai Baht Interest Rate Fixing (THBFIX) and the Thai Overnight Repurchase Rate (THOR), will mature in June 2023 and August 2026, respectively.

The swap contracts require settlement of net interest receivable or payable every 3 months or 6 months. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

The Group applies hedge accounting.



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Effect of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the financial position and performance are as follows;

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Interest rate swaps		
Carrying amount		
(current and non-current liabilities)	14,742,908	41,290,138
Notional amount	1,553,125,000	1,100,000,000
Maturity date	April 2023 - August 2026	April 2023 - October 2024
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedge instruments since 1 January	(1,183,337)	(23,294,876)
Change in value of hedged item used to determine hedge effectiveness	1,183,337	23,294,876
Weighted average strike rate for outstanding hedging instruments	4.07%	4.22%

Hedging reserve

The Group's and the Company's hedging reserve comprise to the following hedging instruments;

	Cash flow hedge reserve - Interest rate swaps Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Opening balance	(33,032,111)	(36,638,740)
Add: Change in fair value of hedging instrument recognised in other comprehensive income	(1,183,337)	(23,294,876)
Less: Reclassification from other comprehensive income to profit or loss	27,730,567	27,803,162
Less: Deferred tax	(5,309,446)	(901,657)
Closing balance	(11,794,327)	(33,032,111)

Sensitivity analysis

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and interest expenses from borrowings as a result of changes in interest rates. Other components of equity changes as a result of an increase or decrease in the fair value of the cash flow hedges of borrowings and the fair value of debt investments at fair value through other comprehensive income.

	Consolidate financial statement			
	Interest rate - increase 25 basis points		Interest rate - decrease 25 basis points	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Impact to net profit	(151,094)	(18,867)	151,094	18,867
Impact to other component of equity	4,140,447	5,756,588	(4,188,228)	(5,772,629)

	Separate financial statement			
	Interest rate - increase 25 basis points		Interest rate - decrease 25 basis points	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Impact to net profit	(152,104)	(19,211)	152,104	19,211
Impact to other component of equity	4,140,447	5,756,588	(4,188,228)	(5,772,629)

5.2 Credit risk

Credit risk arises deposits with banks and financial institutions, hire-purchase receivables and other receivables.

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of investment grade are accepted.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

b) Security

The Group establishes policies and practices to reduce credit risk. The group obtains security in the form of hire-purchase assets, which can be called upon if the counterparty is in default under the terms of the agreement, and has a policy for some credit applicants to place a down payment deducted from the collateral value for credit consideration.

There is no material change in the collateral placement policy for the Group during the current reporting period and there is no material change in quality of the security from the prior reporting period.

c) Impairment of financial assets

The Group has 2 types of financial assets that are subject to the expected credit loss model which are hire-purchase receivables and other receivables.

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Hire-purchase receivables and other receivables

The Group applies general approach to measure expected credit losses on financial assets which are debt instruments carried at amortised cost. The Group considers changes in credit risk separating into three stages which each stage has different methods for measuring allowance expected for credit losses and interest income recognition as follows:

- Stage 1: from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected over the next 12 months
- Stage 2: following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the lifetime of the asset
- Stage 3: when a financial asset is considered to be credit-impaired, a loss allowance is recognised equal to the credit losses expected over the lifetime of the asset

Consideration of significant increase in credit risk

The Group has a criteria for which a financial asset has a significant increase in credit risk when an installment is overdue for more than one installment since the due date. When an asset meets the criteria, it changes from stage 1 to stage 2, and the asset changes back to stage 1 when the asset no longer meets the criteria.



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ดูแลกิจการ



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Default definition and credit-impaired financial assets

The Group defines a financial asset as credit-impaired when there is an indicator of a deterioration in the debt serviceability of a debtor. The asset is classified as credit-impaired financial asset when more than 3 installments are overdue since the due date. The definition of credit impairment is consistent with the Group's internal risk management. When the asset is classified as a credit-impaired financial asset, it will be classified as stage 3. If the debtor has the ability to pay and no longer meets the criteria to be classified as credit-impaired, it can be classified as stage 2. If the asset no longer meets the criteria to be classified as significant increase in credit risk, it can be classified as stage 1.

Under the three-stage model, the expected credit loss is calculated using collective approach based on historical data adjusted by current observable data and forward-looking information including significant management's judgements and assumptions as described in Note 7.

The expected credit loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit loss is the discounted product of the probability of default (PD), exposure at default (EAD), and loss given default (LGD), defined as follows:

- Probability of default (PD) represents the likelihood of a borrower defaulting on its financial obligation (asper definition of default and credit-impaired), either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.
- Loss given default (LGD) represents the Group's expectation of the extent of the loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the obligation.
- Exposure at default (EAD) is based on the amounts that the Group expects to be owed at the time of default, over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD).

The expected credit loss is determined by projecting the PD, LGD, and EAD for each future month and for each collective segment. These three components are multiplied together. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The 12-month and lifetime EADs are determined based on the expected payment profile below:

- For amortising financial assets, it is based on the contractual repayments owed by the debtors over a 12-month or lifetime basis.

Forward-looking economic information is also included in determining the 12-month and lifetime.

Forward-looking information

The Group assessed the historical information to identify the essential economic factors which will impact the credit risk and the expected credit loss of each portfolio, which the variables that affect the credit risk are coincident economic index and financial institution lending rates.

Hire-purchase receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments or cannot be contacted for a period greater than 7 installment periods.

Impairment losses on hire-purchase receivables are presented as expected credit loss statement of comprehensive income. Subsequent recoveries of amounts previously written off are present as other income.

5.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 150.64 million (2021: Baht 75.04 million) that are expected to readily generate cash inflows for managing liquidity risk.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities); and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Bank overdraft	30,000,000	30,000,000
Bank borrowings	800,000,000	495,000,000
Letter of guarantee	5,000,000	5,000,000
	835,000,000	530,000,000

b) Maturity of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities; and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period



การประกอบธุรกิจ
และผลการดำเนินงาน

การกำกับ
ดูแลกิจการ

งบการเงิน

เอกสารแนบ

Consolidated financial statements						
As at 31 December 2022						
On demand	Within 1 year	1 - 5 years	Over 5 years	Total	Carrying amount	
Baht	Baht	Baht	Baht	Baht	Baht	Baht
Maturity of financial liabilities						
Non-derivatives						
Trade and other payables	262,239,887	-	-	262,239,887	262,239,887	262,239,887
Long-term borrowings from financial institutions	1,742,333,333	2,175,840,662	-	3,918,173,995	3,785,097,222	3,785,097,222
Lease liabilities	15,063,137	27,753,967	-	42,817,104	42,370,679	42,370,679
Total financial liabilities that are not derivatives	2,019,636,357	2,203,594,629	-	4,223,230,986	4,089,707,788	4,089,707,788
Derivatives						
Interest rate swaps	10,030,171	4,871,049	-	14,901,220	14,742,908	14,742,908
Total derivatives	10,030,171	4,871,049	-	14,901,220	14,742,908	14,742,908
Total	2,029,666,528	2,208,465,678	-	4,238,132,206	4,104,450,696	4,104,450,696
Separate financial statements						
As at 31 December 2022						
On demand	Within 1 year	1 - 5 years	Over 5 years	Total	Carrying amount	
Baht	Baht	Baht	Baht	Baht	Baht	Baht
Maturity of financial liabilities						
Non-derivatives						
Trade and other payables	262,086,117	-	-	262,086,117	262,086,117	262,086,117
Long-term borrowings from financial institutions	1,742,333,333	2,175,840,662	-	3,918,173,995	3,785,097,222	3,785,097,222
Lease liabilities	15,063,137	27,753,967	-	42,817,104	42,370,679	42,370,679
Total financial liabilities that are not derivatives	2,019,482,587	2,203,594,629	-	4,223,077,216	4,089,554,018	4,089,554,018
Derivatives						
Interest rate swaps	10,030,171	4,871,049	-	14,901,220	14,742,908	14,742,908
Total derivatives	10,030,171	4,871,049	-	14,901,220	14,742,908	14,742,908
Total	2,029,512,758	2,208,465,678	-	4,237,978,436	4,104,296,926	4,104,296,926

Consolidated financial statements						
As at 31 December 2021						
Maturity of financial liabilities	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Carrying amount Baht
Non-derivatives						
Trade and other payables	-	379,982,381	-	-	379,982,381	379,982,381
Short-term borrowings from financial institutions	-	485,000,000	-	-	485,000,000	485,000,000
Long-term borrowings from financial institutions	-	639,555,556	1,951,015,754	-	2,590,571,310	2,518,055,556
Short-term borrowings from related party	-	300,000,000	-	-	300,000,000	300,000,000
Lease liabilities	-	16,585,854	18,910,799	-	35,496,653	34,748,917
Total financial liabilities that are not derivatives	-	1,821,123,791	1,969,926,553	-	3,791,050,344	3,717,786,854
Derivatives						
Interest rate swaps	-	15,903,391	25,386,747	-	41,290,138	41,290,138
Total derivatives	-	15,903,391	25,386,747	-	41,290,138	41,290,138
Total	-	1,837,027,182	1,995,313,300	-	3,832,340,482	3,759,076,992
Separate financial statements						
As at 31 December 2021						
Maturity of financial liabilities	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Carrying amount Baht
Non-derivatives						
Trade and other payables	-	379,902,381	-	-	379,902,381	379,902,381
Short-term borrowings from financial institutions	-	485,000,000	-	-	485,000,000	485,000,000
Long-term borrowings from financial institutions	-	639,555,556	1,951,015,754	-	2,590,571,310	2,518,055,556
Short-term borrowings from related party	-	300,000,000	-	-	300,000,000	300,000,000
Lease liabilities	-	16,585,854	18,910,799	-	35,496,653	34,748,917
Total financial liabilities that are not derivatives	-	1,821,043,791	1,969,926,553	-	3,790,970,344	3,717,706,854
Derivatives						
Interest rate swaps	-	15,903,391	25,386,747	-	41,290,138	41,290,138
Total derivatives	-	15,903,391	25,386,747	-	41,290,138	41,290,138
Total	-	1,836,947,182	1,995,313,300	-	3,832,260,482	3,758,996,992



การประกอบธุรกิจ
และผลการดำเนินงาน



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5.4 Capital management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital based on gearing ratio which is determined by dividing net debt with equity.

During the year 2022, the Group's strategy, which remains unchanged, was to maintain key financial ratios to comply with conditions of borrowing agreements. The Group was able to maintain debt to equity ratio, debt service coverage ratio, account receivable to debt ratio, doubtful account receivable ratio and interest coverage ratio according to the conditions in the agreements.

6 Fair value

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price or closing price by reference to the Stock Exchange of Thailand or the Thai Bond Market Association.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

The fair value of financial assets and liabilities recognised according to the accounting policies which disclosed in Note 4.3 and Note 4.10.

As at 31 December 2022 and 2021, the financial assets or liabilities of the Group measured at fair value are derivative liabilities from interest rate swap agreements. The fair value is in level 2 of fair value hierarchy.

a) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of borrowings from financial institutions is the carrying amount at the statement of financial position. Management believes that the fair value of these liabilities does not significantly differ from book value because they have floating interest rates which the effective interest rates are similar to the market rates. The fair value of lease liabilities is the carrying amount at the statement of financial position because the effective interest rates are similar to the market rates and observable. The fair value of interest rate swaps is calculated from future net cash flows between interest expenses which are discounted using fixed rates according to interest rate swap agreements and interest income which is discounted using interest rates of borrowings being reference to interest rates of commercial banks with similar critical terms as the hedged item, such as reference rate, payment dates, maturities and notional amount.

b) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The fair value of hire-purchase receivables is the carrying amount. The majority of outstanding receivables are fixed rate which management assesses that the effective interest rate of the outstanding receivables is similar to the market effective interest rate. The fair value of other receivables, and trade and other payables is the carrying amount at the statement of financial position. Management believes that the fair value does not significantly differ from book value because they are short-term.

Transfer between fair value hierarchy

The Group recognises transfers between fair value hierarchy as at the date of the event or change in circumstances that caused the transfer.

There were no transfers between fair value hierarchy and no changes in the valuation techniques during the year.

7 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

7.1 Fair value of certain financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are disclosed in Note 6.

7.2 Impairment of financial assets

The loss allowances for financial assets measured at the amortised cost and FVOCI are based on the forward-looking information as mentioned in Note 4.3 e) and Note 5.2 c). Moreover, management also applied judgements and significant assumptions in the estimation which are staging conditions and criteria, expected lifetime, expected future cash flows, forward-looking macroeconomic information, weighting, and management overlay.

7.3 Allowance for diminution in value of foreclosed assets

The Group sets up allowance for diminution in value of foreclosed assets in order to reflect the decrease in value of foreclosed assets, which are related to estimated losses as a result of the foreclosed assets being valued in the future decreased from the current book value. The allowance for diminution in value of foreclosed assets is the result of the Group assessing future cash flows which the assessment is based on expected selling price and cost of selling the properties.

7.4 Deferred tax assets

The Group recognises deferred tax assets when it is highly probable that the Group will have sufficient future taxable profits to utilise the income tax assets. In this regard, the management is required to estimate the amount of deferred tax assets to be recognised by considering the amount of taxable profit that will be expected in the future in each period.

7.5 Determination of lease terms

Critical judgement in determining the lease term, the Groups considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

7.6 Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



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เอกสารแนบ

7.7 Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 23.

8 Segment information

The Group's chief operating decision makers, consisting of the Chief Executive Officer, the Chief Operational Officer, the Chief Financial Officer, the Chief Marketing Officer, and the Chief Collection Officer examines the Group's performance from a product perspective and has identified 2 segments which are motorcycle hire-purchase and used truck hire-purchase.

The chief operating decision makers primarily uses a measure of segments' revenue and net profit to assess the performance of the operating segments.

Since the used truck hire-purchase segment was established in third quarter of 2022, income and expenses of this segment is immaterial. Therefore, income and expenses of this segment is not separately present.

9 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
Cash	181,688	129,015	181,688	129,015
Current account and saving account deposits	150,459,862	74,908,643	100,717,752	24,869,915
Fixed account deposits	375,000,000	-	375,000,000	-
Total cash and cash equivalents	525,641,550	75,037,658	475,899,440	24,998,930

10 Hire-purchase receivables, net

	Consolidated and separate financial statements		
	31 December 2022		
	Current portion due within one year Baht	Portion due later than one year Baht	Total Baht
Hire-purchase receivables	4,644,353,949	5,468,745,210	10,113,099,159
<u>Less</u> Deferred interest income	(1,551,673,366)	(1,123,230,897)	(2,674,904,263)
<u>Add</u> Deferred commission expense	309,448,791	224,004,905	533,453,696
Total hire-purchase receivables, net from deferred interest income and commission expense	3,402,129,374	4,569,519,218	7,971,648,592
<u>Less</u> Allowance for expected credit loss	(280,125,621)	(263,952,853)	(544,078,474)
Hire-purchase receivables, net	3,122,003,753	4,305,566,365	7,427,570,118

Consolidate and separate financial statements			
31 December 2021			
	Current portion due within one year Baht	Portion due later than one year Baht	Total Baht
Hire-purchase receivables	3,434,851,451	4,105,560,349	7,540,411,800
<u>Less</u> Deferred interest income	(1,179,498,749)	(868,871,251)	(2,048,370,000)
<u>Add</u> Deferred commission expense	164,185,814	120,946,575	285,132,389
Total hire-purchase receivables, net from deferred interest income and commission expense	2,419,538,516	3,357,635,673	5,777,174,189
<u>Less</u> Allowance for expected credit loss	(162,918,372)	(150,659,389)	(313,577,761)
Hire-purchase receivables, net	2,256,620,144	3,206,976,284	5,463,596,428

Staging and allowance for expected credit loss of hire-purchase receivables as at 31 December 2022 and 2021 are classified as follows:

Consolidated and separate financial statements		
31 December 2022		
	Hire-purchase receivables, net from deferred interest income Baht	Allowance for expected credit loss Baht
Staging		
Performing	6,870,684,851	205,001,287
Under-performing	340,621,559	134,397,140
Non-performing	226,888,486	204,680,047
Total	7,438,194,896	544,078,474
Consolidated and separate financial statements		
31 December 2021		
	Hire-purchase receivables, net from deferred interest income Baht	Allowance for expected credit loss Baht
Staging		
Performing	5,206,913,908	153,175,554
Under-performing	207,161,367	80,273,431
Non-performing	77,966,525	74,058,776
Management overlay	5,492,041,800	307,507,761
	-	6,070,000
Total	5,492,041,800	313,577,761



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



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11 Allowance for expected credit loss

The change of allowance for expected credit loss for the year ended 31 December 2022 and 2021 are as follows:

Consolidated and separate financial statements					
31 December 2022					
	Performing financial assets Baht	Under- performing financial assets Baht	Non- performing financial assets Baht	Management overlay Baht	Total Baht
As at 1 January 2022	153,175,552	80,273,432	74,058,777	6,070,000	313,577,761
Changes due to staging:					
Performing financial assets	244,841,242	(229,062,299)	(15,778,943)	-	-
Under-performing financial assets	(287,298,705)	307,867,220	(20,568,515)	-	-
Non-performing financial assets	-	(374,006,594)	374,006,594	-	-
Changes due to new estimation of credit loss	(23,761,007)	566,759,566	306,533,320	-	849,531,879
Newly acquired financial assets	136,546,242	-	-	-	136,546,242
Transfers to foreclosed assets	(13,301,960)	(175,655,977)	(133,102,064)	-	(322,060,001)
Write-off	(237,501)	(930,997)	(375,997,795)	-	(377,166,293)
Others	(4,962,576)	(40,847,211)	(4,471,327)	-	(50,281,114)
Change in management overlay	-	-	-	(6,070,000)	(6,070,000)
As at 31 December 2022	205,001,287	134,397,140	204,680,047	-	544,078,474
Consolidated and separate financial statements					
31 December 2021					
	Performing financial assets Baht	Under- performing financial assets Baht	Non- performing financial assets Baht	Management overlay Baht	Total Baht
As at 1 January 2021	81,734,180	59,203,495	63,172,358	26,110,000	230,220,033
Changes due to staging:					
Performing financial assets	170,296,244	(157,980,484)	(12,315,760)	-	-
Under-performing financial assets	(124,612,590)	137,109,956	(12,497,366)	-	-
Non-performing financial assets	(623)	(145,054,969)	145,055,592	-	-
Changes due to new estimation of credit loss	(68,657,800)	273,720,738	154,292,449	-	359,355,387
Newly acquired financial assets	104,162,642	26,570	-	-	104,189,212
Transfers to foreclosed assets	(6,254,077)	(73,431,182)	(78,607,790)	-	(158,293,049)
Write-off	(314,206)	(1,123,409)	(161,704,494)	-	(163,142,109)
Others	(3,178,218)	(12,197,283)	(23,336,212)	-	(38,711,713)
Change in management overlay	-	-	-	(20,040,000)	(20,040,000)
As at 31 December 2021	153,175,552	80,273,432	74,058,777	6,070,000	313,577,761

The allowance for expected credit loss does not include allowance for other type of receivables which are presented as other receivables.

12 Other receivables

	Consolidated financial statements		Separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
Other receivables - third parties	49,279,842	54,042,074	49,279,842	54,042,074
Other receivables - subsidiary	-	-	-	23,614
Prepaid expenses	9,153,923	2,715,485	9,153,923	2,715,485
Total other receivables	58,433,765	56,757,559	58,433,765	56,781,173

13 Financial assets and financial liabilities

The classification of the Group's financial assets and financial liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
Financial assets				
Financial assets at amortised cost				
- Cash and cash equivalents	525,641,550	75,037,658	475,899,440	24,998,930
- Hire-purchase receivables	7,427,570,118	5,463,596,428	7,427,570,118	5,463,596,428
- Other receivables	58,433,765	56,757,559	58,433,765	56,781,173
	8,011,645,433	5,595,391,645	7,961,903,323	5,545,376,531
Financial liabilities				
Liabilities at amortised cost				
- Trade and other payables	262,239,887	379,982,381	262,086,117	379,902,381
- Short-term loans from financial institutions	-	485,000,000	-	485,000,000
- Short-term loans from related parties	-	300,000,000	-	300,000,000
- Long-term loans from financial institutions	3,785,097,222	2,518,055,556	3,785,097,222	2,518,055,556
- Lease liabilities	42,370,679	34,748,917	42,370,679	34,748,917
Derivative financial instruments				
Under hedge accounting	14,742,908	41,290,138	14,742,908	41,290,138
	4,104,450,696	3,759,076,992	4,104,296,926	3,758,996,992

14 Foreclosed assets

	Consolidated and separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht
Foreclosed assets	60,310,883	26,810,003
<u>Less</u> Allowance for diminution in value of foreclosed assets	-	-
Total foreclosed assets	60,310,883	26,810,003

As at 31 December 2022, foreclosed assets with net book value of Baht 2.21 million are assets in the process of redemption from debtors of hire-purchase contracts. However, from the past experience, the Group expects that the possibility of redeeming assets from these debtors is low (2021: Baht 2.50 million).



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



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เอกสารแนบ

15 Other current assets

	Consolidated financial statements		Separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
Value added tax	176,831,982	90,979,514	176,831,127	90,979,182
Deposits	320,000	1,756,217	320,000	1,756,217
Others	284,351	1,002,186	284,351	1,002,186
Total other current assets	177,436,333	93,737,917	177,435,478	93,737,585

16 Investment in subsidiary

As at 31 December 2022, the subsidiary included in consolidated financial statement is listed below. The subsidiary have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiary held by the Group.

Subsidiary	Nature of business	Country of incorporation	Ownership interest held by Company		Ownership interests held by non- controlling interests		Investment in cost	
			2022	2021	2022	2021	2022	2021
			%	%	%	%	Baht	Baht
Next Money Co., Ltd.	Loans secured against vehicle registrations	Thailand	80.00	80.00	20.00	20.00	40,000,000	40,000,000

17 Building improvements and equipment

	Consolidated and separate financial statements				
	Building improvements Baht	Furniture and office equipment Baht	Computers Baht	Building improvements in progress Baht	Total Baht
As at 1 January 2021					
Cost	9,304,173	17,765,077	23,184,086	-	50,253,336
<u>Less</u> Accumulated depreciation	(7,418,366)	(15,028,901)	(19,321,186)	-	(41,768,453)
Net book amount	1,885,807	2,736,176	3,862,900	-	8,484,883
For the year ended 31 December 2021					
Opening net book amount	1,885,807	2,736,176	3,862,900	-	8,484,883
Additions	56,100	704,662	7,505,523	49,451	8,315,736
Write off	-	(52)	(7)	-	(59)
<u>Less</u> Depreciation charge	(1,306,831)	(1,108,765)	(3,913,907)	-	(6,329,503)
Closing net book amount	635,076	2,332,021	7,454,509	49,451	10,471,057

	Consolidated and separate financial statements				
	Building improvements Baht	Furniture and office equipment Baht	Computers Baht	Building improvements in progress Baht	Total Baht
As at 31 December 2021					
Cost	9,360,273	18,114,097	30,681,129	49,451	58,204,950
<u>Less</u> Accumulated depreciation	(8,725,197)	(15,782,076)	(23,226,620)	-	(47,733,893)
Net book amount	635,076	2,332,021	7,454,509	49,451	10,471,057
For the year ended 31 December 2022					
Opening net book amount	635,076	2,332,021	7,454,509	49,451	10,471,057
Additions	86,070	902,925	4,499,294	2,863	5,491,152
Disposals	-	(4)	-	-	(4)
Transfer in (out)	52,314	-	-	(52,314)	-
Write off	(19,895)	(28,547)	(38,519)	-	(86,961)
<u>Less</u> Depreciation charge	(352,380)	(984,537)	(4,806,829)	-	(6,143,746)
Closing net book amount	401,185	2,221,858	7,108,455	-	9,731,498
As at 31 December 2022					
Cost	9,441,423	17,895,976	32,975,682	-	60,313,081
<u>Less</u> Accumulated depreciation	(9,040,238)	(15,674,118)	(25,867,227)	-	(50,581,583)
Net book amount	401,185	2,221,858	7,108,455	-	9,731,498

18 Right-of-use assets and lease liabilities

Movements of right-of-use assets for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated and separate financial statements		
	Properties Baht	Motor vehicles Baht	Total Baht
Balance as at 1 January 2021	22,164,189	15,021,962	37,186,151
Additions	724,977	11,524,928	12,249,905
Lease termination	(290,932)	(769,788)	(1,060,720)
Lease modifications and reassessments	3,600,403	72,622	3,673,025
<u>Less</u> Depreciation	(8,041,275)	(9,387,356)	(17,428,631)
Balance as at 31 December 2021	18,157,362	16,462,368	34,619,730
Additions	3,005,018	9,406,818	12,411,836
Lease modifications and reassessments	13,286,178	2,334	13,288,512
<u>Less</u> Depreciation	(8,373,690)	(9,507,757)	(17,881,447)
Balance as at 31 December 2022	26,074,868	16,363,763	42,438,631

Movements of lease liabilities for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Opening net book amount	34,748,917	36,569,048
Increase during the year	12,411,836	12,249,905
Repayment of leases	(19,707,755)	(18,395,887)
Amortisation of interest expense	1,594,965	1,593,938
Remeasurement of leases	13,322,716	2,731,913
Closing net book amount	42,370,679	34,748,917



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแนบ

Expenses relating to leases not included in the measurement of lease liabilities and right-of-use assets for the years ended 31 December 2022 and 2021 are as follows:

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Expense relating to short-term leases	480,000	-
Expense relating to leases of low-value assets	385,200	209,850
Expense relating to short-term leases	865,200	209,850

19 Intangible assets

	Consolidated financial statements			
	Computer software Baht	Membership golf rights Baht	Computer software in progress Baht	Total Baht
As at 1 January 2021				
Cost	43,928,508	2,124,112	9,838,141	55,890,761
<u>Less</u> Accumulated amortisation	(21,930,425)	(1,363,505)	-	(23,293,930)
Net book amount	21,998,083	760,607	9,838,141	32,596,831
For the year ended 31 December 2021				
Opening net book amount	21,998,083	760,607	9,838,141	32,596,831
Additions	3,686,725	-	3,694,100	7,380,825
Disposals, net	-	(714,051)	-	(714,051)
Transfer in (out)	7,937,741	-	(7,937,741)	-
Write off	(13)	-	-	(13)
<u>Less</u> Amortisation charge	(4,443,595)	(46,556)	-	(4,490,151)
Closing net book value	29,178,941	-	5,594,500	34,773,441
As at 31 December 2021				
Cost	54,583,923	-	5,594,500	60,178,423
<u>Less</u> Accumulated amortisation	(25,404,982)	-	-	(25,404,982)
Net book amount	29,178,941	-	5,594,500	34,773,441
For the year ended 31 December 2022				
Opening net book amount	29,178,941	-	5,594,500	34,773,441
Additions	596,100	-	6,454,260	7,050,360
Transfer in (out)	3,447,960	-	(3,447,960)	-
Write off	(104,466)	-	(7,198,900)	(7,303,366)
<u>Less</u> Amortisation charge	(4,694,532)	-	-	(4,694,532)
Closing net book value	28,424,003	-	1,401,900	29,825,903
As at 31 December 2022				
Cost	55,545,376	-	1,401,900	56,947,276
<u>Less</u> Accumulated amortisation	(27,121,373)	-	-	(27,121,373)
Net book amount	28,424,003	-	1,401,900	29,825,903

	Separate financial statements			Total Baht
	Computer software Baht	Membership golf rights Baht	Computer software in progress Baht	
As at 1 January 2021				
Cost	43,928,508	2,124,112	9,838,141	55,890,761
<u>Less</u> Accumulated amortisation	(21,930,425)	(1,363,505)	-	(23,293,930)
Net book amount	21,998,083	760,607	9,838,141	32,596,831
For the year ended 31 December 2021				
Opening net book amount	21,998,083	760,607	9,838,141	32,596,831
Additions	3,686,725	-	3,694,100	7,380,825
Disposals, net	-	(714,051)	-	(714,051)
Transfer in (out)	7,937,741	-	(7,937,741)	-
Write off	(13)	-	-	(13)
<u>Less</u> Amortisation charge	(4,443,595)	(46,556)	-	(4,490,151)
Closing net book value	29,178,941	-	5,594,500	34,773,441
As at 31 December 2021				
Cost	54,583,923	-	5,594,500	60,178,423
<u>Less</u> Accumulated amortisation	(25,404,982)	-	-	(25,404,982)
Net book amount	29,178,941	-	5,594,500	34,773,441
For the year ended 31 December 2022				
Opening net book amount	29,178,941	-	5,594,500	34,773,441
Additions	596,100	-	6,426,260	7,022,360
Transfer in (out)	3,447,960	-	(3,447,960)	-
Write off	(104,466)	-	(7,198,900)	(7,303,366)
<u>Less</u> Amortisation charge	(4,694,532)	-	-	(4,694,532)
Closing net book value	28,424,003	-	1,373,900	29,797,903
As at 31 December 2022				
Cost	55,545,376	-	1,373,900	56,919,276
<u>Less</u> Accumulated amortisation	(27,121,373)	-	-	(27,121,373)
Net book amount	28,424,003	-	1,373,900	29,797,903

20 Deferred income taxes

The analysis of deferred tax assets and liability is as follows:

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Deferred tax assets	131,672,855	89,361,436
Deferred tax liability	106,690,739	57,026,478
Total deferred tax assets, net	24,982,116	32,334,958



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแนบ

Movements of deferred income taxes are as follows:

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Opening balance	32,334,958	37,229,016
Charged to profit or loss (Note 30)	(1,692,239)	(3,290,375)
Charge (Credited) to other comprehensive income (Note 31)	(5,660,603)	(1,603,683)
Closing balance	24,982,116	32,334,958

	Consolidated and separate financial statements					
	Allowance for expected credit loss Baht	Employee benefit obligations Baht	Cash flow hedges Baht	Accrued personnel expenses Baht	Others Baht	Total Baht
Deferred tax assets						
At 1 January 2021	46,044,007	2,198,784	9,159,684	8,040,000	3,167,469	68,609,944
Charged to profit or loss	16,671,545	477,368	-	2,494,971	2,711,291	22,355,175
Credited to other comprehensive income	-	(702,026)	(901,657)	-	-	(1,603,683)
At 31 December 2021	62,715,552	1,974,126	8,258,027	10,534,971	5,878,760	89,361,436
Charged (credited) to profit or loss	46,100,143	516,870	-	(4,893,753)	6,248,762	47,972,022
Charged to other comprehensive income	-	(351,157)	(5,309,446)	-	-	(5,660,603)
At 31 December 2022	108,815,695	2,139,839	2,948,581	5,641,218	12,127,522	131,672,855

	Consolidated and separate financial statements		
	Deferred commission expense Baht	Others Baht	Total Baht
Deferred tax liabilities			
At 1 January 2021	31,082,692	298,236	31,380,928
Charged (credited) to profit or loss	25,943,786	(298,236)	25,645,550
At 31 December 2021	57,026,478	-	57,026,478
Charged to profit or loss	49,664,261	-	49,664,261
At 31 December 2022	106,690,739	-	106,690,739

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group does not recognise deferred tax asset of Baht 76,413 (2021: Baht 12,989) from tax losses of Baht 382,065 (2021: Baht 64,944), to carry forward against future taxable income; these tax losses of Baht 382,065 (2021: Baht 64,944) will expire in 2026 - 2027 (2021: will expire in 2026).

21 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
Trade payables	102,363,651	219,551,881	102,363,651	219,551,881
Accrued interest expense	13,246,511	10,119,314	13,246,511	10,119,314
Other payables	22,169,036	24,024,013	22,169,036	24,024,013
Accrued expenses	124,460,689	126,287,173	124,306,919	126,207,173
Total trade and other payables	262,239,887	379,982,381	262,086,117	379,902,381

22 Borrowings

	Consolidated and separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht
Current		
Short-term borrowings from financial institutions	-	485,000,000
Short-term borrowings from related party (note 33 c))	-	300,000,000
Current portion of long-term borrowings from financial institutions	1,742,333,333	639,555,556
Total current borrowings	1,742,333,333	1,424,555,556
Non-current		
Long-term borrowings from financial institutions	2,042,763,889	1,878,500,000
Total non-current borrowings	2,042,763,889	1,878,500,000
Total borrowings	3,785,097,222	3,303,055,556

As at 31 December 2021, borrowings from financial institutions are guaranteed by the Group's major shareholders which are Com7 Public Company Limited and Synnex (Thailand) Public Company Limited amounting to Baht 230 million.

The movements of long-term borrowings from financial institutions are as follows :

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Opening balance	2,518,055,556	2,467,133,455
Additions	2,280,000,000	1,220,000,000
Adjustment on effective interest rate	-	366,545
Repayments	(1,012,958,334)	(1,169,444,444)
Total long-term borrowings	3,785,097,222	2,518,055,556
Current portion	(1,742,333,333)	(639,555,556)
Closing balance	2,042,763,889	1,878,500,000



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การกำกับ
ดูแลกิจการ



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เอกสารแนบ

As at 31 December 2022, long-term borrowings from financial institutions bear interest rates at 3.75% - 4.00%, 6MTHBFIX + 1.41%, THB-THOR-OIS Compound +1.20%, MLR - 1.50% and MLR - 1.805% per annum (31 December 2021: 2.00% - 4.00%, 6MTHBFIX + 1.41%, THB-THOR-OIS Compound +1.20%, MLR - 1.50% and MLR - 1.805% per annum).

23 Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

	Consolidated and separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht
Retirement benefits	10,699,195	9,870,630

Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movements in the defined benefit obligation for the years are as follows:

	Consolidated and separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht
At 1 January	9,870,630	10,993,920
Current service cost	4,068,219	2,274,763
Interest cost	171,983	112,076
Benefits paid	(1,655,850)	-
Remeasurements:		
Loss from change in demographic assumptions	1,142,264	1,078,527
(Gain) Loss from change in financial assumptions	(2,620,285)	174,959
Experience gain	(277,766)	(4,763,615)
At 31 December	10,699,195	9,870,630

The principal actuarial assumptions used were as follows:

	Consolidated and separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht
Discount rate	2.93%	1.84%
Salary increase rate	4%	5%
Turnover rates	0% - 22%	0% - 20%
Mortality rate	TMO 2017	TMO 2017

Sensitivity analysis for each significant assumption used is as follows:

		Increase (decrease) in employee benefit obligations	
		Consolidated and separate financial statements	
	Change in assumption	31 December 2022 Baht	31 December 2021 Baht
Discount rate	Increase by 1%	(1,051,166)	(936,980)
Discount rate	Decrease by 1%	1,218,388	1,100,411
Salary increase rate	Increase by 1%	1,246,786	1,097,955
Salary increase rate	Decrease by 1%	(1,095,172)	(954,950)
Turnover rate	Increase by 1%	(1,179,570)	(1,054,825)
Turnover rate	Decrease by 1%	736,819	710,635

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The average remaining years to retire of the defined benefit obligation is 22.53 years (2021: 23.10 years).

Expected maturity analysis of undiscounted benefits are as follows:

		Consolidated and separate financial statements	
		31 December 2022 Baht	31 December 2021 Baht
Maturity analysis of benefits expected to be paid:			
Within 1 year		376,896	1,655,850
Between 1 - 2 years		1,106,001	1,160,844
Between 2 - 5 years		5,280,775	978,421
Over 5 years		469,871,797	537,373,316
Total		476,635,469	541,168,431



24 Share capital, share premium and warrants

Movements of share capital, premium on paid-up capital and warrant for nine-month period ended 30 September 2022 are as follows:

	Authorised share capital		Issued and paid-up share capital				Warrants Baht	Total Baht
	Number of Shares	Ordinary Shares Baht	Number of Shares	Ordinary Shares Baht	Share Premium Baht	Share Baht		
At 1 January 2021	900,000,000	450,000,000	900,000,000	450,000,000	666,980,000	-	-	1,116,980,000
Authorised additional shares capital	38,000,000	19,000,000	-	-	-	-	-	-
At 31 December 2021	938,000,000	469,000,000	900,000,000	450,000,000	666,980,000	-	-	1,116,980,000
Issue of shares and warrants	675,000,000	337,500,000	450,000,000	225,000,000	1,684,800,139	115,199,861	2,025,000,000	2,025,000,000
Less Shares and warrants issuance expense - net of tax benefit	-	-	-	-	(395,640)	-	-	(395,640)
At 31 December 2022	1,613,000,000	806,500,000	1,350,000,000	675,000,000	2,351,384,499	115,199,861	3,141,584,360	3,141,584,360

The Annual General Meeting of Shareholders on 21 April 2022 resolved to approve the followings:

- 1) Offering of 450,000,000 newly issued ordinary shares with a par value of Baht 0.50 per share to existing shareholders excluding the shareholders whose holdings of such share would subject the Company to any obligations under the law of other jurisdiction at the ratio of 2 existing ordinary shares per 1 newly issued ordinary share.
- 2) Issuance of warrants to purchase ordinary shares not exceeding 225,000,000 units to be allocated to existing shareholders who have subscribed and have been allocated newly issued ordinary shares, free of charge, at the ratio of 2 newly issued ordinary shares per 1 unit of warrant. Exercise price of these warrants is Baht 7 per share and warrants will be expired in 1 year and 6 months after issuance date.
- 3) Increasing the registered capital of the Company from 938,000,000 ordinary shares with a par value of Baht 0.50 per share to 1,613,000,000 shares with a par value of Baht 0.50 per share. The Company registered with the Ministry of Commerce on 5 May 2022.

On 14 June 2022, the Company received the share price for the newly-issued ordinary shares of 450,000,000 shares (including newly-issued warrants of 225,000,000 units) at the price of Baht 4.50 per share totalling to Baht 2,025,000,000. The Company recognised the cost of distribution of shares of Baht 395,640 (net of tax benefit) as a deduction item of the premium on ordinary shares.

The Extraordinary Shareholders' Meeting No. 1/2021 held on 15 July 2021 passed a resolution to approve the following matters:

- 1) Not exceeding 38,000,000 units of warrant will be granted to executives and/or employees of the Company and/or its subsidiary within 1 year from the date of approval. The exercise price is Baht 16 per unit. The warrant holders may exercise the warrants from the 4th year since the date of issuance of the warrants (expiry date is 5 years from the date of issuance of the warrants).
- 2) Increase of authorised share capital from 900,000,000 shares at Baht 0.50 par value to 938,000,000 shares at Baht 0.50 par value, which the Company registered the increased share capital with the Ministry of Commerce on 23 July 2021 in order to reserve for the issuance of the warrants.



25 Share-based payment

During 2021, the Group granted share options to executives and/or employees of the Company and/or its subsidiary ("NCAP-ESOP W1") under the conditions that they must satisfy performance conditions and are still employees of the Group at the time of exercising the options. Such options can be exercised after 4 years from the date they are issued.

The scheme is an equity-settled scheme which the Group has no legal obligation to purchase the options back or settle in cash.

The weighted average fair value of share options granted is Baht 1.281 per option which is calculated using the Binomial Option Pricing Model.

The significant inputs used in the calculation are as follows:

	NCAP-ESOP W1
Weighted average fair value of underlying stock at the valuation date (Baht per share)	10.90
Exercise price (Baht per share)	16.00
Volatility of underlying stock's price (%)	32.14
Dividend yield (%)	1.98
Expected warrant exercise life (years)	5
Risk free rate (%)	0.80

The fair value measurement of share options uses 90-day historical volatility data to determine the volatility value in the model, and the Group does not include other characteristics of share options in the fair value measurement.

On 28 April 2022, the Group adjusted the exercise price of warrants granted to executives and/or employees of the Company and/or its subsidiary ("NCAP-ESOP W1") from Baht 16 per share to Baht 12.281 per share and adjusted exercise ratio from 1 share per warrant to 1.3028 shares per warrant. The reasons for adjustment are the Group offering for sale of newly issued shares at a price less than the market price.

Movements of the number of outstanding share options and the relevant weighted average exercise prices are as follows:

	Consolidated and separate financial statements	
	Average exercising price Baht per share	Number of options Units
At 1 January 2021	-	-
Share options that are granted	12.281	38,000,000
At 31 December 2021	12.281	38,000,000
At 1 January 2022	12.281	38,000,000
Share options that are granted	-	-
At 31 December 2022	12.281	38,000,000

Share options outstanding at the end of the year have the following expiry date and exercise prices as follows:

	Consolidated and separate financial statements		
	Exercise price Baht per share	2022 shares	2021 shares
Expired date 31 March: 2027	12.281	49,506,400	49,506,400
		49,506,400	49,506,400

During the year ended 31 December 2022, share-based expense of Baht 9.93 million (2021: Baht 4.63 million) was recognised as expense in the statement of comprehensive income. It is recognised along with the increase in other reserves - share-based payments in equity.



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแนบ

26 Legal reserve

	Consolidated and separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht
At 1 January	46,900,000	30,000,000
Appropriation during the year	8,257,011	16,900,000
At 31 December	55,157,011	46,900,000

The Group is under the Public Companies Act., B.E. 2535. The Group is required to set aside as statutory reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. This reserve is not available for dividend distribution.

27 Other income

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Bad debt recovery	217,562,713	199,230,443	217,562,713	199,230,443
Penalty on late installments	10,928,250	8,350,208	10,928,250	8,350,208
Others	2,431,037	2,399,873	2,345,569	2,360,653
Total other income	230,922,000	209,980,524	230,836,532	209,941,304

28 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Personnel expense	351,880,868	281,598,508	351,880,868	281,598,508
Marketing expense	24,873,436	10,965,547	24,873,436	10,965,547
Depreciation and amortisation	28,719,725	28,248,285	28,719,725	28,248,285
Utility expense	10,531,039	9,473,299	10,531,039	9,473,299
Professional fee	10,249,534	9,087,842	10,097,534	9,007,842
Rental expense	1,911,913	2,019,891	1,911,913	2,019,891
Collection fee	106,814,443	87,199,976	106,814,443	87,199,976
Travelling expense	37,068,139	27,647,185	37,068,139	27,646,115
Loss on write-off of intangible asset	7,198,900	-	7,198,900	-
Others	91,554,180	71,565,486	91,302,851	71,542,392
Total selling and administrative expenses	670,802,177	527,806,019	670,398,848	527,701,855

29 Finance costs

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Interests on borrowings from financial institutions and related companies	129,164,599	67,910,773
Fair value loss from of financial instrument for the portion reclassified from other component of equity	27,730,567	27,803,162
Interest on lease liabilities	1,594,965	1,593,378
Total finance costs	158,490,131	97,307,313

30 Income tax expense

Income tax expense for the year are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Current tax:				
Current tax on profits for the year	43,177,014	75,186,587	43,177,014	75,186,587
Total current tax	43,177,014	75,186,587	43,177,014	75,186,587
Deferred tax:				
Increase in deferred tax assets	(47,972,022)	(22,355,175)	(47,972,022)	(22,355,175)
Increase in deferred tax liability	49,664,261	25,645,550	49,664,261	25,645,550
Total deferred tax	1,692,239	3,290,375	1,692,239	3,290,375
Total income tax expense	44,869,253	78,476,962	44,869,253	78,476,962

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Group as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Profit before tax:	209,691,607	389,418,521	210,009,468	389,483,465
Tax calculated at a tax rate of 20%	41,938,322	77,883,704	42,001,894	77,896,693
Tax effect of:				
Additional tax deductible expenses	(561,657)	(311,600)	(561,657)	(311,600)
Expenses not deductible for tax purpose	3,429,164	1,180,771	3,429,016	1,180,771
Tax losses for which no deferred income tax asset was recognised	63,424	12,989	-	-
Adjustment in respect of prior year	-	(288,902)	-	(288,902)
Income tax expense	44,869,253	78,476,962	44,869,253	78,476,962



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแนบ

The tax relating to component of other comprehensive income is as follow:

	Consolidated and separate financial statements					
	2022			2021		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurement on retirement benefit obligations	1,755,787	(351,157)	1,404,630	3,510,129	(702,026)	2,808,103
Gian on cash flow hedges	26,547,230	(5,309,446)	21,237,784	4,508,286	(901,657)	3,606,629
Total other comprehensive income	28,303,017	(5,660,603)	22,642,414	8,018,415	(1,603,683)	6,414,732

The tax recognised directly to equity is as follows:

	Consolidated and separate financial statements					
	2022			2021		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Current tax:						
Shares and warrants issuance expense	494,550	(98,910)	395,640	-	-	-
	494,550	(98,910)	395,640	-	-	-

31 Components of other comprehensive income

	Consolidated and separate financial statements			
	2022		2021	
	Baht		Baht	
Other comprehensive income:				
Cash flow hedges:				
Gains arising during the year	(1,183,337)		(23,294,876)	
Reclassification adjustments for gains (losses) included in profit or loss	27,730,567	26,547,230	27,803,162	4,508,286
Remeasurements of defined benefit plans		1,755,787		3,510,129
Other comprehensive income		28,303,017		8,018,415
Income tax relating to components of other comprehensive income		(5,660,603)		(1,603,683)
Other comprehensive income for the year		22,642,414		6,414,732

32 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Basic earnings per share				
Net profit for the year (Baht)	164,885,927	310,954,548	165,140,215	311,006,503
Weighted average number of ordinary shares outstanding (Shares)	1,146,575,342	900,000,000	1,146,575,342	900,000,000
Basic earnings per share (Baht per share)	0.14	0.35	0.14	0.35

The Group did not calculate diluted earnings per share from warrants for year ended 31 December 2022 and 2021, as their exercise prices were in excess of the weighted average fair value of the Company's ordinary shares.

33 Related party transactions

Individuals and entities that directly or indirectly control or are controlled by or are under common control with the Group, including investment entities, associates, joint venture and individuals or entities having significant influence over the Group, key management personnel, including directors and officers of the Group and close members of the family of these individuals and entities associated with these individuals also constitute related parties. In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Group's significantly influence shareholders are Com7 Public Company Limited and Synnex (Thailand) Public Company Limited which own 33.93% and 26.67% of the Group's shares, respectively.

Relationships with related parties are as follows:

Related party	Country/Nationality	Relationship
Com7 Public Company Limited	Thailand	Shareholder
Synnex (Thailand) Public Company Limited	Thailand	Shareholder
Service Point Co., Ltd.	Thailand	Common shareholder
T.K.S. Siam Press Management Co., Ltd.	Thailand	Common shareholder
T.K.S. Technologies Public Company Limited	Thailand	Common shareholder
Plus Tech Innovation Public Company Limited (Formerly "TBSP Public Company Limited")	Thailand	Common shareholder
Thunder Finfin Company Limited	Thailand	Common director
Next Money Company Limited	Thailand	Subsidiary

The Group has significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of businesses and were concluded on commercial terms and bases agreed upon between the Company and those related parties.



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



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a) Transactions with related parties

Transactions between the Group and those related parties are as follows:

	Consolidated and separate financial statements		
	2022 Baht	2021 Baht	Pricing policy
Service income			
Thunder Finfin Company Limited	-	42,897	Agreed rate
Other income			
Com7 Public Company Limited	-	664,627	Agreed rate
Purchases of equipment and intangible assets			
Com7 Public Company Limited	648,877	6,604,036	Agreed rate
Synnex (Thailand) Public Company Limited	122,260	1,326,973	Agreed rate
Service fee			
T.K.S. Siam Press Management Co., Ltd.	4,149,411	5,464,637	Agreed rate
Plus Tech Innovation Public Company Limited (Formerly "TBSP Public Company Limited")	918,000	877,300	Agreed rate
Synnex (Thailand) Public Company Limited	-	198,320	Agreed rate
Other expense			
Com7 Public Company Limited	82,967	-	Agreed rate
Finance cost			
Com7 Public Company Limited	9,236,032	991,233	Agreed rate
Synnex (Thailand) Public Company Limited	2,237,671	-	Agreed rate

b) Outstanding balances arising from sales and purchases of goods and services

The outstanding balances at the end of the year in relation to transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
Other receivables				
Next Money Co., Ltd.	-	-	-	23,794
Payables for services				
T.K.S. Siam Press Management Co., Ltd.	295,194	497,087	295,194	497,087

c) Borrowings from related party

The outstanding balances at the end of the year in relation to transactions with related party are as follows:

	Consolidated and separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht
Short-term borrowings from related party		
Com7 Public Company Limited	-	300,000,000
Accrued interest expense		
Com7 Public Company Limited	-	44,384

The movements of borrowings, included rollover loan, from related party can be analysed are as follows:

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
At 1 January	300,000,000	-
Borrowings received during the period	2,100,000,000	300,000,000
Borrowings repaid during the period	(2,400,000,000)	-
At 31 December	-	300,000,000

At 31 December 2021, the short-term borrowings from related parties interest at 2.70% per annum.

d) Key management's benefits

Key management includes directors (executive and non-executive). The compensation paid or payable to key management are as follows:

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Short-term benefits	21,049,500	16,511,802
Post-employment benefits	1,295,670	359,344
Share-based payments	9,933,058	4,626,358
Total key management's benefits	32,278,228	21,497,504

34 Commitments

Capital expenditure commitments

Capital expenditure contracted as at the statement of financial position date but not recognised as liabilities is as follows:

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Intangible assets	295,240	7,401,700
Total	295,240	7,401,700

35 Events occurring after the reporting date

The Board of Directors' Meeting No. 1/2023 held on 21 February 2023 approved to purchase 99,998 of Next Money Company Limited's shares from non-controlling interests.



การประกอบธุรกิจ
และการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแนบ

SECTION

04

ATTACHMENT



Attachment 1

Details of Directors, Executives and Company Secretary

1. Mr. Chaiwat Utaiwan

Age (Years) 69

- Chairman of the Board

Appointed on June 21, 2019

Educational Qualifications

- Master in Business Administration Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Master of Science, University of Louisville
- Bachelor of Science in Statistics, Chulalongkorn University

Training History

- Director Certification Program Class # 22/2022
- Role of Chairman Program Class # 29/2012
- Board Nomination and Compensation Program Class # 5/2018
- Board that Make a Difference Class # 7/2018
- Advance Audit Committee Program # 40/2021
- Director Leadership Certification Program # 1/2021

Shareholding Proportion in the Company as of 31 December 2022

- None -

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2021 - Present	Chairman of the Board	MDCUS Co., Ltd.	Be a consultant and give an advice on problems in public health administration.
2020 - Present	Chairman of the Board	Thanasiri Group Public Company Limited	Real estate and construction
2020 - Present	Chairman of the Executive Committee	Anabuki Thanasiri (Thailand) Co., Ltd.	Real estate and construction
2020 - Present	Director	Civil Engineering Public Company Limited	Construction contractor
2019 - Present	Independent Director / Chairman of the Board	Next Capital Public Company Limited	Loan service for motorcycles
2019 - Present	Director	Advance Power Conversion Co., Ltd.	Electrical equipment
2019 - 2021	Director	TBSP PUBLIC COMPANY LIMITED.	Media and printing media
2018 - Present	Independent Director	Grande Asset Hotels and Property Public Company Limited	Tourism and leisure
2015 - Present	Director/Executive Director	CK Power Public Company Limited	Energy and infrastructure



2. Mrs. Ladawan Charoen-rajapark

Age (Years) 58

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

Appointed on May 3, 2022

Educational Qualifications

- Master of Business Administration, National Institute of Development Administration

Training History

- National Defense Course for the Joint Public-Private Sectors (Class 25/2012), National Defense College, National Defense Institute
- Financial Planning Program, Professional Qualification, CFP, Thai Financial Planners Association, Year 2007
- Executive Program, Capital Market Academy (CMA), Class 3/2011

Shareholding Proportion in the Company as of 31 December 2022

- None -

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
Present	Independent Director/ Chairman of Audit Committee/ Chairman of Risk Management Committee	Next Capital Public Company Limited	Loan service for motorcycles
2022 - Present	Independent Director/ Member of the Audit Committee	T.K.S. Technology Public Company Limited	Production and distribution of business forms, security template, digital printing service, continuous printing paper for computer, and warehouse service for printing forms
2021	Director/Chairman of the Audit Committee	Synnex (Thailand) Public Company Limited	Distribution of computer technology and IT products
2021 - Present	Director	Treasury Committee of the Federation of Thai Industries	
2020 - Present	Director	School Lunch Project Fund Bureau Office of the Basic Education Commission (OBEC), Ministry of Education	
2020 - Present	Advisor	Committee of the Institute of Small and Medium Enterprises Manufacturing Industry (SMI)	
2020 - Present		Subcommittee on Promotion and Support of FTI Members and SMEs, The Federation of Thai Industries	
2020 - Present	Advisor	Subcommittee for Providing Recommendations and Policies on SMEs, the Federation of Thai Industries	
2017 - Present		Board of Directors for the Student Loan Fund (Kor Yor Sor.)	
2017 - Present	Advisor Honorary Finance Committee Chairman of the Audit Sub- Committee	Student Loan Fund (Kor Yor Sor.)	



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3. Mr. Amornyot Panich

Age (Years) 48

- Independent Director
- Member of the Audit Committee
- Chairman of the Nomination and Remuneration Committee
- Appointed on June 21, 2019

Educational Qualifications

- Master of Law, University of Cambridge
- Bachelor of Laws, Chulalongkorn University

Training History

- Director Accreditation Program Class # 165/2019
- Independent Observer Program Class # 3/2016

Shareholding Proportion in the Company as of 31 December 2022

0.03%

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2020 - Present	Director	S.A.F. Special Steels Company Limited	Steel distribution
2020 - Present	Director	Grand Cos Group Company Limited	Beauty products
2019 - Present	Independent Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee	Next Capital Public Company Limited	Loan service for motorcycles
2016 - Present	Director	Better Life Solutions Company Limited	Building materials retail



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแบบ

4. Asst. Prof. Dr. Patipan Sae-Lim

Age (Years) 37

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

Appointed on January 7, 2020

Educational Qualifications

- Doctor of Philosophy in Development Administration, National Institute of Development Administration (NIDA)
- Master of Science in Applied Statistics and Information Technology, National Institute of Development Administration (NIDA)
- Bachelor of Science in Statistics, Thammasat University

Training History

- Director Accreditation Program Class # 170/2020

Shareholding Proportion in the Company as of 31 December 2022

- None -

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2021 - Present	Advisor to the Risk Management Committee	King Mongkut's University of Technology Thonburi	Higher education institution
2021 - Present	Qualified Member of the Risk Management Committee	Phetchaburi Rajabhat University	Higher education institution
2020 - Present	Independent Director / Member of the Audit Committee / Member of the Risk Management Committee	Next Capital Public Company Limited	Loan service for motorcycles
2019 – Present	Associate Dean for Planning and Quality Assurance, Graduate School of Management and Innovations	King Mongkut's University of Technology Thonburi	Higher education institution
2018 - 2019	Full-time Faculty Member of Graduate School of Management and Innovations	King Mongkut's University of Technology Thonburi	Higher education institution

5. Mr. Sura Khanittaweekul

Age (Years) 53

- Director
- Member of the Nomination and Remuneration Committee

Appointed on June 26, 2017

Educational Qualifications

- Master in Business Administration (Finance), Indiana University
- Bachelor of Business Administration (Marketing), Assumption University

Training History

- Director Certification Program Class # 176/2013
- Director Accreditation Program Class # 103/2013

Shareholding Proportion in the Company as of 31 December 2022

- None -

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2021 - Present	Director	Lor Thong Company Limited	Motorcycle manufacture, import, export, and sale
Present	Director	MARITIMUS Company Limited	Rental and leasing of water transportation equipment
2021 - Present	Director	Brax & Ben Company Limited	wholesale liquid fuel
2021 - Present	Director	Boko & Brother Frog Company Limited	General Merchandise distribution
Present	Director	Inter Vision Business Group Company Limited	Ready-made programming service, including program development, installation, and maintenance
Present	Director	L & T Corporation Company Limited	Real estate and shopping center development
Present	Director	L & T Asset Company Limited	Real estate and shopping center development
Present	Director	Prime Solution and Service Company Limited	Computer and programs distribution and computer program installation
2020	Director	Yogamatter Company Limited	Fitness center
2019 - Present	Member of the Nomination and Remuneration Committee	Next Capital Public Company Limited	Loan service for motorcycles
2017 - Present	Director	Next Capital Public Company Limited	Loan service for motorcycles
Present	Director	Thunder Finfin Company Limited	Sale of all kinds of telecommunication devices
Present	Director	King Yummy Company Limited	Food court operating service
2017 - Present	Director	Bakery Treasury Company Limited	Food and beverage restaurant
2017 - Present	Chairman of the Board	Organic Zone Company Limited	Sales of computers and equipment as well as IT programs
2016 - 2021	Director	ITEC Software Company Limited	Ready-made commercial programming service
2016 - Present	Director	Double7 Company Limited	Business management service
2016 - Present	Director	NOVUS Integration Company Limited	Sale of computers and equipment as well as IT systems related to corporate customers
2016 - 2021	Director	7 AM Company Limited	Convenience store
2014 - Present	Director	A DEV Development Company Limited	Sale of computers and equipment as well as IT programs
2014 - 2021	Director	F&B Commercial Company Limited	Food and beverage restaurant
2013 - Present	Director	Com7 Public Company Limited	Sale and repair services for information technology products
2012 - Present	Director	Double Value Company Limited	Real estate lease, purchase, sale services



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแบบ

6. Mr. Pruttipang Tayarachkul

Age (Years) 64

- Director
- Member of the Risk Management Committee

Appointed on October 5, 2018

Educational Qualifications

- BA in International Trade, National Chengchi University

Training History

- Director Accreditation Program Class # 61/2007
- Corporate Governance and Social Responsibility Class # 1/2007
- TLCA Executive Development Program, Class 1/2008
- Corporate Secretary Development Program in 2008

Shareholding Proportion in the Company as of 31 December 2022

0.02%

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2019 - Present	Director / Member of the Risk Management Committee	Next Capital Public Company Limited	Loan service for motorcycles
2019 - 2021	Member of the Nomination and Remuneration Committee	Next Capital Public Company Limited	Loan service for motorcycles
2018 - 2021	Executive Director / Chief Executive Officer for Management	Next Capital Public Company Limited	Loan service for motorcycles
2017 - 2018	Acting Chief Executive Officer	Next Capital Public Company Limited	Loan service for motorcycles
2008 - Present	Director	Synnex (Thailand) Public Company Limited	Distribution of technology, computers and IT products
1994 - 2021	Director	Service Point Company Limited	Computer network design service

7. Mrs. Wassana Pongsangluk

Age (Years) 52

- Director

Appointed on March 26, 2019

Educational Qualifications

- Master in Business Administration, University of Wales in Cardiff
- Bachelor of Business Administration (Accounting), Assumption University

Training History

- Director Accreditation Program Class # 164/2019

Shareholding Proportion in the Company as of 31 December 2022

- None -

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2021 - Present	Director	Lor Thong Company Limited	Motorcycle manufacture, import, export, and sale
2021 - Present	Director	Chayo JV Asset Management Company Limited	Purchase or acceptance of transfer of non-performing assets of financial institutions and financial business operators
2021 - Present	Director	Next Money Company Limited	Loan services
2020 - Present	Director	See Know How Company Limited	Education and employee training services
2020 - Present	Director	Prime Solution and Services Company Limited	Sale of computers and programs and installation of computer systems
2019 - Present	Director	Next Capital Public Company Limited	Loan service for motorcycles
2018 - Present	Director	A Dev Development Company Limited	Computer and equipment distribution
2018 - Present	Director	Thunder Finfin Company Limited	Sale of all kinds of telecommunication devices
2016 - Present	Director	Double7 Company Limited	Business management service
2016 - Present	Director	Novus Integration Company Limited	Sale of computers and equipment as well as IT systems related to corporate customers
2016 - 2021	Director	ITE777C Software Company Limited	Ready-made Commercial Programming Service
2014 - Present	Chief Executive Officer for Accounting and Finance	Com7 Public Company Limited	Distribution and repair services of information technology products
2007 - Present	Director	Thaweechai Wassana Dee Company Limited	Food services



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแบบ

8. Ms. Sutida Mongkolsuthree

Age (Years) 41

- Director
- Member of the Nomination and Remuneration Committee

Appointed on August 14, 2020

Educational Qualifications

- Master of Science in International Management, Queen Mary University of London, UK
- Bachelor of Business, Faculty of Commerce and Accountancy, Chulalongkorn University

Training History

- Director Certification Program in 2016

Shareholding Proportion in the Company as of 31 December 2022

- None -

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2021 - Present	Member of the Nomination and Remuneration Committee	Next Capital Public Company Limited	Loan service for motorcycles
2021 - Present	Director	SPM Capital Company Limited	Investments in stocks, equities and bonds
2021 - Present	Director	SWOPMART Company Limited	E-commerce business
2021 - Present	Director	Synnex Incubation Company Limited	Joint ventures through shares with other juristic persons or private entities in the country and abroad
2021 - Present	Director	Next Money Company Limited	Loan service
2020 - Present	Director	Next Capital Public Company Limited	Loan service for motorcycles
2019 - 2021	Director	Thai British Dpost Company Limited	Printed material service
2019 - Present	Director	T.K.S. Siam Press Management Company Limited	Printed material production
2019 - Present	Director	Gofive Company Limited	Consulting service and IT and software service
2019 - 2020	Director	Service Hall Company Limited	Limited liability partnership business
2017 - 2018	Director	BAF (Thailand) Company Limited	Loan service for motorcycles
2012 - 2021	Director	PT Automation (Thailand) Company Limited	Sale of computer equipment and radiocommunication devices
2007 - Present	Director / Chairman of the Board	Synnex (Thailand) Public Company Limited	Distribution of technology, computer and IT products
2007 - Present	Chairman of the Board	TBSP Public Company Limited	Printed material service
2003 - Present	Director	Teckwah Value Chain (Thailand) Company Limited	Computer checking service
1997 - Present	Director	T.K.S. Technologies Public Company Limited	Printing services
1996 - Present	Director	Mongkolsuthree Holding Company Limited	Holding business
1996 - Present	Director	Service Point Company Limited	Computer network design service

9. Mr. Punnamas Vichitkulwongsa

Age (Years) 48

- Director
- Member of the Risk Management Committee
- Chairman of the Executive Committee
- Chief Executive Officer

Appointed on September 1, 2021

Educational Qualifications

- Master in Business Administration, Faculty of Commerce and Accountancy, Chulalongkorn University
- Bachelor of Science, College of Engineering, University of Washington

Training History

- Director Accreditation Program Class # 185/2021
- Director Certification Program, Class 322/2022

Shareholding Proportion in the Company as of 31 December 2022

- None -

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2021 - Present	Director / Chief Executive Officer	Next Money Company Limited	Loan service
2021 - Present	Director / Member of the Risk Management Committee / Chairman of the Executive Committee / Chief Executive Officer	Next Capital Public Company Limited	Loan service for motorcycles
2021	Co-Chief Executive Officer	Next Capital Public Company Limited	Loan service for motorcycles
2018 - 2021	Director	STT GDC (Thailand) Company Limited	Server service
2018 - 2021	Advisor	Grab Holdings Inc. (Grab)	Transportation, parcel delivery service, food ordering service, financial services
2014 - 2017	Chief Executive Officer	Ascend Corporation	Financial and insurance activities
2012 - 2018	Chief Executive Officer	Ascend Money	Financial and insurance activities



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแนบ

10. Ms. Amornwan Chantrachaichot

Age (Years) 51

- Member of the Risk Management Committee
- Member of the Executive Committee
- Chief Marketing Officer

Appointed on August 9, 2021

Educational Qualifications

- MBA, Faculty of Business Administration, Kasetsart University
- Bachelor of Business Administration (Marketing), Faculty of Business Administration, Srinakharinwirot University

Shareholding Proportion in the Company as of 31 December 2022

0.01%

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2021 - Present	Member of the Executive Committee	Next Capital Public Company Limited	Loan service for motorcycles
2021 - Present	Acting Chief Marketing officer	Next Capital Public Company Limited	Loan service for motorcycles
2004 - 2021	General Manager	Com7 Public Company Limited	Distribution and repair services of information technology products

11. Ms. Kruakao Yerabutra

Age (Years) 46

- Member of the Risk Management Committee
- Member of the Executive Committee
- Chief Financial Officer
- Assigned to have the highest responsibility in accounting and finance

Appointed on February 1, 2018

- Company Secretary –

Appointed on November 19, 2021

Educational Qualifications

- Master of Science in Applied Statistics and Information Technology, National Institute of Development Administration (NIDA)
- Bachelor of Accountancy, University of the Thai Chamber of Commerce

Training History

- Strategic CFO in Capital Markets Program Class # 6/2018
- Company Secretary Program Class # 124/2021

Shareholding Proportion in the Company as of 31 December 2022

0.03%

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2021 - Present	Company Secretary	Next Capital Public Company Limited	Loan service for motorcycles
2019 - Present	Member of the Risk Management Committee / Member of the Executive Committee	Next Capital Public Company Limited	Loan service for motorcycles
2018 - Present	Chief Financial Officer	Next Capital Public Company Limited	Loan service for motorcycles
2017 - 2018	Deputy Chief Financial Officer	Mizuho Corporate Bank Ltd.	Financial Institution



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแบบ

12. Mr. Wiphas Raiyawa

Age (Years) 50

- Member of the Risk Management Committee
- Executive Director
- Chief Operating Officer

Appointed on April 1, 2022

Educational Qualifications

- Bachelor of Business Administration, Bangkok University
- Mini MBA Certificate, Eastern Asia University

Shareholding Proportion in the Company as of 31 December 2022

- None -

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2022 - Present	Chief Operating Officer	Next Capital Public Company Limited	Loan service for motorcycles
2020 - 2022	Director of Operations	PBA Robotics (Thailand) Co., Ltd.	A full range of automated operating system services
2019 - 2020	Chief Operating Officer	Neo Money Company Limited	Information and communication, Computer facilities management activity services
2019	Director of Operations	Turtle Twenty-Three Company Limited	Food and beverage
2018 - 2020	Director of Operations	Pantawanich Company Limited	Wholesale and retail sale of motor vehicles and motorcycles by providing retail services via the Internet
2017 - 2018	Senior Director of Management	Eastern Economic Corridor	Ministry of Industry

13. Ms. Saowarak Rakyos

Age (Years) 30

- Manager of Accounting Department
- Assigned to have direct responsibility for overseeing the accounting

Appointed on October 1, 2020

Educational Qualifications

- BBA, Faculty of Commerce and Accountancy, Thammasat University

Training History

- Accounting Training Program on TFRS16 Compliance
- Accounting Training Program on Fraud Risk and Control in The New Normal Age
- Accounting Training Program on TFRS15
- Accounting Training Program on Taxes for Entrepreneurs
- Accounting Training Program on Preparation of Consolidated Financial Statements
- Tax Training Program on Tax Mapping Techniques to Reduce Tax Errors

Shareholding Proportion in the Company as of 31 December 2022

- None -

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
Present	Manager of Accounting Department	Next Capital Public Company Limited	Loan service for motorcycles
2015 - 2020	Manger of Internal Audit Department	Pricewaterhouse Coopers ABAS Limited	Audit Service



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแนบ

Attachment 2

Details of the directors of subsidiaries

Information as of December 31, 2022

Name	Next Capital Public Company Limited	Next Money Company Limited (Subsidiary)
Mr. Chaiwat Utaiwan	X	-
Mrs. Ladawan Charoen-rajapark	O	-
Mr. Amornyot Panich	/	-
Asst Prof Dr. Patipan Sae-Lim	/	-
Mr. Sura Khanittaweekul	/	-
Mr. Pruttipang Tayarachkul	/	-
Mrs. Wassana Pongsangluk	/	/
Ms. Sutida Mongkolsuthree	/	/
Mr. Punnamas Vichitkulwongsa	I, II, III	X, III
Ms. Kruakao Yerabut	II, III	-
Ms. Amornwan Chantrachaichot	II, III	-
Mr. Wipas Raiyawa	II, III	-

Note: :

X = Chairman of the Board

/ = Director

// = Executive Director

/// = Executive

V = Audit Committee

O = Chairman of the Audit Committee

Attachment 3

Details of internal auditors

Internal Auditors

The Company hires P&L Corporation Co., Ltd. to perform internal auditing and the audit firm appointed Miss Wanvimol Jongsureeyapas to be the internal auditors. Here details are as follows:

Miss Wanvimol Jongsureeyapas

Age (Years) 38

- The head of the internal auditors

Educational Qualifications

- Master of Business Administration National Institution of Development and Administration
- Bachelor of Accountancy Dhurakij Pundit University
- Certificate in Internal Audit Federation of Accounting Professions
- Certified Professional Internal Audit of Thailand The Institute of Internal Auditors of Thailand

Shareholding Proportion in the Company as of 31 December 2022

- None -

Family Relationship with Executives

- None -

Work Experience in the Last 5 Years

Duration	Position	Name of Organization / Company	Type of Business
2017- Present	Director	P&L Corporation Co., Ltd. Internal Audit Consultancy	internal auditing/auditing
2014-2017	Senior Internal Audit Manager	P&L Corporation Co., Ltd. Internal Audit Consultancy	internal auditing/auditing
2011-2014	Internal Audit Manager	P&L Corporation Co., Ltd. Internal Audit Consultancy	internal auditing/auditing



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแนบ

Attachment 4

Details of Assets for Business Operations

Debtors from Hire Purchase Contract

The company has the debtors from the hire purchase contract as of 31 December 2022, 2021 and 2020 for 7,427.57 million baht, 5,463.60 million baht and 3,739.63 million baht, respectively. The debt amount, classification and allowance for credit loss that are expected to happen of the debtors from the hire purchase contract are as follows:

Classification	As of 31 December 2022		As of 31 December 2021		As of 31 December 2020	
	million baht	%	million baht	%	million baht	%
No significant increase of credit risk	6,870.68	92.37	5,206.91	94.81	3,568.96	93.57
With significant increase of credit risk	340.62	4.58	207.16	3.77	180.94	4.74
With credit loss	226.89	3.05	77.97	1.42	64.54	1.69
Total amount of debtors from hire purchase contract from deferred hire purchase interests	7,438.19	100.00	5,492.04	100.00	3,814.44	100.00
Add the deferred commission fee	533.46		285.14		155.41	
Subtract the allowance for credit loss expecting to happen ¹	(544.08)		(313.58)		(230.22)	
Total amount of debtors from hire purchase contract	7,427.57		5,463.60		3,739.63	

Property Foreclosed

The property foreclosed of the company includes motorcycles confiscated from defaulting debtors. As of 31 December 2022, 2021 and 2020, the property foreclosed of the company equaled 60.31, 26.81 and 12.68 million baht, respectively.

Motorcycles	As of 31 Dec 22	As of 31 Dec 21	As of 31 Dec 20
The number of property foreclosed for confiscation during the year	13,605	8,587	9,360
The number of property foreclosed for confiscation at the end of the period	1,755	869	513
Net amount of property foreclosed (million baht)	60.31	26.81	12.68

Building and Equipment Improvement

As of 31 December 2022, 2021 and 2020, the company improved the buildings and equipment used in the business operations of the company. The net amounts, based on the account after deducting the accumulated depreciation that appeared in the financial statements of the company are as follows:

Asset	Ownership Type	Net Amount Based on the Account (million baht)			Obligation
		As of 31 Dec 22	As of 31 Dec 21	As of 31 Dec 20	
Building improvement	Owner	0.40	0.64	1.88	None
Equipment and office stationery	Owner	2.22	2.33	2.74	None
Computer	Owner	7.11	7.45	3.86	None
Work in progress		-	0.05	-	Not yet delivered
Net amount		9.73	10.47	8.48	

Note : The mentioned building improvement is in the rental place for business operations.

Right-of-Use Assets

As of 31 December 2022, 2021 and 2020, the total value of right-of-use asset after deducting the accumulated depreciation appearing in the financial statement of the company equaled 42.44, 34.62 and 37.19 million baht, respectively. The details are as follows:

Asset	Ownership Type	Net Amount Based on the Account (million baht)			Obligation
		As of 31 Dec 22	As of 31 Dec 21	As of 31 Dec 20	
Real Estate	Tenant	26.08	18.16	22.17	None
Vehicles	Tenant	16.36	16.46	15.02	None
Net amount		42.44	34.62	37.19	

Intangible Assets

The total value of the intangible assets of the company as of 31 December 2022, 2021 and 2020 equaled 29.83, 34.77 and 32.60 million baht, respectively, which included computer program packages, such as hire purchase management system program, accounting system program and other office programs. Moreover, during 2021, the company sold the right to use the golf field. As of 31 December 2020, the company had the right to use that golf field for 0.76. The company has a policy to sell any intangible assets along the lifetime for computer programs for 5-10 years and for the right to use the golf field for 10 years.

Commercial Trademark

As of 31 December 2022, the company had 8 significant trademarks, which were not presently used in business operations, but the right is still not expired. The details are as follows:

Trademark	Type	Purpose	Status	Expiring Date
	Service	Vehicle rental service	Approved	11 October 2025
	Service	Car parts and motorcycles distribution business, vehicle dealer business	Approved	11 October 2025
	Service	Vehicle rental service	Approved	11 October 2025
	Service	Car parts and motorcycles distribution business, vehicle dealer business	Approved	11 October 2025
	Commerce	Payment Card Product	Approved	11 October 2025
	Service	Vehicle rental service	Approved	11 October 2025



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแบบ

Trademark	Type	Purpose	Status	Expiring Date
	Service	Car parts and motorcycles distribution business, vehicle dealer business	Approved	11 October 2025
	Commerce and Service	Advertising and marketing publication, news publication, informative publication and magazine	Approved	3 September 2025

However, after changing the name from “BAF Thailand Company Limited” to “Next Capital Public Company Limited,” the company had changed the current trademarks for business operations, which are registered with the Department of Intellectual Property. The details are as follows:

Trademark	Status
	Registered on 28 February 2020 and will expire on 27 February 2030
	Registered on 28 February 2020 and will expire on 27 February 2030

Attachment 5



Complete policies and corporate governance guidelines

Code of Conducts

Charter of Board of Directors

Charter of CEO

Charter of Audit Committee

Charter of Risk Management Committee

Charter of Nomination and Remuneration Committee

Charter of Executive Committee



การประกอบธุรกิจ
และผลการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแนบ

Corporate governance policies and operation guideline

Next Capital Plc. recognizes the significance of the corporate governance principles, which are key principles to ensure fairness to all stakeholders, enabling the Company's business operation to achieve strategies and objectives, and creating values to shareholders. This will ultimately lead the Company to sustainable growth. The Company's corporate governance principles are as follows.

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

1.1 Board of Directors understand their role and responsibilities as leadership that will ensure good corporate governance in the organization.

1.1.1 Determine strategies, objectives and goals.

1.1.2 Determine operation policies; allocate resources to achieve strategies, objectives and goals.

1.1.3 Monitor and evaluate and oversea outcome

1.2 Ensure that corporate governance operation will achieve governance outcome in terms of creating of sustainable corporate value:

1.2.1 Ensure competitiveness and performance with long-term perspective

1.2.2 Perform ethical and responsible business

1.2.3 Promote good corporate citizenship

1.2.4 Remain corporate resilience

1.3 Board of Directors ensures that all directors and management perform duties based on duty of care and duty of loyalty and in compliance with laws, regulations and shareholders' meeting resolutions

1.4 The Board of Directors is aware of the roles, duties and responsibilities and assign clearly separated duties and responsibilities between the CEO and the management department and overseas that the CEO and the management complete their assigned duties.

Operation Guideline 1

- 1) In determining success, the Board of Directors shall take account of primarily ethics as well as social and environmental impact, in addition to just financial performance.
- 2) Board of Directors is committed to driving ethics-oriented organizational culture, with directors acting as good models as they take leadership roles in corporate governance.
- 3) Board of Directors arranges written policies for directors, management, and employees, which show principles and operation guidelines, such as policies about conflicts of interest, connected transactions, the Company's code of conduct, the code of conduct and ethical operation guidelines for directors, management and employees and etc.
- 4) Board of Directors arranges communication channels to ensure sufficient communication mechanism for all directors, management and employees to understand principles and operation guidelines and there is sufficient mechanism, which is favorable to actual practice, operation monitoring, policy review and regular operation.
- 5) In order to review whether directors and management perform duties with responsibilities, caution and loyalty to the organization, they shall follow related laws, rules and regulations, such as Securities and Securities Market Act (B.E. 2535). Sections 89/7, 89/8, 89/9, 89/10 (attachments) and etc.
- 6) Board of Directors shall arrange sufficient systems or mechanism to ensure that the Company's operation is carried out in compliance with related laws, rules, regulation, shareholders' meeting resolutions or the set

operation guidelines. Key operation approval process must conform to related laws, such as approval for investment, transactions that have significant impact on the Company's operation, connected transactions, acquisition/deposition of assets, dividend payment and etc.

- 7) Board of Directors arranges board charter, indicating roles and responsibilities of directors for all directors to use as reference. Such board charter shall be reviewed at least once a year. In addition, roles and responsibilities of directors, CEO and the management department shall be regularly reviewed to match the organization's direction.
- 8) Board of Directors understand their role and responsibilities and authorize the management department in a written form but this authorization shall not act as a means to eliminate the responsibilities of the Board of Directors. Board of Directors oversees the management department's assigned operation, with the following issues:

Issues arranges by Board of Directors

1. Determine strategies, objectives and goals.
2. Create ethic-oriented organizational culture, with directors acting as good models
3. Oversee structure and operation of the Board of Directors to effectively reach business strategies, objectives and goals.
4. Recruit and develop CEO and determine rewards as well as evaluate CEO's performance.
5. Determine the structure of rewards that is an incentive for personnel to perform their work in accordance with the strategies, objectives and main goals of the organization.

Issues for Board of Directors to work with the management

1. Determine and review strategies, goals and annual plans.
2. Arrange sufficient and appropriate risk management and internal control systems.
3. Determine appropriate operation in accordance with scope of responsibilities of the management.
4. Outline framework for resource allocation, development and budging, such as HR policies and plans, IT policies and etc.
5. Monitor and evaluate performance.
6. Ensure reliable disclosure of financial and non-financial information.

Issues not involved by the Board of Director

1. Ensure that the business execution goes in line with the strategies, policies, and plans, which have been approved by Board of Directors. In other word, the Board of Director allows the management department to freely make decision, such as decision about purchasing plans, recruitment and etc. based on the scope of responsibilities, without any interventions.
2. Restricted matters such as approval of connected transactions and etc.



การประกอบธุรกิจ
และการดำเนินงาน



การกำกับ
ดูแลกิจการ



งบการเงิน



เอกสารแนบ

Principle 2 Define Objectives that Promote Sustainable Value Creation

2.1 Board of Directors ensures the operation following key objectives that can lead to sustainable value. The objectives must be in line with the value creation for the corporate, clients, and all stakeholders well as the overall society.

2.2 Board of Directors ensures that the medium-term objectives and annual objectives are in line with the key corporate objectives and goal, supported by appropriate and safe use of innovations and technologies.

Operation Guideline 2

- 1) Board of Directors arranges the corporate to define clear and appropriate objectives, which can be referred to when determining the business model and such objectives shall be conveyed to all parties in order to ensure that everyone in the organization goes in the same direction. In light of this, vision, mission, values, principles and purposes or equivalent are set.
- 2) Board of Directors designs a business model that can create value to the corporate as well as stakeholders and the society, with the following aspects being taken into account:
 1. Environment and changing factors; appropriate use of innovations and technologies
 2. Demand from clients and stakeholders
 3. Availability, expertise, competitiveness of the corporate
- 3) Corporate core value can reflect the characteristics of corporate governance, such as in terms of accountability, integrity, transparency, and due consideration of social and environmental responsibilities and etc.
- 4) Board of Directors promotes communication encourage all personnel to make any decisions and perform duties in the way that reflect the corporate objectives and this practice shall be consistently conducted until it has become the organization.
- 5) Board of Directors ensures that annual strategies and operation plans match the corporate objectives, taking into account the corporate environment as well as acceptable risks. In addition, the Board of Directors also supports the review of medium-term objectives and strategies for 3 - 5 years to make sure that the annual strategies and operation plans are outlined to somewhat reflect expected long-term impacts.
- 6) Board of Directors oversees that the determination of annual strategies and operation plans takes into account the analysis of environment, relating factors, related risks that may impact related stakeholders in the value chain as well as other factors that may impact the achievement of the objectives. There is a mechanism that can create understanding about actual demand from stakeholders.
- 7) Board of Directors supervises that objectives are determined in a way to create innovations, which will be applied, together with technologies, to create competitiveness and support demand from stakeholders, under the basis of social and environmental responsibilities
- 8) Board of Directors determines objectives, either monetary or non-monetary objectives in accordance with the business environment and corporate potential. In addition, the Board of Directors is aware of risks arising from objective determining, which may lead to illegal or unethical conduct.
- 9) Board of Directors arranges communication of objectives through strategies and operation plans throughout the organization.
- 10) Board of Directors arranges appropriate resource allocation and operation control and also follows whether the operation is carried out based on the set strategies and annual plans. Board of Directors may assigns particular bodies to be in charge of monitoring operation performance.

Principle 3 Strengthen Board Effectiveness

3.1 Board of Directors is in charge of outlining and reviewing director structure, e.g., size, components, portion of independent directors, which is appropriate and necessary to drive the organization to reach the set objectives.

3.2 Board of Directors selects a qualified candidate to be a chairman and ensures that the component and operation of Board of Directors are favorable to independent decision making.

3.3 Board of Directors ensures transparent process of director selection to select qualified directors in accordance with the set components.

3.4 Board of Directors considers appropriate board of director structure and remuneration, based on the scope of responsibilities, to motivate directors to be committed to driving business to achieve both short-term and long-term targets, before proposing such determined structure and remuneration packages to the shareholders' approval.

3.5 Board of Directors sees that all directors be responsible for their duties and allocate adequate time for their duties.

3.6 Board of Directors arranges framework and mechanism to oversee corporate governance and policies operation at subsidiaries and other businesses in which the Company puts significant investment, ensuring that the corporate governance policies operation are appropriate to the nature of their businesses. In addition, the Board of Directors shall ensure that the subsidiaries and other businesses in which the Company puts significant investment have the same understanding.

3.7 Board of Directors arranges annual performance appraisal for Board of Directors, members of sub-committees and individual directors, the appraisal results to be used for further performance enhancement.

3.8 Board of Directors ensures that each director clearly understand their roles and responsibilities, nature of business, as well as related law. In addition, Board of Directors also supports all directors to regularly enhance their knowledge to boost their performance.

3.9 Board of Directors ensures that the directors' operation goes flawlessly and they are able to access necessary information and that directors have qualified secretaries to support them.

Operation Guideline 3

- 1) Board of Directors sees that directors are qualified, with extensive skills, experience, capabilities, and specialized skills and that they hold gender and age appropriate to drive the Company's operation to achieve the set objectives. The Board of Directors completes skills matrix to ensure that directors possess appropriate qualifications and competency, able to understand and meet demand from stakeholders. There must be at least one-management director, who possesses direct experience and background in the Company's business.
- 2) Board of Directors determines the appropriate number of directors, which can effectively perform duties. Board of Directors shall comprise not less than five directors and not exceeding 12, depending on the size, profile and complication of the business.
- 3) There must be certain portion of management and non-management directors for appropriate power balancing.
 1. Most non-management directors can freely express opinions about performance of the management.
 2. The number and qualifications of independent directors are based on the rules and regulations of the SEC and the SET. Board of Directors shall see that independent directors can work effectively well with other directors and can express opinions independently.



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- 4) Board of Directors discloses policies about varieties of components of Board of Directors and information of directors, such as age, gender, education background, experience, shareholding, number of years they are holding the director position and the director position in other SET0-listed companies, on the One Report and the Company's website.
- 5) The chairman of Board of Directors is an independent director.
- 6) The chairman of Board of Directors and the CEO take different responsibilities. The Board of Directors clearly indicates separate scope of responsibilities of the chairman of Board of Directors and the CEO in order to limit power of each position. Hence, the chairman of Board of Directors is not allowed to be the same person as the CEO.
- 7) The chairman of Board of Directors takes leadership roles in the Board of Directors, with the following scope of responsibilities:
 1. Ensure effective performance of directors, to reach the set objectives
 2. Ensure that all directors help promote ethical organizational culture with good corporate governance
 3. Determine meeting agendas, in discussion with the CEO, and ensure that key issues are included to the meeting agenda.
 4. Allocate sufficient time for the management to propose issues and enough time for directors to thoroughly discuss the issues; encourage directors to consider the issues carefully and freely express their opinions.
 5. Create good relation between management directors and non-management directors and between directors and the management department.
- 8) In case the duty of the chairman of Board of Directors and the CEO is not clearly separated. E.g., the chairman of Board of Directors is the same person as the CEO; the chairman of Board of Directors is not an independent director; the chairman of Board of Directors and the CEO are from the same family; or the chairman of Board of Directors is a member in the Executive Committee or a working panel or is assigned to perform management functions, the Board of Directors shall promote power balancing between the directors and the management by:
 1. The Board of Directors consists of independent directors at more than half; or
 2. An independent director is appointed to consider the meeting agenda of Board of Directors' meeting.
- 9) The chairman of Board of Directors has a policy to allow an independent director to be in the position at over nine years from the first appointment date. In case such independent director is about to be reappointed, this will depend on the judgment from the Board of Directors.
- 10) To ensure that all key matters are thoroughly reviewed, the Board of Directors appoints sub-committees to consider particular issues; they should screen information and propose solutions first before submitting for approval from Board of Directors.
- 11) Board of Directors discloses the role and responsibilities of directors and sub-committees, number of meetings and number of director attendance in the past year and reports operation performance of the sub-committees.
- 12) Board of Directors appoints Nomination and Remuneration Committee, which consists of at least one independent director and is chaired by a director.
- 13) Meetings should be arranged consider criteria to select persons as directors in order to make sure that Board of Directors consist of qualified directors, with expertise and knowledge, and examine background of such persons. Nominated persons shall be proposed to the Board of Directors' meeting and the AGM for further appointment procedure. Shareholders shall receive adequate information about the nominated persons.

- 14) Nomination and Remuneration Committee reviews the criteria and process to appoint a director before proposing it to the Board of Directors prior to the time when a director is about to complete the terms. In case a current director is about to be nominated, this will depend on the performance of such director.
- 15) In case Board of Directors appoints a person to be an advisor to Nomination and Remuneration Committee, the information of such advisor is disclosed in the One Report, with the details about being independence and the absence of conflicts of interest being included.
- 16) Board of Directors appoints Nomination and Remuneration Committee, with least one director being an independent director and the chairman being an independent director, to consider policies and criteria for remuneration determination.
- 17) Remuneration for directors accords with the Company's long-term objectives, accountability and responsibility as well as expected benefits to gain from each director. Some directors with more duties, e.g., being a member of a sub-committee, will receive larger remuneration as appropriate and comparable to the standard scales in the same industry.
- 18) Shareholders shall approve remuneration structure for directors, both monetary and non-monetary forms. The remuneration is determined as appropriate, both in flat rates (e.g., regular income and meeting allowance) and in the rates in accordance with the Company's performance (e.g., bonuses and gratuity). The amount shall relate to the value the Company creates for shareholders but it shall not be too high that it may lead to profit-oriented operation in the short term.
- 19) Board of Directors discloses policies and criteria for determination of remuneration for directors, which reflect responsibilities of each director, as well as remuneration payment method amount. Note disclosed remuneration amount also include the amount each director receives from his or her duty as a director for the Company's subsidiaries.
- 20) In case Board of Directors appoints a person to be an advisor to Nomination and Remuneration Committee, the information of such advisor is disclosed in the One Report, with the details about being independence and the absence of conflicts of interest being included.
- 21) Board of Directors ensures a supporting mechanism to enable directors to understand their roles and responsibilities.
- 22) Board of Directors sets criteria about the Company's directors also holding the director position in other companies. This shall be based on the effectiveness and performance of a director who also holds the director position in other companies. The criteria shall help ensure that directors can dedicate sufficient time to perform duties in the Company. One director is allowed to be a director for SET-listed companies at not exceeding five firms because if a director works for too many firms, his or her performance may deteriorate. Details about criteria and requirement regarding directors' work in other firms are also disclosed.
- 23) Board of Directors arranges the disclosure of details of other positions held by directors.
- 24) In case a director or an executive seems to involve in some conflicts of interest, either directly or indirectly, or have a change to use the Company's information for his or her own benefit, the Board of Directors has to make sure that the Company has sufficient measure to prevent any improper actions and inform the shareholders of related matters as appropriate.
- 25) Each director must attend meetings at not less than 75% of the total Board of Directors' meetings convened each year.



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- 26) In case there is a subsidiary, Board of Directors shall also determines policies to oversees the subsidiary, as follows:
1. Arrange written appointment of directors, management or person with controlling power in the subsidiary. Board of Directors shall be in charge of appointment; except for the case that such subsidiary as smaller operation and act as an operating arm of the Company, the CEO shall be in charge of the appointment.
 2. Determine scope of duties and responsibilities for the aforementioned person on (1) and the Company's representative shall ensure that all operation shall go in line with the policies of the subsidiary. In case the subsidiary jointly invests with other firms, Board of Directors shall ensure that the Company's representative perform his or her duty as best as possible to maintain benefits of the subsidiary in and accord to the policies of the parent company.
 3. Arrange appropriate and comprehensive internal control systems of the subsidiary and ensure that all transactions are carried out in compliance with related laws and regulations.
 4. Disclose financial information, business operation, connected transactions, acquisition and disposition of assets, other key transactions, capital increase, capital decrease, the company dissolution and etc.
- 27) In case of significant investment partnership deals or joint venture deals, such as holding shares with voting right from 20% but not exceeding 50% or significant capital increases, if necessary, the Board of Directors shall arrange shareholders' agreements or other agreements, to clarify the scope of power in management and participation in decision making on major issues as well as operation monitoring in order to be able to use the data for completion of standard financial statement on a timely manner.
- 28) Board of Directors and sub-committees appraise performance at least once a year in order to allow the directors to consider performance and problems together before seeking further solutions. Some criterion and standard shall be clearly defined as principle reference for performance comparison.
- 29) Performance valuations shall be conducted both for the entire committees and individual directors. At least there must either be self-evaluation or cross evaluation. In addition, details about evaluation principles, criteria and procedure as well as overall performance shall be disclosed in the One Report.
- 30) Board of Directors arranges external advisor to provide guidelines and suggestions concerning the performance appraisal for directors at least once in three years and details of such practice shall be disclosed in One Report.
- 31) Performance of Board of Directors shall be used as a reference to review the appropriateness of the components of the Board of Directors.
- 32) Board of Directors ensures that a newly-appointed director receives suggestions and useful information to support business operation and that he or she understand the Company's objectives, vision, mission, corporate value, business overview and business direction.
- 33) Board of Directors arranges regular trainings for directors and sees that directors' knowledge is developed as necessary and on regular basis.
- 34) Board of Directors understands laws, regulations, standards, risks, and environment related to the Company's business and receives updated information on a regular basis. Details about trainings and knowledge development are disclosed in One Report.
- 35) Board of Directors schedule meetings and complete meeting agenda in advance so that directors can allocate time to attend the meetings.
- 36) The Board of Directors shall arrange meeting schedules and agenda in advance so that directors can manage their time and attend meetings.

- 37) The Board of Directors shall consider the number of meetings of the Board of Directors to be appropriate with the duties and responsibilities of the Board of Directors and the nature of business operations of the Company, which shall not be less than 4 times per year. In the event that the Board of Directors does not meet on a monthly basis, the Board of Directors requires the management to report the operating performance results to the Board for the month when no meeting took place so that the Board can supervise and oversee the operations of the management department in a continuous and timely manner.
- 38) Board of Directors arranges a mechanism that allow each director as well as the management department to propose useful matters to be included in the meeting agenda.
- 39) Meeting documents shall be sent to directors at least three days prior to the meeting date.
- 40) Board of Directors encourages the CEO to invite top executive to the Board of Directors' meetings so that they can provide additional information as they may be persons directly in charge of or involve in particular problems and this practice can be an opportunity for Board of Directors to know top executives, which can be useful for future succession plans.
- 41) Board of Directors may access additional information from the CEO, secretary, the Company or other executives in charge under the determined scope of responsibilities. If necessary, Board of Directors may arrange independent opinions from external professional advisor, the service fee from whom is considered as the Company's expenses.
- 42) The Board of Directors has a policy to allow separate meetings among non-management directors, as necessary, so that they can discuss the problems related to the management that interest them, without the presence of the management directors. The results of such non-management directors' meetings shall be reported to CEO.
- 43) Board of Directors determines the qualifications and experience of the Secretary, who will be in charge of providing suggestions in legal and regulation matters, which should be well aware by directors. The Secretary shall also oversees documents relating to Board of Directors' s meetings, major documents and coordinates with related parties to ensure that they follow the Board of Directors' meeting resolutions. Moreover, Board of Directors also discloses the qualification and experience of the Company's secretary in One Report and on the Company's website.
- 44) The Company's secretary shall attend meetings to enhance knowledge on a regular basis, which will be beneficial to his or her operation. In case of there are some certified programs, the secretary shall be considered to attend such programs.¶

Principle 4 Ensure Effective CEO and People Management

4.1 Board of Directors ensures that there are procedure to select the CEO and other top executive levels. Their knowledge, skills and experience are enhanced and they shall possess qualifications which are necessary to drive the organization to reach objectives.

4.2 Board of Directors ensures suitable remuneration structure and evaluation procedure.

4.3 Board of Directors understands structure and relations of shareholders, which may impact the management and business operation.

4.4 Board of Directors oversees the management and develop personnel's experience and appropriately motivated them.

Operation guideline 4

- 1) Board of Directors assigns the Nomination and Remuneration Committee defines criteria and selection process to recruit a qualified person to be a CEO.



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- 2) Board of Directors assigns the CEO to consider qualified top executives. At least Board of Directors or Nomination and Remuneration Committee works with the CEO to consider selection and appointment criteria to appoint a person nominated by the CEO to be in the position of top executive.
- 3) To ensure business continuity, the Company arranges the establishment of a succession plan to ensure succession process to recruit the new CEO or top executives. The CEO shall report the succession operation result to the Board of Directors at least once a year.
- 4) Board of Directors supports the CEO and top executives to continue receiving training and knowledge development, which will benefit their operation.
- 5) Board of Directors determines clear policies and operation procedure for the CEO or top executives who may also act as directors in other companies, both in terms of eligible positions and number limit which they can be directors.
- 6) Board of Directors determines remuneration packages to motivate the CEO, the top executives and other personnel at all operation levels to accord the Company's objectives and maximize benefits to the Company in the long term, including the following:
 1. Consider appropriate portion of short-term operation-based packages, such as salaries and bonus and long-term operation based benefits, such as Employee Stock Ownership Plan.
 2. The remuneration policies shall take into account the comparison to the industry, based on the projected earnings performance.
 3. Policies and criteria about evaluation shall be communicated to all related parties.
- 7) Non-management directors may take part in determining remuneration policies and evaluation of the CEO's performance at least on the following matters:
 1. Approve the principles to evaluate the CEO, with the criteria motivating the CEO to work to achieve objectives and relate to corporate long-term benefits. The principles shall be communicated to the CEO in advance.
 2. Appraise CEO's performance annually or assign the Nomination and Remuneration Committee who considers the remuneration packages to do so. The chairman of the Board of Directors shall inform the appraisal result as well as points for further development to the CEO.
 3. Approve annual remuneration for the CEO and appraise the performance of the CEO, taking into account other related factors.๕
- 8) Board of Directors approves the principles and factors for appraisal and approves the remuneration package structure for top executives and assigns the CEO to evaluate the performance of top executives.
- 9) Board of Directors arranges the principles and factors for performance appraisal for the entire organization.
- 10) Board of Directors understands the structure and relation of the shareholders, which may in the form of internal agreement within facilities either in a written form or a non-written form, shareholders' agreements or policies in the parent companies, which may have an impact on the management and administration control.
- 11) Board of Directors ensure that the agreements in (10) will not hinder the operation of the Board of Directors, such as about seeking qualified persons to be successors and etc.
- 12) Board of Directors ensures the disclosure of information about various agreements, which may have an impact on corporate control.

- 13) Board of Directors arranges the human resource management that accords to the direction and strategies of the organization. All employees shall possess knowledge and competency and be appropriately motivated. The organization shall treat personnel fairly so as to maintain competent personnel.
- 14) Board of Directors arranges the establishment of a provident fund or other mechanism to promote sufficient saving for employees' retirement and encourages employees to understand money management, investment plans to suit their ages and risk levels. Board of Directors shall also arranges for some life- path investment.

Principle 5 Nurture Innovation and Responsible Business

5.1 Board of Directors is aware of the importance and support of creation of innovations to create business value and value to clients or related parties and take responsibility to the society and environment.

5.2 Board of Directors arranges the management department to work with responsibilities to society and environment, which is reflected in operational plan, so as to ensure that all parties in the organization perform duties in accordance with corporate objectives and strategies.

5.3 Board of Directors arranges the management department to allocate and manages resources effectively and efficiently, taking into account the development of value chain resources so as to achieve objectives in sustainable ways.

5.4 Board of Directors arranges the establishment of operation control and information technology management in the organizational level, in accordance with corporate demand. In addition, the Board of Directors shall support the use of technologies to add business value, enhance operation, and manage risks in order to achieve the corporate objectives.

Operation Guideline 5

- 1) Board of Directors emphasizes the creation of organizational culture that promotes innovations and arranges the management department to use these as reference to review strategies, plan operation enhancement and monitor operation performance.
- 2) Board of Directors promotes creation of innovations to add corporate values in accordance with dynamic factors and environment. These include the establishment of business model, conceptual framework for product design and development, resources, production and operation process enhancement and collaboration with partners.
- 3) Board of Directors arranges the mechanism that ensures that the business operation is conducted ethically and morally, taking into account the responsibilities for the society and environment and not infringing the right of stakeholders. This mechanism shall act as a guideline for all parts in the organization to achieve objectives in sustainable ways. Policies or operation guidelines may cover the following matters.
 1. Responsibility for employees and workers: These people shall be treated as stated in related laws and under employee and worker-related standards. They should be treated fairly, with the human right being respected. For example, rewards or related benefits should be fairly offered. Welfares shall be arranges at not less than what specified by laws or higher, as appropriate. Sanitary and safe workplace shall also be provided. Trainings for knowledge and potential enhancement shall also be organized so that employees' progress can be advanced. In addition, employees shall be given opportunities to enhance their skills in other aspects.
 2. Responsibility for clients: Clients shall be treated well, based on related laws and standards, taking into account the awareness of healthcare, safety, fairness, confidential information, after-sales service throughout product life, satisfaction monitor and survey for further product improvement. Advertising, public relation and sales conducts shall be carried out with responsibility, not misleading clients or take advantages from clients' misunderstanding.



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3. Responsibility for business partners: Procurement and purchasing process is fairly carried out. Contract terms and conditions are fair. Enhance knowledge of partners and lift service standards. Explain and take care partners and encourage them to respect human right and treat their workers fairly, with responsibility for society and environment. Monitor and evaluate business operation of partners so as to sustain business partnership.
 4. Responsibility for communities: Apply business knowledge and experience to development of projects that may bring concrete benefits to the communities; there is monitor and evaluation procedure to assess the success in the long term.
 5. Responsibility for environment: Ensure that the Company does not do anything to create negative impact on the environment, including energy use, water user, alternative energy use, recovery of biological verities, which have been impacted by business operation and etc.
 6. There shall be fair competitions, with transparent business operation and without any unfair competitive advantages on others.
 7. Anti-corruptions: Follow related laws and standards. The Company shall determine anti-corruption policies and announce such policies to public. The Company may join anti-corruption partnership networks and support other companies including trade partners to announce anti-corruption policies and join anti-corruption partnership networks.
- 4) Board of Director is aware of necessity of resources and realizes that use of one resource may impact others.
 - 5) Board of Director is aware that different business models lead to different impact on the resources. Hence, in choosing a business model, impacts on and value of resources shall be taken into account, based on ethics, responsibility and creation of corporate value in sustainable ways.
 - 6) Board of Director ensures that in order to achieve objectives, the management reviews and develops use of resources and make sure that resources are used effectively and efficiently, with external and internal changes being regularly taken into account.
 - 7) Board of Directors arranges policies about allocation and management of IT resources, covering the resource allocation to suffice business operation, and prepares some ways to support in case the resources cannot be sufficiently allocated as planned.
 - 8) Board of Directors arranges the risk management to cover management, operation and IT risks.
 - 9) Board of Directors arranges determines policies and measures to ensure the safety of the information system security.

Principle 6 Strengthen Effective Risk Management and Internal Control

- 6.1 Board of Directors ensures that the Company as risk management and internal control systems, which will enable the Company to achieve objectives effectively and that business operation conform to related laws and regulations
- 6.2 Board of Directors establish Audit Committee to performance duties effectively and independently.
- 6.3 Board of Directors monitors and management possible conflicts of interest that may occur among the Company, the management department, Board of Directors or shareholders; Board of Director also prevents improper uses of assets, information and transaction with persons with some improper involvement with the Company.
- 6.4 Board of Director arranges the establishment of clear anti-corruption policies and operation procedure and communicate these policies and procedures to all people in all levels in the organization and external bodies to encourage these people to really put these principles to actual practice.

Operation Guideline 6

- 1) Board of Directors understand major operation risks and approve acceptable risks.
- 2) Board of Directors considers and approves risk management policies, which accord to key objectives, strategies and acceptable corporate risks. These risk management policies shall be referred to as operation framework for risk management operation for all people in the organization to move in the same direction. Board of Directors realizes the importance of advance warnings and arranges regular review of risk management policies at least once a year.
- 3) Board of Directors sees that the Company identifies risks, taking into account both external and internal factors that may prevent the Company from achieving the set objectives.
- 4) Board of Directors ensures that the Company assesses the impacts and chance of identified risks so as to prioritize risk management steps and appropriately manage risks.
- 5) Board of Directors assigns Risk Management Committee or Audit Committee to review Items 1) – 4) before proposing them to the Board of Directors as appropriate with the nature of business.
- 6) Board of Directors monitors and assesses the effectiveness of risk management on a regular basis.
- 7) Board of Directors has a duty to oversee the business operation to comply with related laws and standards, both internally and internationally.
- 8) In case the Company as a subsidiary or other companies in which the Company put significant investment (such as holding shares with voting right from 20% but not exceeding 50%), the Company will consider results of internal control and risk management evaluation as parts to determine the procedure as mentioned in No. 1) -7) above.
- 9) Board of Directors arranges Audit Committee, which consists of at least three members, and all of them must be independent and qualified to perform duties as stated in the regulations of the SEC and the SET.
- 10) Board of Directors defines scope of responsibilities of Audit Committee to cover at least the following duties.
 1. Review the accuracy and completeness of financial reports.
 2. Review and ensure appropriate and effective internal control and internal audit systems.
 3. Review and ensure that Company's operations conform to the related laws and standards.
 4. Review the independence of the internal control unit and approve appointment, transfer and employment termination for the head of the internal control unit or any unit that is in charge of internal control operation.
 5. Consider, select and nominate an independent individual as the Company's auditor as well as propose the audit fee. Attend the meetings with the auditor, without the presence of the management, at least once a year.
 6. Review connected transactions and/or some transactions that may lead to conflicts of interests to ensure that ensure that such transactions are in compliance with the related laws and that they are they are justified, with expected maximum benefits to the Company.
 7. Review the accuracy of reference documents and the self-evaluation about anti-corruption measures of the corporate, based on the project under collaboration of the Thai private sector against corruptions.
- 11) Board of Directors arranges a mechanism or a tool for the Audit Committee to access information necessary to their assigned duties, such as a mechanism to support Audit Committee, making it easy for them to call particular persons to provide information or to discuss with the auditor or seek independent opinion from professional advisors to support their consideration or decision making on particular matters.



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- 12) Board of Directors arranges independent internal control unit to develop and review the effectiveness of risk management and internal control systems. This unit shall report to the Audit Committee and disclose the audit report in the annual report.
- 13) Board of Directors Committee shall provide opinions concerning the adequacy of risk management and internal control systems and disclose the opinions in the annual report.
- 14) Board of Directors Committee arranges information security and determine policies and operation guidelines in terms of confidentiality, integrity, availability and market sensitive information. In addition, the Committee ensures that directors, top executives, employees and related external parties, such as legal advisors and financial advisor, to follow operation guidelines about information security.
- 15) Board of Directors manages and monitors transactions that may lead to conflicts of interest and outlines operation guidelines to ensure such transactions are carried out based on the set procedure. Also, the Committee shall also ensure that information is disclosed, according to related laws and bringing highest benefits to the Company and overall shareholders. Persons with some interest in particular transactions shall not take part in decision making.
- 16) Board of Directors sets a rule that directors report their interest in some transactions at least before considering the agenda of such transactions in the directors' meetings and the details shall be recorded the minutes of the directors' meetings. The Committee ensure that any directors, who have significant interest that may prevent such directors from expressing opinions independently, do not participate in the meeting when considering such agenda.
- 17) Board of Directors arranges anti-corruption projects or guidelines, including campaign to urge all employees to obey laws and follow related regulations.
- 18) Board of Directors arranges a mechanism and operation process (record of progress on solutions); allows complaints by stakeholders; and arranges more than one convenient channels to receive complaints. The channels shall be disclosed in the Company's website or One Report.
- 19) Board of Directors determines clear policies and directions regarding whistleblowing, which can be done through the Company's website or assigned independent directors/ Audit Committee. In addition, there should be procedure to examine information, operation procedure, and reports to the Board of Directors.
- 20) Board of Directors ensures appropriate measures to provide securities or protect informants.

Principle 7 Ensure Disclosure and Financial Integrity

- 7.1 Board of Directors is in charge of the Company's financial report system and ensure that that the Company's information is accurately, adequately and timely disclosed in accordance with relevant regulations, standard and operation guideline.
- 7.2 Board of Directors monitors the adequacy of the financial liquidity and debt repayment ability.
- 7.3 In case of some financial problems or outlook for financial problems, Board of Directors shall ensure that the Company has solution plans or any mechanism to solve the financial problems, taking into account the right of stakeholders.
- 7.4 Board of Directors arranges business sustainability reports as appropriate.
- 7.5 Board of Directors arranges that the management provides a unit or a person to be in charge of investor relation and communication with shareholders, stakeholders, such as investors and analysts in appropriate, equal and timely manners.
- 7.6 Board of Directors promotes uses of information technology for information disclosure.

Operation Guideline 7

- 1) Board of Directors arranges sufficient personnel to be in charge of information disclosure; they should possess knowledge, skills and experience appropriate with their duties and responsibilities. These personnel may include CFO, accountants, internal auditors, secretaries, and investor relations officers.
- 2) To provide approval to information disclosure, Board of Directors shall consider all relevant factors. For the case of financial reports, the following factors shall be taken into consideration:
 1. Evaluation results on the adequacy of the internal control system.
 2. Opinions of the auditor in the financial report and comments from the auditor regarding the internal control system as well as comments from the auditor from other channels (if any).
 3. Opinions of the Audit Committee
 4. Consistency with the Company's objectives, strategies and policies
- 3) Board of Directors arranges disclosure of information, including financial statement and 56-1 One Report, to adequately reflect actual financial position; and supports the completion of management discussion and analysis (MD&A) to support the disclosure of quarterly financial statement. This practice is aimed at providing information for investors to be better aware of information and ongoing changes as well as the Company's quarterly performance, in addition to just the figure data from the financial statement.
- 4) In the case that some information related to a particular director, such director shall arrange complete and adequate information disclosure, such as the information about shareholding of his/her group, disclosure of information related to his/her group's shareholders' agreement and etc.
- 5) Board of Directors arranges the management to monitor corporate financial position and report the result to the Board of Directors on a regular basis. Board of Directors and the management shall try to seek solutions promptly as soon as there is any sign pointing to some problems about financial liquidity and debt repayment ability.
- 6) In approving any transactions or proposing some suggestions for approval by the shareholders' meetings, Board of Directors shall be certain that such transactions do not impact the Company's business operation, financial liquidity or debt repayment ability.
- 7) In case the Company seems to be unable to repay debts or encounters some financial problems, Board of Directors shall closely monitor the situations and ensure that the Company's business operation is conducted with caution and in compliance with any regulations regarding information disclosure.
- 8) Board of Directors arranges for the Company to determine financial solution plans, taking into account the fairness to all stakeholders including creditors, and also monitor the progress on problem solving, with the management being asked to make reports regularly.
- 9) Board of Directors shall be certain that any decision regarding financial problem solutions, by any means, shall be reasonably made.
- 10) Board of Directors reviews the appropriateness of the information disclosure and ensures that all related procedure conforms to laws, code of conduct, anti-corruption policies, as well as guidelines about treating employees and stakeholders. In addition, all information disclosure operation must be carried out with fairness, taking into account the respect of human right as well as the responsibility for society and environment. The information disclosure shall also take into account the accepted reporting standards both internally and externally. Information shall be disclosed on One Report or published in a separate report.
- 11) Board of Directors ensures that the disclosed information is important and reflect the operation that will lead to creation of sustainable corporate value.



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- 12) Board of Directors arranges that the Company has a communication policy and a disclosure policy to ensure communication with and disclosure of information to external bodies in appropriate, equal and prompt manners under appropriate channels. Board of Directors shall also ensure that important information and information that will impact the securities' prices is kept confidential and that all communication and disclosure policies are communicated and understood by all people in the organization.
- 13) Board of Directors arranges a person in charge of information disclosure to external bodies. A person qualified for this position is someone who understands the Company's business, objectives, and core value well and is able to communicate effectively to the capital market. This person can be the CEO, the CFO and the investor relation manager and etc.
- 14) Board of Directors arranges the management to determine directions and support investor relation functions, such as provision of operation guidelines for information disclosure, policies about management of information that may impact securities' prices, as well as define duties and responsibilities of the investor relation officers in order to make sure the communication and information disclosure is effectively conducted.
- 15) In addition to disclosing information based on the set regulations and through the channels available from the SET, Board of Directors may arrange information disclosure both in Thai and English through other channels, such as the Company's website. Information should be disclosed regularly and all information disclosed should be kept updated.

Principle 8 Ensure Engagement and Communication with Shareholders

- 8.1 Board of Directors ensures that shareholders take part in making decision on important matters.
- 8.2 Board of Directors arrange orderly, transparent and effective procedure in the AGM day.
- 8.3 Board of Directors arranges accurate and complete meeting resolution disclosure and AGM minutes.

Operation Guideline 8

- 1) Board of Directors arranges that all important matters, including key legal issues and some other issues that have an impact on the Company's operation or business operation, be passed the review and/ or approved by shareholders. Such important matters are included in the AGM agenda.
- 2) Board of Directors encourages participation of shareholders.
 1. Allow minority shareholders to suggest some matters to be added to the meeting agenda before the meeting date and the Board of Directors will consider adding such matters to the meeting agenda. If the Board of Directors refuses to add such matters in the agenda, the Board will explain reasons for such decision in the shareholders' meeting.
 2. Board of Directors ensures that criteria about allowing minority shareholders to nominate a person to be a director is revealed to minority shareholders in advance.
- 3) Board of directors ensures that the AGM invitation letters contain accurate, complete and adequate information about the right exercise of shareholders.
- 4) Board of Directors arranges the AGM invitation letter as well as related documents, according to laws and announcements, to be released on the Company's website.
- 5) Board of Directors opens the opportunity for shareholders to send questions ahead of the meeting date. The criteria of sending questions in advance are clearly identified and published on the Company's website.
- 6) The AGM invitation letter as well as related documents are all in English, which will be sent together with the Thai version.

- 7) Board of Directors determines meeting date, time and venue, taking into account the convenience for shareholders. Meeting duration should be appropriate and sufficient for directors to discuss issues. The meeting venue should be easily accessible.
- 8) Board of Directors ensures that there are no actions limiting opportunities for the shareholders to attend the meeting or create too many burdens for them. For example, there should be no requirement for shareholders or proxies to carry more identification documents than what stated in the regulation from related regulatory agencies.
- 9) Board of Directors promotes use of technologies in the AGMs, e.g., registration and vote counts, in order to speed up the meeting duration and ensure accurate vote counting.
- 10) The chairman to Board of Director the chairman in the meeting. The chairman ensures that the meeting is conducted in compliance with related laws and regulation and the Company's rules. The chairman in the meeting should allocate appropriate time for each agenda indicated in the meeting invitation and encourage the shareholders to express their opinions or ask questions about the matters related to the Company.
- 11) In order to ensure that the shareholders can take part in making decision in major issues, directors as meeting attendees and shareholders shall not support discussion on any additional agenda, which come without prior notice, unless really necessary; because shareholders need time to study the matters before making decision.
- 12) All directors and management are required to attend the meeting to answer shareholders' questions or clarify some related issues.
- 13) Prior to the meeting, the shareholders are aware of the number and the portion of present shareholders and proxies, meeting method, voting and voting count methods.
- 14) In an agenda with a number of matters, the meeting chairman shall arrange separate votes for each matter. For example, the shareholders use the right to appoint individual directors in direction appointment agenda.
- 15) Board of Directors supports the use of ballots in major agendas and support independent individuals to count votes in y meetings and disclose the vote results about the numbers of those who approve/ do not approve/ no vote/ in each agenda and all the results are recorded in the meeting minutes.
- 16) Board of Directors arranges the disclosure of meeting resolutions as well as voting results within the next working day through SET's information system and the Company's website.
- 17) Board of Directors arranges the submission of a copy of AGM minutes to the SET by 14 days from the AGM date.
- 18) Board of Directors arranges minutes, which should include at least the following details:
 1. Names of attending directors and management; the proportion between the present and absent directors.
 2. Voting and voting counts, meeting resolution and voting results (approve/ not approve/ no vote) of each agenda)
 3. Questions and answers in the meeting as well as names of question raisers and answerers.



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Code of Conduct

Next Capital Public Company Limited ("the Company") is committed to business operation and development to offer good and quality services and determined to encourage directors, management, and employees to be intent upon business operation under corporate governance, ethics, and appropriate code of conduct. Hence, the Company determines written standards as guidance for business operation for directors, management, employees and all related parties to take into account and follow.

Definition

"the Company"	Next Capital Public Company Limited
"Directors"	Directors in the Board of Directors, sub-committees and advisors to Board of Directors and to sub-committees (if any)
"Management"	Management include the Company's executives as defined by the Notification of the SEC concerning the definition stated in the Notification about issuance and offer of securities.
"Employees"	Permanent employees, temporary employees, employees under special contracts, and contract partners hired by the Company
"Stakeholders"	Persons of groups of persons relating to the Company in various aspects, such as directors, management, employees, shareholders, contract partners, business-related individuals, creditors, debtors, society, surrounding communities and etc.
"Related persons"	Related persons as defined in the Notification of the Capital Market Supervisory Board Tor Jor 21/2551 on "Rules on connected transactions" dated August 31, 2008 (including the amendment) and the Notification of SET recording in information disclosure and operation guideline for SET-listed companies concerning connected transactions B.E. 2546, dated November 19, 2003 (including the amendments)
"Clients"	Receivers of the Company's financing services
"Business partners"	Persons or companies that supply goods and/or provide services for the Company
"Competitors"	Persons or companies in the same industry that offer services similar to the Company's services
"Inside Information"	Undisclosed information, which is significant and may have an impact on the price of the Company's securities



Part 2: Code of Ethics and Conduct

1. Best Practice for Business Operation

- 1) The Company shall operate business in compliance with laws.
- 2) The Company shall encourage directors, management, and executives to obey and follow laws.

2. Best Practices for Shareholders

The Company is committed to create maximum satisfaction among shareholders, taking into account the Company's sustainable growth and steady appropriate returns. The Company holds on to business operation with honesty, transparency, and inspectability. Furthermore, the Company treats all shareholders with equality. Guidelines for best practice are as follows:

- 1) Perform duties with honesty and fairness. All actions are taken with great caution to bring maximum benefits to overall shareholders.
- 2) Respects the shareholders' and treat all shareholders equally.
- 3) Manage the Company's business, driving growth, sustainability and bringing decent returns to shareholders.
- 4) Be committed to disclosure of accurate, complete, precise, and adequate information to shareholders in a timely manner, enabling shareholders to equally access this information.
- 5) Publish news and information on the Company's website, <http://www.nextcapital.co.th>.
- 6) Report current status and outlook of the Company to shareholders in an equal, regular, accurate and complete manner.
- 7) Not seek personal benefits or benefits for related person by using the Company's undisclosed information; not disclose any confidential information to external parties, which may lead to bad
- 8) Present accurate, complete and adequate financial reports, operating results and additional information.

3. Best Practices for Employees

The Company recognizes the significance of employees at all levels and is well aware that employees are the most critical resource for the Company. As such, the Company determines policies for employees and also focuses fair treatment and offers remuneration, promotion, fringe benefits, safety, and consistent potential development, as the following details:

- 1) Treats all employees equally and politely, respecting their basic human rights and dignity.
- 2) Recruit suitable personnel through a fair process, based on required qualification for each position, such as scholastic requirement, work experience and other requirements essential for such job, without discrimination on the grounds of gender, age, race, religion, disability or other disadvantaged groups.
- 3) Offer fair remuneration, based on knowledge, competency, responsibilities, and performance of each employee.
- 4) Appoint, transfer, reward and punish employees with fairness, quality and honesty, based on the grounds of knowledge, competency, appropriateness and the actions of practice of such employee.
- 5) Emphasize knowledge development and transfer and competency of employees, with trainings aimed at enhancing employees' competency being conducted broadly, continuously and regularly.
- 6) Strictly conform to laws and regulations related to the employees.
- 7) Maintain pleasant working environment, life safety, good sanitation and property security.
- 8) Allow employees make inquiries, convey their opinions and lodge complaints, provide suggestions and questions to problems, which should be seriously taken into consideration and solved by the best solutions, to bring maximum benefits to all parties and create good relation in workplace.



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4. Best practice for clients

- 1) Provide quality services and always maintain good service quality.
- 2) Disclose complete and accurate information about services, without any misleading information.
- 3) Offer guarantee services under appropriate terms and conduction; arrange service compensation during specified time as appropriate with each service.
- 4) Refrain from delivering any services with detached defects.
- 5) Provide channels for clients to make suggestions about services and ensure prompt response with accurate information.
- 6) Keep clients' personal data and secrets strictly confidential; not use clients' personal information and secrets improperly to seek benefits for the Company or related parties.
- 7) Strictly follows any terms and conditions agreed with clients; in case of inability to do so, clients shall be immediately informed in advance so that all parties can help seek solutions.

5. Best practice for business partners

- 1) Ensure fair and transparent purchasing process that maximize benefits to the Company.
- 2) The Company's employees must procure goods and services, taking into account demand, reasonable price and goods and service quality. Accurate information is disclosed to business partners equally, with bias or special favor given to particular partners.
- 3) In contacting business partners, the person in charge shall keep related documents, contract drafts, contract signing and documents about compliance with the contracts for certain duration as specified by laws.
- 4) Not request, receive or offer any benefits in an unfaithful manner with business partners.
- 5) Strictly follow content in the contracts. In case the Company cannot comply with conditions under the contracts or the business partners cannot follow the contracts or any matters that prevent some parties from following the contract, such matters shall be reported to the supervisor so as to seek solutions.

6. Best practice for business competitors

- 1) Directors, management and employees behave well within a good competition rule framework.
- 2) Do not seek to obtain confidential information of competitors by any unethical or improper method.
- 3) Do not perform any act that will tarnish competitors' reputations through any allegation without any reasonable grounds

7. Best practice for business competitors

- 1) Treat creditors with fairness; do not request and receive any benefits or offer any benefits dishonestly to creditors.
- 2) Comply with all conditions under agreements made with creditors. In case the Company cannot comply with the contracts, the creditor shall be informed immediately so that the two parties can work together to seek solutions.

8. Best practices for society and environment

- 1) Operates business lawfully; do not involve or support, directly or indirectly, or operate business with organizations and/or persons that act against laws or act as threats to the society.
- 2) Provide cooperate regarding disclosure of information that can be revealed so as to prevent possible damages to the country's economic system.
- 3) Provide cooperation and support of government's policies.

- 4) Promote social activities and social events as appropriate; support and encourage employees to participate in social activities; disclose such information in the Company's One Report.
- 5) Complete corporate social responsibility reports and include them in the Company's One Report.
- 6) Stimulate the country's human resource development; promote creation of intellectual capital, jobs, knowledge for communities, and high-valued works in the community; help diversify income; help enhance the people's living quality for sustainable development of the society and the country.
- 7) Support useful activities, e.g., reduction of energy and natural resource use and etc.
- 8) Implant the awareness on social and environmental responsibilities in the Company and employees at all levels; do not do anything that will damage the natural resources and environment.
- 9) Neither support any activities, which could become threats to the society or against ethics; nor promote any vice.
- 10) Provide cooperation; ensure that related laws and regulations are strictly followed.

9. Best practice in relation to human rights and fair treat to labor

The Company takes into account human rights in all aspects as a principle for mutual practice, including dignity as a human, individual equality, compliance to laws as well as avoidance of infringement of human rights and participation of infringement of human rights involved by other parties. The Company defines human right policies as follows:

- 1) Respect and strictly follow universal human rights.
- 2) Promote universal human right principles; educate employees on universal human rights; and encourage them to strictly follow and practice as part of their work operating.
- 3) Do not support any businesses or activities that may infringe laws and universal human rights.

10. Offer or receipt of gifts and entertainment

- 1) Directors, management and employees shall neither request nor accept money, things or any forms of benefits from any of the Company's business-related parties.
- 2) Directors, management and employees may receive or offer gifts, provided that such presents do not have any impact on the receivers' decision making related to business matters.
- 3) In case any directors, management or employees necessarily receive any presents or property worth higher than 3,000 baht, they are required to report it to their supervisors and have such gifts registered with the Company.
- 4) Offer or receipt of gifts is doable provided that directors, management and employees do it with transparency or in an open area or provided that the action of such give giving or receiving can be disclosed.
- 5) Directors, management and employees can receive business entertainment offered for the benefit of the Company's business, under the scope of authority given by the Company; avoid unreasonable entertainment from unusual relation with any persons related to the Company or potential business partners.

11. Best practices in relation to information and communication technology

Directors, management and employees are required to use the Company's information and communication technology (ICT) system to communicate with external parties with honesty and caution. The Company establishes the following guidelines:

- 1) Allow the use of only equipment and programs with copyrights; any computer programs with no copyrights or false copyrights are strictly prohibited.



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- 2) Directors, management and employees are prohibited from any actions that interfere other people's computer or internet system in the office. They are not allowed to use the Company's computer system to release any illegal information or any content that is unethical or against Thai customs and traditions and laws, such as any actions to destroy reputation or property, possession of photography, sending of junk emails and etc.
- 3) Directors, management and employees are required to keep their passcodes confidential. They shall not disclose such personal information to other people. They are prohibited from accessing unfamiliar websites from the company's internet, which may endanger the Company's computer system.
- 4) In case directors, management and employees ask for a permission from supervisor to allow outsiders to use the Company's ICT system, those who request such permission are responsible for overseeing or controlling the operation of such outsiders and for any damages that may occur from the outsiders' use of the Company's ICT.
- 5) Directors, management and employees must comply with and not take any action that is against the Company's information security policy.
- 6) The Company has the right to examine, search, follow, investigate and control the use of the ICT system by directors, management and employees so as to protect and maintain the security of the Company's ICT system.

12. Policies against infringement of intellectual property

- 1) Any work outcome from directors, management and employees' operation is deemed as the Company's intellectual property.
- 2) The Company has a policy against any actions that may infringe intellectual property, e.g., in terms of copyrights, patent, trademarks, trade secret and other intellectual property as stated by laws.

13. Maintenance and use of the Company's assets and information

- 1) Directors, management and employees hold duties and responsibility to take care of the Company's assets, both tangible and intangible ones, preventing them from deterioration or losses. They are required to use property effectively. They should study and understand how to use the property and safety guidance and utilize the Company's property with the highest benefits. They are prohibited from using the Company's assets for their own benefits or other people's benefits.
- 2) Directors, management and employees have duties to keep the Company's secret confidential, not disclosing such secret to outsiders and they are strictly prohibited from taking benefits from such secret.
- 3) Directors, management and employees are required to appropriately use the Company's confidential information property.

14. Management and maintenance of ethics

- 1) Directors, management and employees are required to strictly follow this code of ethics and conduct. If they violate any point stated in this code of ethics and conduct, the Company will consider penalty based on the case as appropriate.
- 2) Management and supervisors are required to act as good models in following this code of ethics and conduct and they should monitor and support subordinators to follow the code of ethics and conduct.
- 3) In case directors, management and employees are exempt from any points in this code of ethics and conduct, they must gain written approval from Board of Directors in advance.
- 4) All employees are required to sign their names to acknowledge this code of ethics and conducts when they first join the Company and when they change the positions in the Company.

15. Best practice in relation to anti-corruption

- 1) The Company has a written anti-corruption policy and convey the policy to directors, management and employees through the Company's internal communication channel.
- 2) Provide trainings for employees to educate them on anti-corruption policies and operation guideline.
- 3) Support and cooperate with state and private sectors and related regulatory bodies as well as all parts of the Thai society so as to reduce corruption and enhance the country's development.
- 4) Directors, management and employees are strictly prohibited to accept any forms of corruptions both directly and indirectly, e.g., thing receiving, thing or gift giving, entertainment, donation and other benefits for their personal uses from any people who involve in the business with the Company.

16. Stakeholding and conflicts of interest

- 1) Avoid any actions that may lead to conflicts of interest of the Company, whether they arise from those who involve with the Company's business, such as business partners, clients, and competitors, or from opportunities or information obtained from being directors, management or employees. They are strictly prohibited from seeking benefits for their own and doing business to compete with the Company or performing other works, not the Company's works, which may impact their responsibility and duties to the Company.
- 2) Directors, management, employees and all stakeholders are prohibited from approving any transactions under the name of the Company in order to prevent conflicts of interest. In case they engage in any transactions under personal names, family names of any juristic persons' names for which directors, management, and employees have power to proceed with such transactions, they are required to reveal details of such transactions to the Company prior to proceeding with the transactions.
- 3) Directors, management, employees are required to consider conflicts of interest arising from connected transactions between the Company and persons or juristic persons, which may lead to conflicts of interest. In addition, they should consider such matters carefully, honestly, reasonably and independently under the good ethical principles, taking into account maximum benefits of the Company.
- 4) Directors, management, employees are required to report connected transactions relating to operation and management of the Company and subsidiaries.

17. Securities trading and use of inside information

- 1) Directors, management and employees are prohibited from using the Company's undisclosed inside information for their own benefits or other parties' benefits. The inside information can be used only after it is disclosed to public after 24 hours.
- 2) Directors, management and employees are required to keep clients' information and trade information confidential. They are prohibited from disclosing clients' secrets either to other employees or external parties not related to the matter, except for the case that they are asked by laws for lawsuit prosecution purposes or Board of Directors gives approval for disclosure in a written form.
- 3) Directors, management, employees and related parties are prohibited from disclosing or transferring the Company's information or secrets to any persons not relating to the Company, including family members, relatives and friends.
- 4) Information must be disclosed by management or authorized persons. General employees are not in charge of information disclosure and when they are asked to disclose the information, they shall refer to those in charge in order to ensure accurate information disclosure in the same direction.
- 5) Suggestions or guidance in regard to trading of the Company's securities is prohibited, except for the matters assigned by the Company.



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- 6) Directors, management and employees who are in the department where inside information is known, are prohibited from trading the Company's securities within 30 days before the disclosure of quarterly and annual financial statement or information impacting the price movement of the Company's securities and they are also required to wait at least 24 hours after the aforementioned information is disclosed to related agencies before resuming trading of the Company's securities.
- 7) Directors, management, those in top positions in the accounting department from the manager positions onward or equivalent are required make reports about their securities holding or about the persons related to the Securities and Securities Market laws within seven days from the date of transactions including purchases, transfers or receipt of transfer of securities or future contracts. Board of Directors reports the names of directors and management by the method specified by the SEC and the SET and submit report copies to the Company's secretary to compile and present them in the AGM.
- 8) Directors, management, those in top positions in the accounting department from the manager positions onward or equivalent are required make reports about changes in their securities holding or about the persons related to the Securities and Securities Market laws within three days from the date of transactions including purchases, transfers or receipt of transfer of securities or future contracts. Board of Directors reports the names of directors and management by the method specified by the SEC and the SET and submit report copies to the Company's secretary to compile and present them in the AGM.

Part 3: Management of Code of Ethics and Conduct

1. Management to inform executives and employees

In order to ensure that all the management and employees are aware of the code of ethics and conduct, they are required to sign their names in the code of ethics and conduct to acknowledge that they have been aware of the contents in the code of ethics and conduct.

All new employees are required to sign a form to confirm that they have read, understood and accepted the Company's code of ethics and conduct. They cannot claim that they have not read no signed the form as a reason for not following the Company's code of ethics and conduct.

This code of ethics and conduct has been regularly improved and will always be fined tune to accord to changing regulations. In case of additions or cancelation of any point in this code of ethics and conduct, Board of Directors must be informed.

2. Actions against the code of ethics and conduct

- 1) Not comply with the code of ethics and conduct
- 2) Promote or support other people to violate the code of ethics and conduct
- 3) Ignore when being aware of any actions code of ethics and conduct, in case such matters related to one's responsibility
- 4) Not provide cooperation or obstruct the investigation for facts relating any claims that no violation against code of ethics and conduct has been done

3. Procedure against those who violate the code of ethics and conduct

Directors, management and employees are require to emphasize the significance of the Company's code of ethics and conduct. When they see any actions against the code of ethics and conduct, they are required to report such actions as the following procedure.

- Step 1 Make a written report about violation of the code of ethics and conduct or pressure/force to violate code of ethics and conduct in the attached form.
- Step 2 Prepare supporting documents (if any).
- Step 3 Send the email to complaint receivers, e.g., supervisors, the chairman of Audit Committee and the Company's secretary.

4. Management procedure in response to reports on actions against the code of ethics and conduct

- 1) **Comply facts:** The complaint receiver takes action and make a preliminary conclusion within 45 days after receiving the reports.
- 2) **Scrutinize information:** The complaint receiver proposes the matters to the representatives of the management to take part in reviewing the matters. The representatives include:
 - A representative from a unit with the assisting manager position onwards in the department of the person who lodges the complaint; this person must not have any conflict of interest with the one who lodges the complaint.
 - A representative from the management department
 - Company's secretary or the head of internal audit unit
- 3) **Measures to stop actions against the code of ethics and conduct:** The representative from the management department will determine measures to stop actions against the code of ethics and conducts and provide relief for those impacted from such action, taking into account the extent of damages. Then, the matter is informed to the person in the top chain of command or the CEO.



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5. Disciplinary actions

The Company will determine the penalties to suit the nature and situation of each type of act that violates the code of conduct, with the severity of the penalty varying according to the severity of the offence, as follows:

- 1) Verbal warning
- 2) Written warning
- 3) Suspension without salary
- 4) Termination of employment

However, if it is a serious violation of the code of conduct, the Company may consider initiating both civil and criminal proceedings against the offender.

6. Protection measures for complaint makers

- 1) The Company keeps the information and identity of reporters, complaint makers or persons participating in actions against the code of ethics and conduct confidential.
- 2) The Company discloses information as necessary, taking into account safety and possible damages of informants or related persons.
- 3) Those who have been damaged will be relieved under the appropriate and fair process.

Charter of Board of Directors

Board of Directors is responsible for the shareholders regarding the business operation and corporate governance, ensuring that the Company's business operation conforms to the laws and objectives and provides utmost benefits to shareholders under the code of ethics and conduct, taking into account benefits of all stakeholders.

Scope of duties and responsibility of Board of Director

1. Determine missions, visions, policies, objectives and business strategies, management structure, approval authority and budget of the Company and subsidiaries; oversee management of key resources; and approve operation policies and directions as proposed by the management.
2. Oversee the Company's operation to bring maximum benefits to the shareholders. Board of Directors shall take into account duty of care, duty of loyalty, duty of obedience and duty of disclosure.
3. Ensure that the management's operation is carried out toward the set policies, strategies and operation plans effectively and efficiently and regularly monitor the management's performance.
4. Define clear and appropriate operation guidelines and arrange transparent and effective internal control systems.
5. Ensure that the business is operated, with ethics as well as respects of and responsibility for shareholders and stakeholders; ensure that the business operation benefits the society and environment; ensure that the business can be adjusted under the changing factors and corporate governance.
6. Monitor the Company's performance consistently to ensure that the operation meets the Company's operation plan and budget.
7. Determine risk management policies that cover overall organization; arrange risk management systems or process under standards; determines ways to control risk so as to reduce impacts on the Company and subsidiary's businesses.
8. Determine management structure and be authorized to established sub-committees, the CEO and other committees as appropriate. Identify the scope of responsibility for such persons. The authority given must not include the authority that allows sub-committees, the CEO and other committees to review and approval any transactions that may lead to conflicts of interest with the Company or the subsidiaries (if any), except for the transactions approved by the Board of Directors in accordance with the policies and principles.
9. Approve budget under the ceiling stated in the Company's operation guideline, such as investment in big projects, top management power, connected transactions, acquisition of deposition of assets and any other transactions as specified by laws.
10. Arrange reliable accounting system, financial reports, and auditing; evaluate the appropriateness of internal control and internal audit systems, risk management, and financial reports; and monitor the Company's performance.
11. Arrange the completion of the Company's financial statement as of the end of the accounting period, and have it authorized by the auditor and subsequently presented to the AGM for approval.
12. Arrange reports of general information, One Report and financial reports to be presented to the shareholders, stakeholders and general investors on an accurate and timely manners as specified by laws.
13. Consider approving the selection and appointing of the auditors and appropriate audit fee, based on their qualifications, as proposed by the Audit Committee, before submitting the proposed appointment to the AGM for final approval.
14. Arrange written corporate governance guidelines and ensure effective applications of such guidelines so as to make sure that the Company's business is operated with ethics, respects of the rights and responsibility for shareholders and stakeholders. Also ensure that the Company's business operation is carried out to benefit the society and environment and can be well fined-tune amid any changing factors and under good corporate governance.
15. Prevent any conflicts of interest among directors, shareholders, and stakeholders.



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16. Appraise performance of both Board of Directors as a whole and individual directors in order to review performance as well as problems and obstacles encountered during the year. The appraisal result shall be used as a reference for further development and operation improvement in various areas.
17. Oversees overall business operation and ensure that the operation of both the Company and subsidiaries conforms to the various policies of the Company, securities laws, related regulations, and notifications from the Capital Market Advisory Board, the SEC, and the SET. For example, connected transactions, acquisition of deposition of major property must be done under related laws and not violate other laws. In addition, sufficient internal control and audit systems shall be appropriately arranged.
18. Consider appointing persons to be directors or executives of the subsidiary based at least on the shareholding. Clearly define a scope of responsibility of directors and management of the subsidiary, which include the power relating to the voting in the Board of Directors' meetings of the subsidiary regarding key matters that require opinions from Board of Directors. Control the management of the subsidiary, ensuring that all operation is conducted in compliance with the Company's policies and that all transactions are done under laws. These include accurate and complete disclosure of financial data, earnings performance, connected transactions, acquisition and deposition of significant assets.
19. Report the responsibility of Board of Directors in completion of financial reports, accompanied by the reports of Audit Committee in the annual report, which cover key matters under code of best practice for director of the SET-listed firms.
20. Report about holding of securities in the Company of the director himself/herself, spouses and underage children to the SEC and the SET in the provided form and within the specified timeframe.
21. Board of Directors may authorize a director or directors or some other individuals to perform director functions instead of the key director but thus must be under control by Board of Directors. Board of Directors may authorize such persons to perform some work, as deemed appropriate within particular timeframe as deemed appropriate by Board of Directors and Board of Directors may null, withdraw or amend such authorization as deemed appropriate.
22. Responsible for formulating policies and supervision to ensure that there is an implementation of a system that supports effective anti-corruption measures and being a good role model to ensure that the Board of Directors is aware of and prioritizes anti-corruption as well as fostering it as an organizational culture.

Note that the authorization must not be in a manner that empowers such persons to consider and approve transactions that they may involve in conflicts of interests or link to any forms of conflicts of interests in the subsidiary (if any), as defined by the Capital Market Advisory Board and/or the SET and or other related agencies, except for the case that the transaction approval is conducted in accordance with policies and principles already reviewed and approved by Board of Directors.

Additional duties of Board of Directors

1. Supervise, monitor and ensure that the Company's business is operated effectively, achieving the core corporate objectives.
2. Ensure that all directors take part in promotion of ethical organization culture as well as good corporate governance.
3. Determine AGM agenda in collaboration with the CEO or the management department to ensure that all key matters are included in the agenda.
4. Allocate adequate time in the AGM for the management department to completely propose important matters and information and for directors to discuss such matters carefully and thoroughly.
5. Encourage directors to consider matters carefully and express opinions independently.
6. Strengthen good relations between management directors and non-management directors and between the directors and the management department.

Charter of the CEO

Scope of duties and responsibilities of the CEO

1. Oversee the Company's daily administration and ensure that the overall business operation comply with Company's policies, business strategies and budget, which have been approved by Board of Directors meetings and/or AGMs.
2. Establish policies, business strategies, scope of management authority as well as budget plans both for business operation and annual expenditure budget and propose them to Board of Directors for approval. In addition, the CEO is also in charge of reporting the progress of operation as business plan and the approved budget to Board of Director.
3. Monitor and oversee the Company's status as well as market conditions and propose alternatives and strategies relevant to the Company's status and the market conditions to Board of Directors.
4. Be authorized to review and approve expenditure for the Company's core business operation, under the budget limit approved by Board of Directors and this authority shall be in accordance with the authority, which has been approved by Board of Directors.
5. Be authorized to issue rules, notifications, orders, and regulations relating to the Company's business operation as well as amend, add and/or adjust rules, notifications, orders, and regulations relating to the Company's business operation
6. Be authorized to appoint, dismiss, transfer, terminate employment contracts, and determine salaries, wage rates, as well as other benefits for employees from the position of general managers downwards.
7. Consider, negotiate and approve some contracts and/or any transactions linked to the Company's core business and/or daily administration under the budget limits approved by Board of Directors.
8. Be empowered to authorize and/or assign other persons to be the CEO's substitutes for certain functions. However, the authority shall be under the scope of authorization based on the authorization letter and/or be in accordance with the principles established by Board of Directors.
9. Be responsible to promote and support the implementation of anti-corruption measures. Be a good role model and supervise employees to comply with the anti-corruption measures, including communicating to relevant agencies and reviewing the suitability of the systems and measures to ensure they are consistent with the changes in the business, rules, regulations and legal requirements.
10. Perform any other duties as assigned by Board of Directors and/or AMGs, under the Company's objectives and regulations and related laws.

Note that the CEO does not have authority to approve or authorize any persons to enter any connected transactions, which are not under normal trade terms and conditions and/or transactions related to the acquisition or deposition of the Company's major assets and/or any other transactions that the CEO or any persons with conflicts may involve in some benefits or conflicts of interest, except for the transactions under the policies or principles approved by Board of Directors and/or AGMs.



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Charter of Audit Committee

Scope of duties and responsibilities of Audit Committee

1. Review and ensure that the Company's financial reports are accurate and reliable and they are adequately disclosed, in collaboration with the external auditor, the management and those responsible for the quarterly and annual financial reports. Ensure that the financial reports are completed under general accounting standards. Audit Committee may suggest the auditor to review or check some transactions, which are deemed necessary and important during the auditing process.
2. Consider, select and nominate an independent individual as the Company's auditor as well as propose the audit fee. Attend a meeting with the auditor, without the presence of the management, at least once a year.
3. Consider, review and ensure that the Company's business operation complies with the Civil and Commercial Code, Public Company Limited Act, Securities and Securities Market Act, guidelines from the SEC and the SET and other guidelines related to the Company and/or the Company's business. If necessary, an advisor and an external individual may be recruited to provide some opinions or advice.
4. Review to ensure that the Company's risk management system is appropriate and effective, including risks concerning with anti-corruption.
5. Review and provide opinions in regard to Company's appropriate and effective internal control and audit systems. Examine the independence of the internal control unit as well as approve the appointment, transfer or employment termination for the head of the internal control unit or any units in charge of the Company's internal control affairs.
6. Promote the development of the IC system related to financial reports and internal control systems.
7. Review and provide opinions concerning corporate governance.
8. Supervise the management to establish a process for receiving complaints, whistle blowing on fraud and corruption, as well as supervising the process of receiving complaints and whistle blowing, which covers the whistleblowing process from employees and third parties on fraud and corruption issues for the Board of Directors to jointly consider punishing or resolving such problems according to the Anti-Corruption Policy.
9. Consider and review connected transactions or some significant transactions, which may lead to conflicts of interest or transactions related to either acquisition or disposition of the Company's assets, as proposed by the management. The aim of this practice is to ensure that the all these transactions are in compliance with the guidelines of the SEC, the SET, Civil and Commercial Code, Securities and Securities Market Act and other related regulations in order to make sure that those transactions are justified and most beneficial to the Company.
10. Consider and review to ensure accurate and complete disclosure of the Company's information in case of some connected transactions and transactions that may lead to conflicts of interest or some transactions related to property acquisition or disposition.
11. Report performance outcome of Audit Committee to Board of Directors at least once a year, with the following details.
 - (1) Minutes of Audit Committee's meetings clearly indicating opinions of Audit Committee regarding various matters.
 - (2) Reports about opinions concerning financial reports, internal audit operation and internal audit process.
 - (3) Other reports, which Audit Committee view that they should be disclosed to Board of Directors.
12. Prepare Audit Committee Report signed by the chairman of Audit Committee. The report is to be submitted

to Board of Directors and disclosed in the Company's One Report. The report should at least contain the following details:

- (1) Opinions concerning accuracy, adequacy and reliability of the Company's financial reports
 - (2) Opinions concerning adequacy of the Company's internal control systems
 - (3) Opinions concerning the compliance with the guidelines of the SECT and the SET, Civil and Commercial Code, Securities and Securities Mark Act and other guidelines related to the Company and/or Company's business
 - (4) Opinions concerning qualifications of the Company's auditor
 - (5) Opinions concerning some transactions that may cause conflicts of interests
 - (6) Opinions in regard to the number of the Audit Committee meetings and the attendance of each member
 - (7) Opinions or overall observation that the Audit Committee received from the charter-based operation
 - (8) Other matters that should be disclosed to the shareholders and general investors under the scope of duties and responsibility assigned by the Board of Directors
13. Performance appraisal is conducted at least once a year, both the performance of overall committee and individual directors. The Audit Committee reports appraisal results and provide opinions and suggestions regarding the operation for Board of Directors and these opinions shall be used for performance enhancement.
 14. Review and suggest Board of Directors considering amending scope of duties and responsibility of Audit Committee to match the changing circumstances.



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Charter of Risk Management Committee

Scope of duties and responsibilities of Audit Committee

1. Propose risk management policies and acceptable risk levels to Board of Directors.
2. Determine risk management policies that cover key risk aspects, including financial risks, investment risks, risks impacting the Company's reputation, and etc., and propose such policies to Board of Directors for approval.
3. Identify plans, framework and process of risk management, making them in line with the Company's risk management policies. Monitor whether risk management operation is carried out in accordance with such plans, framework and process and evaluate risk factors. Review the effectiveness of the risk management framework.
4. Review risk management reports and ensure that; i) the risk management is adequate and appropriate; ii) risks are under acceptable levels; and iii) risk management guidelines are regularly put into practice.
5. Develop and review the Company's risk management systems, ensuring their consistent effectiveness and efficiency. Monitor risk management process on a regular basis to ensure that it is in compliance with the set policies.
6. Provide risk management working panel as necessary. Support risk management working panel, in terms of personnel, budget and other necessary resources within the scope of responsibility.
7. Regularly collaborate with Audit Committee, exchanging knowledge and information relating to risks and internal control, which have an impact or may have an impact on the Company.
8. Make decisions and provide suggestions relating to major problems arising in the risk management process.
9. Present operation performance reports to Board of Director for their acknowledgement and/or review quarterly.
10. Perform other duties as assigned by Board of Directors.

Charter of Nomination and Remuneration Committee

Scope of duties and responsibilities of Audit Committee

Nomination and Remuneration Committee performs duties as assigned by Board of Directors. The committee's scope of duties and responsibility is as follows:

Nomination

1. Draft guidelines and policies to nominate Company's directors as well as directors for sub-committees as appropriate, based on the number, structure, and components of Board of Directors. Define qualifications of ideal directors and propose such qualifications to Board of Directors and/or AGM, whatever the case may be.
2. Recruit, select and nominate qualified persons as directors to fill in the vacancies or to appoint add more members.
3. Consider the shortlisted candidates and select ones who are the most qualified, based on the set criteria.
4. Approach the selected qualified persons to inquire if they are willing to take the Company's director position when they are actually appointed by the shareholders.
5. Recruit a person to take the CEO position as well as determine both monetary remuneration and non-monetary remuneration and put forward the proposal to recruit such person to Board of Directors' meeting for approval.
6. Perform other duties as assigned by the Board of Directors

Remuneration

1. Establish guidelines and policies regarding remuneration for the directors in the Board of Director and in sub-committees and propose them to Board of Directors and or/ seek approval from AGM, depending on each case.
2. Determine necessary remuneration, both monetary and non-monetary remuneration, for individual directors each year, based on their duties, responsibilities, and performance, taking into account comparison with remuneration scales from those with similar business in the industry and expected benefits from them. The determined remuneration packages will then be proposed to Board of Directors and AGM for approval.
3. Report policies, principles/ reasons of remuneration criteria for directors and management, based on the requirements of the SET, in the Company's 56-1 Form and One Report.
4. Determine annual remuneration of directors, based on the set criteria and propose it to Board of Directors before seeking approvals from AGM.
5. Review the appropriateness and provide regarding new securities offering for directors and employees, taking into: i) account fair treatment for shareholders; i) motivation for directors and employees to perform duties toward the goal to create value addition to shareholders in the long term and iii) the Company's ability to maintain quality personnel.
6. Review criteria for annual performance appraisal of the CEO.
7. Determine annual remuneration for the CEO, based on the reviewed criteria, and propose it to Board of Director for approval.
8. Consider bonus payment and raises in salary scales for employees and propose it for Board of Director's consideration.
9. Perform other duties as assigned by the Board of Directors.



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Charter of Executive Committee

Scope of duties and responsibilities of Audit Committee

1. Consider policies, strategies and business plans as well as management structure and approval authority and propose them to Board of Directors.
2. Review annual budget and propose it to Board of Directors. Control budget disbursement under the budget ceiling approved by Board of Directors.
3. Control, oversee, and monitor the Company's operation performance to ensure they go well in line with the Company's policies, objectives, business strategies, set budget and scope of authority as approved by Board of Directors and also ensure that all these are carried out effectively and favorable to business conditions. Report operation performance to Board of Directors.
4. Consider approving transactions that support the Company's core business operation, such as investment under the budget approved by Board of Directors. The budget limit for each transaction is based on the budget scales under the scope of authority approved by Board of Directors.
5. Present appropriate organizational structure and propose it for Board of Directors to consider approval.
6. Be empowered to authorize a person or persons to perform any task under control by Board of Directors; or empower such person(s) to be authorized as deemed appropriate by Executive Committee and under the duration deemed appropriate by Executive Committee. The Executive Committee may null, withdraw or change such authorization or change the authorized person(s) as appropriate.
7. Establish a system and encourage and support the implementation of various measures set by the Company, including anti-corruption measures.
8. Perform other duties as assigned by the Board of Directors.

Note that the authorization and the responsibility of Executive Committee must not be in a manner that empowers the authorized person(s) to approve transactions that they or connected or persons with possible conflicts (as defined by the Capital Market Advisory Board and/or the SET and/or related agencies) may have some benefits or involve in conflicts of interests or link to any forms of conflicts of interests in the Company, the subsidiaries and/or associate companies. The Executive Committee does not hold authority to approve such transactions and they need to be proposed to Board of Directors' meeting and or AGM (whatever the case may be) for further approval; except for the case that the transaction approval is conducted under normal trade terms and conditions, as defined by the Capital Market Advisory Board and/or the SET and/or related agencies.

Attachment 6

Audit Committee Report

Attention: Shareholders of Next Capital Public Company Limited

The Company's Audit Committee was appointed by the Board of Directors, consisting of 3 directors whose qualifications match the criteria set out in the Notification of the Securities and Exchange Commission. The directors in the Audit Committee are independent to carry out their duties according to the scope assigned by the Board of Directors and the Charter of the Audit Committee, which is in line with the requirements of the Stock Exchange of Thailand. The names and number of their attendances in the Audit Committee's Meeting of 2022 are as follows:

No.ที่	Name - Surname	Position	No. of Meetings	No. of Meeting Attendances
1	Mrs. Ladawan Charoen-rajabark ¹	Chair of the Audit Committee	3	3
2	Mr. Wirach Morakotkarn ²	Chair of the Audit Committee	1	1
3	Mr. Amornyos Panit	Audit Committee	4	4
4	Prof. Dr. Patipan Sae-Lim	Audit Committee	4	4

Note : 1. The Board of Directors' Meeting No. 2/2022 held on May 3, 2022, resolved to appoint Mrs. Ladawan Charoen-rajabark as an Independent Director and Chair of the Audit Committee to replace the resigned director.

2. Mr. Wirach Morakotkarn resigned from the position of Independent Director and Chairman of the Audit Committee effective May 2, 2022.

In the fiscal year 2022, the Audit Committee held a total of four meetings, all members of the Audit Committee attended every meeting. The meetings were held with the executives, auditors, and internal auditors who have considered, discussed and exchanged opinions on related matters as appropriate and summarized the minutes of the meeting to the Board of Directors for acknowledgment. In summary, the key performance in the year is as follows:

1. The accuracy, completeness, and reliability of the Company's financial reports

The Audit Committee has reviewed the Company's quarterly and annual financial statements for the year 2021 for accuracy and adequate disclosure of information by meeting with the auditors. From the review, there were no grounds to believe that the essence of the financial reports has not been done in accordance with generally accepted accounting principles. In addition, the Audit Committee has met with the auditors without the presence of the management to inquire and listen to clarifications, as well as opinions and suggestions in various issues related to the Company's financial reports. This is to ensure that the Company's financial report has been prepared with accuracy and completeness as it should in all material aspects, and that it is reliable in accordance with generally accepted accounting standards. Furthermore, there is also a sufficient disclosure of information accompanying the financial statements, including suspicious behavior under Section 89/25 of the Securities and Exchange Act B.E. 2535 (1992), as amended by the Securities and Exchange Act (No.4) B.E. 2551 (2008). In 2021, the auditors had no remarks and did not find any suspicious behavior before presenting to the Board of Directors for consideration and approval for disclosure to the Stock Exchange of Thailand and the Securities and Exchange Commission.

2. The adequacy of the Company's internal control system.

The Audit Committee has considered hiring P&L Corporation Company Limited (P&L), an internal audit service provider, together with the auditing by the auditors from the internal audit department with no interest in the Company, in order for the internal audit to be efficient and effective. The Audit Committee will review the annual internal audit plan and report the results of the internal audit from the auditors, as well as monitor the results and the progress of remediation (if any) to the management on an ongoing basis. From the Company's internal audit report, the Audit Committee is of the opinion that the Company's internal control system is appropriate and sufficient.



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3. Compliance with the Civil and Commercial Code, the Public Limited Company Law, the Securities and Exchange Act, the regulations of the Stock Exchange or the law relating to the Company's business.

The Audit Committee has considered the results of reviewing the Company's performance in accordance with the Civil and Commercial Code, the Public Limited Company Law, the Securities and Exchange Law, the Stock Exchange's regulations, and the laws related to the Company's business. No material flaws were found in the non-compliance with applicable laws and regulations.

4. Appropriate and efficient risk management systems.

The Audit Committee has reviewed the overall risk management of the company (Enterprise Risk Management: ERM) by conducting corporate risk management in accordance with the COSO – ERM 2017 standard framework, where the company is a risk indicator. Risks were assessed from both external and internal factors by managing the risks and monitoring progress from the relevant departments to ensure that the target work can be achieved and if there is an event that may affect the achievement of the Company's objectives, the risk can be managed to an acceptable level promptly. The Audit Committee has made recommendations for risk improvement and is of the view that the Company has an adequate risk management system and should monitor and improve in order to continually effective risk management.

5. Transactions that may have conflicts of interest.

The Audit Committee has reviewed and commented on connected transactions or transactions that may lead to conflicts of interest annually and quarterly. No transactions were found to have conflicts of interest and the Company has disclosed the correct and complete information in such matter.

6. Selection and nomination of auditors

The Audit Committee reviewed the auditor's performance over the past year and the auditor's remuneration based on business knowledge, experience, the appropriateness of remuneration, and the independence of the auditor, the committee has proposed the appointment of Ms. Sakuna Yamsakul, Certified Public Accountant No. 4906, Mr. Boonlert Kamonchanokkul, Certified Public Accountant No. 5339 and Ms. Sinsiri Tangsombat, Certified Public Accountant No. 7352 of PricewaterhouseCoopers ABAS Company Limited as the Company's auditor. It was proposed to the Board of Directors for further approval at the Annual General Meeting of Shareholders for the year 2023.

In overall summary, the Audit Committee has performed all duties as specified in the Audit Committee Charter approved by the Board of Directors and is of the opinion that the Company has reported accurate and complete financial and operational information. There is an appropriate and effective internal control, internal audit, and risk management system, with compliance with the laws, regulations, and various obligations. There is a correct procedure to handle the connected transactions, and the operation is sufficiently and credibly consistent with the system of good corporate governance. There is also a consideration on the independency of the auditors in order to appoint and propose the remuneration of the auditors.

(Mrs. Ladawan Charoen-rajapark)

Chairman of the Audit Committee

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