

# HENG



Annual Registration Statement and Annual report 2022  
(Form 56-1 One Report)

**Heng Leasing and Capital Public Company Limited**



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## Visions

*“The most admire financial service  
for localization”*



## Mission

To provide financial services that respond to the needs of local customers and exceed their expectations and comply with international standards by professional personnel in order to achieve the optimum benefits for customers. To improve product quality, manage and control risks, and continuously improve the quality of personnel for sustainable growth.





## Message from the Chairman of The Board of Directors

*“The most admire financial service  
for localization”*

**Prof. Dr. Surapon Nitikraipot**  
Chairman of the Board of Directors



### Dear Shareholders,

The year 2022 was still the year that Thailand was affected by the Covid-19 pandemic and the global economy being affected by the war between Russia and Ukraine. As a result, some businesses had to close since the number of customers was rapidly decreasing and businesses could not afford to bear increasing costs. The businesses had to reduce their expenses to survive, and digital technology has been applied in various aspects such as buying and selling products online and transactions via electronic systems etc. Such factors are challenges for the Company, requiring effective management, better internal control, and risk management by the Company as an entrepreneur, who must pay attention and help employees to get through the crisis, and as a loan service provider, who must have careful consideration in granting loans, to prevent any damage that may occur from a decrease in loan serviceability. At the same time, the Company must consider ways to help customers affected by the Covid-19 pandemic to reduce the customers' cost burden.

Due to various factors affecting the lifestyle and changing consumer behavior, the Company has a mission to develop information technology systems and products to respond to the needs and reach as many customers as possible. This is to be in line with the Company's mission to provide financial services that meet the needs of all customers. According to its vision to be the most preferred financial service provider in each locality, the Company continues to operate with the determination to maximize the benefits of all stakeholders under the balance of economy, society, and environment.

In the year 2022, it was the first year of being listed on the stock exchange, the Company has received a 5-star CG Rating from the Thai Institute of Directors (IOD), which illustrates the business operations that aim to create sustainable growth. The Company has also been assessed with a full score of 100 or excellent level from “Assessment of the quality of the 2022 Annual General Meeting of Shareholders or AGM Checklist” from the Thai Investors Association, which reflects the Company places equal importance on shareholders. In addition, the Company has established the Corporate Governance and Sustainable Development Committee to help support and supervise good corporate governance, anti-corruption, and the Company's sustainable development so that the Company's business operations are fair to all stakeholders, transparent, and verifiable. There is a system or process for implementing the policy, business strategy, and building public confidence to develop into a sustainable organization.

On behalf of the Board of Directors of Heng Leasing and Capital Public Company Limited, we would like to express gratitude to all stakeholders and shareholders who have always given trust to the Company.





## Message from the Chief Executive Officer

*“Service provider with  
transparency and fairness”*

**Mrs. Sutharntip Phisitbuntoon,**  
Chief Executive Officer



For the past 1 year, Heng Leasing and Capital Public Company Limited (the “Company”) was listed on the Stock Exchange of Thailand in October 19, 2021 over the past 7 years which was a gathering of a group of co-founders who had previously been engaged in leasing business in the northern for at least 30 years. The co-founders intended to bring together the knowledge and capabilities of each group as a driving force for the Company, allowing the Company to be on the path of doing business with stability and step into professional financial service that can reach locally.

The year 2022 was another year that the world including Thailand was inevitably affected by the Covid-19 outbreak. As a result, the slowdown of the business sector especially SMEs. The company is therefore a part of helping all such customers to have access to fair lending. Also provides assistance in accordance with sustainable debt remediation measures according to the Bank of Thailand’s guidelines. Also in the past year the company has received “Best Hire Purchase Company for Second Hands Cars” reward from International Finance Magazine, England. To promote and support businesses to be able to operate continuously in strengthening the country’s business mechanism and can restore the ability to do business back to normal as soon as possible.

In addition, the Company places importance on good corporate governance, risk management, and supervision of regulatory compliance, particularly protecting customers’ personal information under the care of the Company. The Company has developed an information technology system with the highest security standards. the Company was assessed for corporate governance (CG Rating) at the level of 5 stars or “excellent” level. We have continuous commitment to sustainable development, delivering financial stability to customers and taking care of the society, economy and environment in balance.

In order to follow with the Company’s vision of becoming “The most admire financial service for localization”, the Company places importance on expanding new branches so that customers in all areas can access financial services. There have been improvements and changes in various loan products to become more diversified and meet the needs of customers in each locality. Customers can access products more conveniently. The Company is committed to developing products along with developing information technology system for improved lending system. This is to be in line with the behavior of customers in the digital age and provides services to customers with fairness. We sincerely hope that we will continue to receive good feedback from customers who use our services.

# 1

## Part 1

# The Structure and Operation of the Company



## 1. The Structure and Operation of the Company

### 1.1 Policy and Business Overview

Heng Leasing and Capital Public Company Limited (the “Company”) was incorporated by joint investment between major loan service providers in the northern region. In the year 2015, Suphasathitkul family, Pantharat family and Patong family Paisanteerakorn family and Ratanasirisap family registered the incorporation of the Company. Subsequently in the year 2016, jointly invested in the Company to provide secured loans under the service mark “Heng Leasing.” The Company later expanded its scope of services to respond to customers’ needs and increase competitiveness through product development including unsecured loan, mortgage loan, and non-life and life insurance broker.

Expansion in terms of number of branches and human resources development has resulted in continuous growth of the Company and continued to focus on business expansion. As of 31 December 2022, the Company provides services to retail customers through its 638 branch offices and a network of many thousands used car tents countrywide And there are 40 new branches opened in January 2023 to prepare for continuous operations, totally 678 branches.

#### 1.1.1 Vision, Mission and Goals of Heng Leasing and Capital Public Company Limited



##### Vision

“The most admire financial service for localization”



##### Mission

To provide financial services that respond to the needs of local customers and exceed their expectations and comply with international standards by professional personnel in order to achieve the optimum benefits for customers. To improve product quality, manage and control risks, and continuously improve the quality of personnel for sustainable growth.

## Goals

The company is determined to be one of the leaders in the comprehensive credit service business that can respond to the needs of all groups of customers. There are important business goals as follows:

1. To expand the Company's service channels for accessibility of the Company's products and services by customers. The Company plans to continuously expand to increase the number of branches to 830 branches by 2023, covering all regions of the country and continuously expanding to 1,340 branches by 2025.
2. To develop loan services to suit the behavior of each target customer group. The Company's goal is to continuously grow the value of debtors and has the value of receivables of approximately THB 14,800 million within the year 2023 and plans to expand the receivable value to approximately 25,400 million baht within 2025
3. To increase the effectiveness in the control and management of debtor quality
4. To develop the Company's personnel to become professional with standards to support the growth of the organization.
5. To develop technology systems to support business growth and increase competitiveness.

### 1.1.2 Significant Developments and Milestones

Significant developments of the Company during the past period are as follows:

#### Year

2015

#### Milestones

- Suphasathitkul Family , Pantharat family and Patong family co-founded the Company on 30 October 2015 with initial registered capital of THB 5.0 million, consisting of 1.0 million shares at a par value of THB 5.0 per share to provide loan services with motor vehicle registration as collateral.
- Paisanteerakorn family and Ratanasirisap family jointly invested in the Company on 22 August 2016.
- The Company increased its registered capital from THB 5.0 million to THB 305.0 million by issuing 60.0 million new ordinary shares with a par value of THB 5.0 per share to be used for expansion of loan services and branches.
- Started to open 147 branches in 3 regions, namely 103 branches in the northern region, 41 branches in the central region, and 3 branches in the western region.
- Increased registered capital from THB 305.0 million to THB 1,710.0 million by issuing 281.0 million new ordinary shares with a par value of THB 5.0 per share to be used for expansion of loan services and branches.
- Opened 82 additional branches in 4 regions, namely 49 branches in the central region, 18 branches in the north-eastern region, 13 branches in the northern region, and 2 branches in the western region. As a result, there was a total of 229 branches in services. This was the first year to expand loan services in the north-eastern region.
- Increased registered capital from THB 1,710.0 million to THB 3,009.0 million by issuing THB 259.8 million new ordinary shares with a par value of THB 5.0 per share to be used for expansion of loan services and branches.
- Opened 65 additional branches in 4 regions, namely 52 branches in the north-eastern region, 7 branches in the western region, 5 branches in the central region, and 1 branch in the northern region. There was a total of 294 branches in services.
- Accredited to the international standards such as ISO/IEC 27001:2013 Information Security Management System.
- The Company obtained a letter of approval from the Ministry of Finance to conduct the following business:
  - Regulated retail loan for occupations on 11 March 2019
  - Regulated personal loan on 13 June 2019
- The Company obtained a license as a life insurance broker and a non-life insurance broker on 26 December 2019 from the Office of Insurance Commission (OIC).
- Opened 5 additional branches in 2 regions, namely 4 branches in the north-eastern region and 1 branch in the central region. As a result, there was a total of 296 branches in services (3 branches were closed down).

2016

2017

2018

2019

2019

Opened 4 car auction centers in Chiang Rai Province, Suphanburi Province, Phitsanulok Province and Khon Kaen Province to be the centers for car auction in the northern, central and north-eastern regions.

2020

Opened 106 additional branches in 6 regions, namely 56 branches in the northern region, 23 branches in the central region, 22 branches in the north-eastern region, 3 branches in the southern region, 1 branch in the eastern region, and 1 branch in the western region. There was a total of 402 branches in services. This was the first year to expand loan services to the eastern and southern regions.

Opened 3 car auction centers in Chiang Mai Province, Phrae Province and Nakhon Ratchasima Province to be the centers for car auction in the northern and north-eastern regions. As a result, the Company had a total of 7 car auction centers.

Expansion of services into mortgage loan service.

2021

As of 5 July 2021, the Company has a total of 451 branches in 6 regions, namely 171 branches in the northern region, 131 branches in the central region, 122 branches in the north-eastern region, 21 branches in the western region, 3 branches in the southern region, and 3 branches in the eastern region.

The Company has been certified by the Thai Institute of Directors (IOD) to be a member of the Private Sector Collective Action Coalition Against Corruption (CAC). Such certification is valid for a period of 3 years, effective on 31 March 2021.

The 2021 Annual General Meeting of Shareholders held on 21 April 2021 resolved as follows:

- Approved the conversion of the Company from a private limited company to a public limited company and changed the company name from Heng Leasing Company Limited to Heng Leasing and Capital Public Company Limited. The Company registered its conversion from a private limited company to a public limited company on 21 April 2021.
- Changed the par value of the Company's ordinary shares from THB 5.0 per share to THB 1.0 per share, resulting in an increase in the number of ordinary shares from 601,832,540 shares to 3,009,162,700 shares.
- Increased registered capital in the amount of THB 800,837,300, resulting in an increase in the registered capital from THB 3,009,162,700 to THB 3,810,000,000 by issuing 800,837,300 new ordinary shares with a par value of THB 1.0 per share for initial public offering (IPO).

The Company's shares became listed securities on 19 October 2021, which was the first day trade on the Stock Exchange of Thailand. The total number of 800,837,300 shares were offered to the general public at the price of THB 1.95 per share. The Company's ticker symbol is "HENG".

2022

The annual general meeting on 20 April 2022, The company received 100 full score or excellent rating from the 2021 Annual General Shareholders' Meeting Assessment Project, conducted by the Thai Investors Association.



As of 3 August 2022, the Company has received Best Hire Purchase Company for Second-Hand Cars from IFM Awards 2022, conducted by International Finance Magazine.

As of 27 October 2022, The company received excellent rating or full mark 5 medals rating from the Corporate Governance Report of Thai Listed Company (CGR) Assessment conducted by the Thai Institute of Directors (IOD) with support from the Stock Exchange of Thailand (SET).



As of 31 December 2022, the Company has a total of 638 branches in 6 regions, namely 173 branches in the northern region, 157 branches in the central region, 219 branches in the north-eastern region, 35 branches in the western region, 23 branches in the southern region, and 31 branches in the eastern region and there are 40 new branches opened in January 2023 to prepare for continuous operations, totally 678 branches.



### 1.1.3 Utilization of proceeds from the initial public offering

Please refer to the topic “Obligations of the company as stated under the information statement.”

### 1.1.4 Obligations of the company as stated under the information statement

According to Heng Leasing and Capital Public Company Limited (“the Company”) offered the first public offering ordinary shares (“IPO”) on October 6 - 8, 2021, amounting to 800,837,300 shares at the share price. 1.95 baht per share and brought the Company’s newly issued ordinary shares listed on the Stock Exchange of Thailand on October 19, 2021. The company received money from the offering of newly-issued ordinary shares in the amount of 1,561.63 million baht, after deducting the underwriting fees and underwriting guarantees in the IPO and other related expenses this time. The remaining amount is 1,504.8 million baht. The company has used the money received from the IPO ending on December 31, 2022 as follows:

(Unit : Million)

Objective	Financial plan (Approximate)	Amount spent Until Dec 31, 2022	Balance amount As of Dec 31, 2022	Amount spent from Jan 1, 2022 to Dec 31, 2022	Balance amount As of Dec 31, 2022
1. Expansion of loan service business, branches, and related business, such as non-life insurance and life insurance brokerage business, and working capital for business operations	1,134.8 - 1,014.8	700.0	434.8 - 314.8	334.8	-
2. Partial repayment of loans from financial institutions	400.0-300.0	329.3	70.7	70.7	-
3. Development of information technology system, such as software and mobile applications, for the Company’s loan service business	90.0-70.0	0.1	89.9-69.9	5.6	64.3
<b>Total</b>	<b>1,504.8</b>	<b>1,029.4</b>	<b>475.4</b>	<b>411.1</b>	<b>64.3</b>

### 1.1.5 Name and location of head office

<b>Company name</b>	Heng Leasing and Capital Public Company Limited
<b>Head office address</b>	69 Moo 7, San Sai Noi Sub-district, San Sai District, Chiangmai Province 50210
<b>Type of business</b>	Non-bank financial institution which provides: (1) hire purchase; (2) regulated personal loan with motor vehicle registration as collateral; (3) mortgage loan; (4) personal loan which is not loan with motor vehicle registration as collateral; (5) regulated retail loan for occupation; (6) non-life and life insurance brokers.
<b>Company registration number</b>	0107564000120
<b>Telephone</b>	1361 or 02 153 9587
<b>Fax</b>	053 350 490
<b>Website</b>	www.hengleasing.com
<b>E-mail</b>	Investor Relations Department IR_heng@hengleasing.co.th
<b>Registered capital</b>	THB 3,810,000,000, consisting of 3,810,000,000 ordinary shares at a par value of THB 1 per share
<b>Paid-up capital</b>	THB 3,810,000,000, consisting of 3,810,000,000 ordinary shares at a par value of THB 1 per share

## 1.2 Nature of Business

### 1.2.1 Revenue structure

The Company's revenue structure can be mainly classified based on the credit risk into secured loans and unsecured loans.

Table illustrating the Company's revenue structure

Interest income	For the financial year ending 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>1. Interest income from secured loans</b>	<b>1,401.1</b>	<b>88.1</b>	<b>1,320.7</b>	<b>80.3</b>	<b>1,710.2</b>	<b>80.5</b>
• Hire purchase	1,033.2	65.0	825.9	50.2	924.0	43.5
• Regulated personal loan with motor vehicle registration as collateral	367.4	23.1	479.3	29.1	761.1	35.8
• Mortgage loan	0.6	0.0	15.5	1.0	25.1	1.2
<b>2. Interest income from unsecured loans</b>	<b>49.2</b>	<b>3.1</b>	<b>150.6</b>	<b>9.2</b>	<b>151.2</b>	<b>7.1</b>
• Regulated personal loan without motor vehicle registration as collateral	6.2	0.4	24.2	1.5	22.4	1.0
• Nano financing	43.0	2.7	126.4	7.7	128.8	6.1
• <b>Total interest income</b>	<b>1,450.3</b>	<b>91.2</b>	<b>1,471.3</b>	<b>89.5</b>	<b>1,861.4</b>	<b>87.6</b>
• Fee and service income	102.6	6.5	105.0	6.4	197.6	9.3
• Other income	37.1	2.3	68.1	4.1	65.4	3.1
<b>Total</b>	<b>1,590.0</b>	<b>100.0</b>	<b>1,644.4</b>	<b>100.0</b>	<b>2,124.4</b>	<b>100</b>

### 1.2.2 Product information

#### (1) Nature of products or services and business innovation development

At present, the Company offers secured loans, unsecured loans, and regulated personal loans under the supervision of the Bank of Thailand ("BOT"). The Company has been licensed to conduct: (1) regulated retail loan for occupation (Nano financing); and (2) regulated personal loan business from the Ministry of Finance since March 2019 and June 2019 respectively. Based on credit risk, the Company's loan products can be classified into the following 2 major groups.

#### 1. Secured loans

##### 1.1. Hire purchase

The Company offer hire purchase for general retail customers who wish to purchase used cars such as cars, pickup trucks, motorcycles, and vehicles used for agriculture etc. The customer who agrees to enter into a hire purchase contract must transfer the ownership in the car to the Company to reduce credit risk, while the customer maintains possession and can utilize such asset. The customer pays a monthly installment consisting of principal and interest and the ownership of the asset shall be transferred to the customer when the customer has paid all installments under the contract in full. In considering each customer's credit limit, the Company shall consider type and value of collateral and ability to repay debt, and qualifications of the customer and guarantor (as the case maybe) etc. The Company's policy is to provide the maximum contract period of not more than 12-84 installments.

As of December 31, 2022 interest income from hire purchase accounted for 43.5% of the total revenues.

## 1.2. Regulated personal loan with motor vehicle registration as collateral

Regulated personal loan with motor vehicle registration as collateral is a loan service for general retail customers who own a vehicle by using vehicle registration manual as collateral for application of the loan. The customer must have ownership in the vehicle. The customer pays monthly installments consisting of principal and interest. In considering each customer's credit limit, the Company shall consider type and value of collateral and ability to repay debt, and qualifications of the customer and guarantor (as the case may be) etc. The Company's policy is to provide the maximum contract period of not more than 12-84 installments. Each customer may apply for only 1 loan contract per collateral.

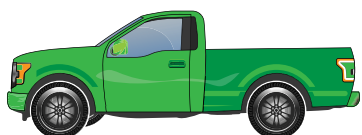
The Company receives interest income and fee and other service income from providing loan at the interest rate mutually agreed under the contract, provided that the maximum aggregate rate of interest income, fine, service charge and fee must not exceed the maximum effective rate as determined by the BOT. In addition to such interest income, fine, service charge and fee, the Company may collect actual and reasonable expenses as prescribed by the BOT.

As of December 31, 2022 the Company's interest income from regulated personal loan with motor vehicle registration as collateral accounted for 35.8% of the total revenues.

To ensure that the loan applicant is a real owner of the vehicle, customers who apply for a loan must provide the original vehicle registration manual to the Company as collateral without having to register the transfer of ownership. The customer must sign a transfer form and a power of attorney in the form as prescribed by the Department of Land Transport. In the event that the customer defaults on the loan repayment, the customer agrees to transfer the ownership and deliver the vehicle to the Company in order to sell and use the proceeds to pay off the loan. The ownership in the vehicle remains with the customer and may bring the vehicle back for usage.

The vehicle registration manual used as collateral must be in accordance with the Road Traffic Act B.E. 2522 (the "Road Traffic Act") which covers vehicles including motorcycle, passenger car, commercial car, truck, and vehicle for agricultural use etc.

### Sample of the types of motor vehicle which are used as collaterals



● Pickup truck



● Sedan



● Truck



● Van



● Motorcycle



● Agricultural vehicle

### 1.3. Mortgage loan

Mortgage loan is a loan service for general retail customers who own a house or land. The owner of house or land as mortgagor registers mortgage over the house or land as collateral to the Company as mortgagee. The customer provides the land title deed to the Company as collateral on the date on which he or she receives the loan proceeds. The mortgagor maintains possession and may continue to use such collateral. In case the debt repayment is overdue, the Company as lender and mortgagee must notify the customer to make repayment within a specified time period. If the customer does not make repayment within the prescribed time period, the Company shall file a lawsuit to enforce the mortgage and sell the collateral through auction at the Legal Execution Department. The customer will pay the principal and interest as mutually agreed under the contract. In considering each customer's credit limit, the Company shall consider type and value of collateral with reference to appraisal value by the Land Department, ability to repay debt, and qualifications of the customer and guarantor (as the case maybe). The Company's policy is to provide the maximum contract period of not more than 12-84 installments.

The Company receives interest income at the interest rate mutually agreed under the contract, provided that the maximum aggregate rate of interest income must not exceed the maximum effective rate under the applicable laws. In addition to such interest income, the Company may collect actual expenses, such as mortgage fee and stamp duty etc. At present, the Company does not have a policy to charge a front-end fee on mortgage loan.

As of December 31, 2022 the Company's interest income from mortgage loan accounted for 1.2% of the total revenues respectively.

## 2. Unsecured loans

### 2.1. Regulated personal loan without motor vehicle registration as collateral

Regulated personal loan without motor vehicle registration as collateral is a multi-purpose loan for individual customers with steady income and can provide proof of income such as government and state enterprise officers and private sector employees etc. The customer will pay the principal and interest on a monthly basis. In considering each customer's credit limit, the Company shall consider ability to repay debt and qualifications of the customer and guarantor (as the case may be). The Company's policy is to provide a maximum credit limit of not more than 1.5 times of monthly income (the maximum credit limit is subject to changes according to the Company's marketing strategy at the time). The maximum repayment period is not more than 36 installments, which is in accordance with the regulations of the BOT. In addition, the Company's policy is to grant only 1 contract for regulated personal loan without motor vehicle registration as collateral to each customer. Customers who have outstanding balance of nano financing with the Company may not apply for regulated personal loan without motor vehicle registration as collateral in order to reduce risk of the customer not being able to repay loan to the Company.

For regulated personal loan which is not regulated personal loan with motor vehicle registration as collateral, the Company shall receive interest income and fee and other service income from providing loan at the interest rate mutually agreed under the contract, provided that the maximum aggregate rate of interest income, fine, service charge and fee must not exceed the maximum effective rate as determined by the BOT. In addition to such interest income, fine, service charge and fee, the Company may collect actual and reasonable expenses as prescribed by the BOT.



As of December 31, 2022 the Company's interest income from regulated personal loan without motor vehicle registration as collateral accounted 1.0% of the total revenues.

## 2.2. Nano financing

The Company provides nano finance loans to general retail customers that are intended for professional use for customers who neither have proof of income or asset as collateral. The customer must be qualified as a professional with a permanent establishment and must have evidence and place of occupation and a clear source of income from occupation. The Company will assess income, inspect and take pictures of the place of occupation as evidence for credit consideration or a person who has a document certifying occupation, such as a certificate of trade registration or farmer's registration book etc., to be used as evidence for application for a loan.

The Company will consider the credit limit based on income assessment. The maximum credit limit for nano financing (the maximum credit limit is subject to changes according to the Company's marketing strategy at the time). The maximum repayment period is not more than 36 installments. The maximum aggregate rate of interest income, fine, service charge and fee must not exceed the maximum effective rate as determined by the BOT. The Company's policy is to grant only 1 contract for nano financing to each customer. Customers who have outstanding balance of regulated personal loan without motor vehicle registration as collateral with the Company may not apply for nano finance loan from the Company.

As of December 31, 2022 the Company's interest income from nano financing accounted for 6.1% of the total revenues.

### Value of receivables classified by type of collateral

Total receivables – net	As of 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Pickup trucks	4,435.3	53.6	4,193.7	45.6	5,620.1	46.8
Sedan	2,219.8	26.8	2,845.9	31.0	3,933.13	32.7
Vehicles for agricultural use	365.1	4.4	375.5	4.1	557.7	4.6
Vans	312.5	3.8	339.2	3.7	398.2	3.3
Trucks	279.8	3.4	310.0	3.4	461.4	3.8
Motorcycles	268.4	3.2	355.1	3.9	396.2	3.3
Other vehicles <sup>(1)</sup>	2.6	0.0	0.1	0.0	0.3	0.1
Land and houses	36.8	0.4	155.0	1.7	182.1	1.5
No collateral	356.5	4.3	606.3	6.6	471.0	3.9
<b>Total receivables</b>	<b>8,276.8</b>	<b>100.0</b>	<b>9,180.5</b>	<b>100.0</b>	<b>12,020.1</b>	<b>100.0</b>
Deduct: Allowance for doubtful accounts / Allowance for expected credit losses	(543.5)	(6.6)	(540.4)	(5.9)	(538.5)	(4.5)
<b>Total receivables – net</b>	<b>7,733.3</b>	<b>93.4</b>	<b>8,640.1</b>	<b>94.1</b>	<b>11,481.6</b>	<b>95.5</b>

**Remark:** <sup>(1)</sup> Majority of other vehicles include cranes, tricycles and tour buses etc.

## Terms and conditions of each type of loan

Loan Type	Secured Loans			Unsecured Loans	
	Hire purchase	Regulated personal loan with motor vehicle registration as collateral	Mortgage loan	Regulated personal loan without motor vehicle registration as collateral	Nano financing
Supervisory agency	Office of the Consumer Protection Board (OCPB)	BOT	Ministry of Justice	BOT	BOT
Credit limit / maximum number of contracts <sup>(1)</sup>	Total of not exceeding 4 contracts (including contract (s) under which customer acts as a guarantor)	Total of not exceeding 4 contracts (including contract (s) under which customer acts as a guarantor)	Total of not exceeding 4 contracts (including contract (s) under which customer acts as a guarantor)	(1) Not exceeding 1.5 times of income (2) Not exceeding THB 45,000 per customer (Financing balance including insurance) (3) Total of not exceeding 3 places (including contract(s) with other loan service provider(s)) (4) Total of not exceeding 4 contracts (including contract(s) under which customer acts as a guarantor)	(1) According to the BOT Criteria (2) Total of not exceeding 4 contracts (including contract(s) under which customer acts as a guarantor)
				*The customer could make the Personal Unsecured Loan or Nano Finance only 1 contract.	
Maximum interest rate <sup>(1)</sup>	Maximum flat rate of 18% <sup>(2)</sup> per annum	Maximum effective interest rate and other fees of 24% per annum (for customers from 1 August 2020 onwards)	Maximum effective interest rate of 15% per annum	Maximum effective interest rate and other fees of 25% per annum (for customers from 1 August 2020 onwards)	Maximum effective interest rate and other fees of 33% per annum (for customers from 1 August 2020 onwards)
Repayment	On a monthly basis	On a monthly basis	On a monthly basis	On a monthly basis	On a monthly basis
Repayment period	Maximum of 84 months	Maximum of 84 months	Maximum of 84 months	Maximum of 36 months	Maximum of 36 months
Type of customer	General customers who want to purchase used cars	General customers	General customers	General customers with proof of income	General customers without proof of income
Collateral	Vehicle registration manual	Vehicle registration manual	Title Deed, Certificate Utilization (NS.3/NS.3K.)	None	None
Type of vehicle	Vehicle which has vehicle registration manual according the Road Traffic Act	Vehicle which has vehicle registration manual according the Road Traffic Act	Not applicable	Not applicable	Not applicable

**Remarks:** (1) The maximum interest rate is subject to changes according to the Company's management policy and marketing strategy at the time.

(2) The effective interest rate depends on contract type and repayment period of each contract (an approximate of 15% to 33% assuming repayment of 12 – 84 installments). For customers from 1 July 2018 onwards, the Company has specified a flat interest rate and an effective interest rate under hire purchase contracts for acknowledgement by the customers.

The Company has a policy to control concentration of all loan types by requiring each customer to enter into contracts with the Company at the maximum number of not more than 4 contracts. The Company gives importance to the customer's ability to repay loan by assessing each customer's remaining cash flow after deducting monthly expenses, whether it is sufficient to pay each installment as requested by the customer to the Company.

However, In the future, the Company may review terms and conditions of each loan type as it deems appropriate, subject to a number of factors such as risks that might be changed according to market and/or economic conditions or competition in the industry etc.

**Table illustrating the Company's receivables classified by type of loan**

Total receivables – net	As of 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>1. Secured loans</b>	<b>7,920.3</b>	<b>95.7</b>	<b>8,574.2</b>	<b>93.4</b>	<b>11,549.14</b>	<b>96.1</b>
• Hire purchase	5,895.1	71.2	5,501.7	59.9	6,732.54	56.0
• Regulated personal loan with motor vehicle registration as collateral	1,988.4	24.0	2,917.5	31.8	4634.5	38.6
• Mortgage loan	36.8	0.4	155.0	1.7	182.11	1.5
<b>2. Unsecured loans</b>	<b>356.5</b>	<b>4.3</b>	<b>606.3</b>	<b>6.6</b>	<b>471.0</b>	<b>3.9</b>
• Regulated personal loan without motor vehicle registration as collateral	74.7	0.9	118.1	1.3	83.2	0.7
• Nano financing	281.8	3.4	488.2	5.3	387.8	3.2
<b>Total receivables</b>	<b>8,276.8</b>	<b>100.0</b>	<b>9,180.5</b>	<b>100</b>	<b>12,020.0</b>	<b>100.0</b>
Deduct: Allowance for doubtful accounts / Allowance for expected credit losses	(543.5)	(6.6)	(540.4)	(5.9)	(538.53)	(4.5)
<b>Total receivables – net</b>	<b>7,733.3</b>	<b>93.4</b>	<b>8,640.1</b>	<b>94.1</b>	<b>11,481.6</b>	<b>95.5</b>

### 3. Non-life and life insurance brokers

The Company provides non-life insurance and life insurance brokerage services through a network of branches. The Company obtained a license to act as life insurance and non-life insurance brokers from the Office of Insurance Commission (“OIC”). At present, the Company is a non-life insurance broker and a life insurance broker for 11 leading insurance companies, covering products such as car insurance, motorcycle insurance, accident insurance, and life insurance etc. The Company will receive compensation as a commission from the insurance companies at mutually agreed rates which are recorded as fee and service income under the Company's financial statements.

### 4. Business Innovation development

The Company places importance on information technology system which is used to develop and improve efficiency of the loan services and support growth of the Company's business, as well as being prepared for changes in consumers and technology (Digital Disruptions) that may occur in the future.

In the past, the Company has studied and applied information technology to increase efficiency of the loan service business. The Company has used technology developed by external service providers and technology developed by the Company's personnel to improve the efficiency of the Company's operating procedures such as credit approval, receipt of payment, debt collection, branch management and the development of various operational procedures to provide customers with services convenient and fast.

However, the company still attaches importance to the security on system and information to ensure that the Company's information management will be managed safely and securely. The Company has been received ISO/IEC 27001: 2013 certification for information security management system.

### **Development and improvement of information technology infrastructure to support the digital solutions services for customers and internal processes (Business Process Improvement)**

Based on the operational plan in 2022, the Company has started to develop customer service system via digital platform and development plan for all information systems of the Company to support expansion and increase the efficiency of information technology services.

## **(2) Marketing and Competition**

### **1. Marketing, product development and product presentation channels**

#### **1.1 Marketing at the local level (Localized Marketing)**

The Company uses a marketing strategy that adjusts customer access, building relationships (Customer Engagement) to match local people, areas and regions, as well as consumer behavior to allow brands to reach the market they want to go the most or in order to feel that the service of the brand is one with the local to create friendliness and create more brand recognition. The Company recruits branch staff from local people in which the branch is located in order to understand the different dialects, cultures, lifestyles, occupational characteristics and customer needs in each area and can also market in terms of Local marketing model, such as participating in important events of each locality, marketing in community sources such as flea markets, approaching community leaders in each locality (Key Opinion Leader-KOL) to help spread the word for product introduction. In addition, it can also help check the history of customers to help make credit consideration more concise, including being able to follow up debt closely.

#### **1.2 Marketing on digital channels (Digital Marketing)**

Nowadays, online media has become one of the main channels which not only reaches the new generation of consumers but also has access to all occupational groups and ages. Therefore, the Company has focused on the development of marketing on the channel. more digitally to accommodate market changes. At present, the main communication channels are 1. Company's website 2. Facebook 3.LINE Platform @HENGLEASING to create awareness and opportunities to increase credit balance (conversion). In 2022, there were more than 1.9 million visitors to the Company's website (data from Google Analytics), which increased from the year 2021 of 92%. The Company is aware of the importance of marketing through digital channels more and focuses on building awareness of the brand to be more widely known through organic traffic channels to recognize that customers are easily accessible.





According to data from Google Analytics, Google Search Console and Ahrefs SEO Tool as of 31 December 2022, the Company has an increasing number of organic traffic of 231.71% compared to year 2021.

The Company gives importance to digital platforms (Digital Platform) to meet the needs of various customers and provide convenience in using the services of customers. The Company also uses Facebook and LINE Platform as the main communication channels of customers. Therefore, it is important to develop an automated Q&A system that can learn questions asked by customers, also known as Machine Learning Chatbots or AI Chatbots on the Facebook platform which customers can use to communicate with the Company through the message program of Facebook Messenger to provide services to customers, request information, apply for loan products, including product advice to customers and is also a channel for receiving complaints. In 2022, the number of people interested and applying for loans (Lead) through the Chatbot channel has increased.

### **1.3 Fast service and a wide range of credit products**

The Company pays attention to the speed of service to customers and in order to respond to customers' money needs quickly and in a timely manner, the Company has set up a more concise credit approval process. In the event that the customer prepares complete documents as specified by the Company, the customer can know the approval result and receive money within a day for loans that do not require ownership transfer or collateral mortgage with government agencies and within the next day for loans that require ownership transfer or collateral mortgage with government agencies. The Company continues to focus on the process of reviewing documents and scrutinizing credit approval.

The Company offers a wide range of credit products to respond to the credit needs of each customer, the Company's main products consist of (1) secured loans, namely hire purchase loan, personal loans under supervision with car registration as collateral and loans with houses and land as collateral; and (2) unsecured loans, such as personal loans under supervision that are not collateralized car registration loans, nano-finance loans, which have credit forms and conditions that can support customers with different needs of money different, such as the need to buy used cars, multi-purpose purposes, purposes for use in occupations, etc. In this regard, all types of credit products of the company It is designed to be easy to understand. It is not complicated to cause confusion to customers by specifying the installment payment schedule separated by principal, interest and fees for easy understanding.

In addition, the Company provides loans that cover a wide range of collateral, both personal and commercial vehicles such as passenger cars, pickup trucks, motorcycles, trucks, agricultural vehicles. etc., without limiting the age of the car used as collateral and there are also a variety of options to meet the needs of different customers, such as loans that focus on providing high credit limits to customers who need a lump sum to use for transactions and loans that focus on quick approval for customers who need money urgently, etc., including loans that cover land and building collateral. The provision of credit services that cover various types of collateral will help expand the group of target customers even more.

## 1.4 Distribution and service channels

The Company has a wide range of distribution, product and service channels to help increase credit and service reach, consisting of branches covering all regions, partner networks, used car operators and brokers, used cars and digital platform channels, allowing branch brands to expand their awareness at the local level. In 2022, the Company will continue to focus on expanding branches, increasing business alliances, and developing digital platform technology innovations to support future growth.

### Branch

The branch channel is considered as the main business channel of the Company in providing loan and insurance brokerage business. The number of branches has been continuously increasing and as of 31 December 2022, the Company has 638 branches covering all regions and there are 40 new branches opened in January 2023 to prepare for continuous operations, totally 678 branches.

In considering the establishment of a new branch, The Company will consider from the assessment of the population in the area and the nature of the community's occupation, the number of competitors, and the location near the community, markets, banks, factories and industrial estates, etc.

The Company's branches are open from 8:00 a.m. to 5:00 p.m. Monday - Saturday. The Company has a policy to open on Saturdays to accommodate customers who are full-time employees or groups of customers who may be inconvenient on normal working days, such as company employees, government officials, and business owners, etc., as well as to respond to customers' money needs in a timely manner. In addition, the Company requires employees of each branch to regularly issue public relations to introduce the company's products and credit services to the used car community and brokerages in the vicinity.

### Partner network of used car tent operators and used car brokers

The company has a policy to focus on expanding new customer bases by building good relationships with used car tent operators and brokers who are partners with the company, along with expanding branches in various provinces as one of the service channels to reach the group of customers who want to buy used cars has increased. When customers need credit for buying used cars, used car tent operators and brokers will present the Company's products and pass them on to branches in each area, which will allow the Company to increase channels for providing credit services without the investment burden of opening new branches. Currently, the Company has a network of alliances with thousands of used car tent operators covering all regions across the country.

### Digital Infrastructure

From digital marketing through various channels, both the company's main channel, such as the company's website, Facebook, LINE Platform and plan media on online channels to find people who are interested in the company's products, resulting in an increase in click-per-registration quality from 2021 at 76.4%, which is to support future expansion on digital platforms.

## 2. Industry and competition conditions

### 2.1 Overview of the Thai economy

Chart : Growth rate of Gross Domestic Product (“GDP”)

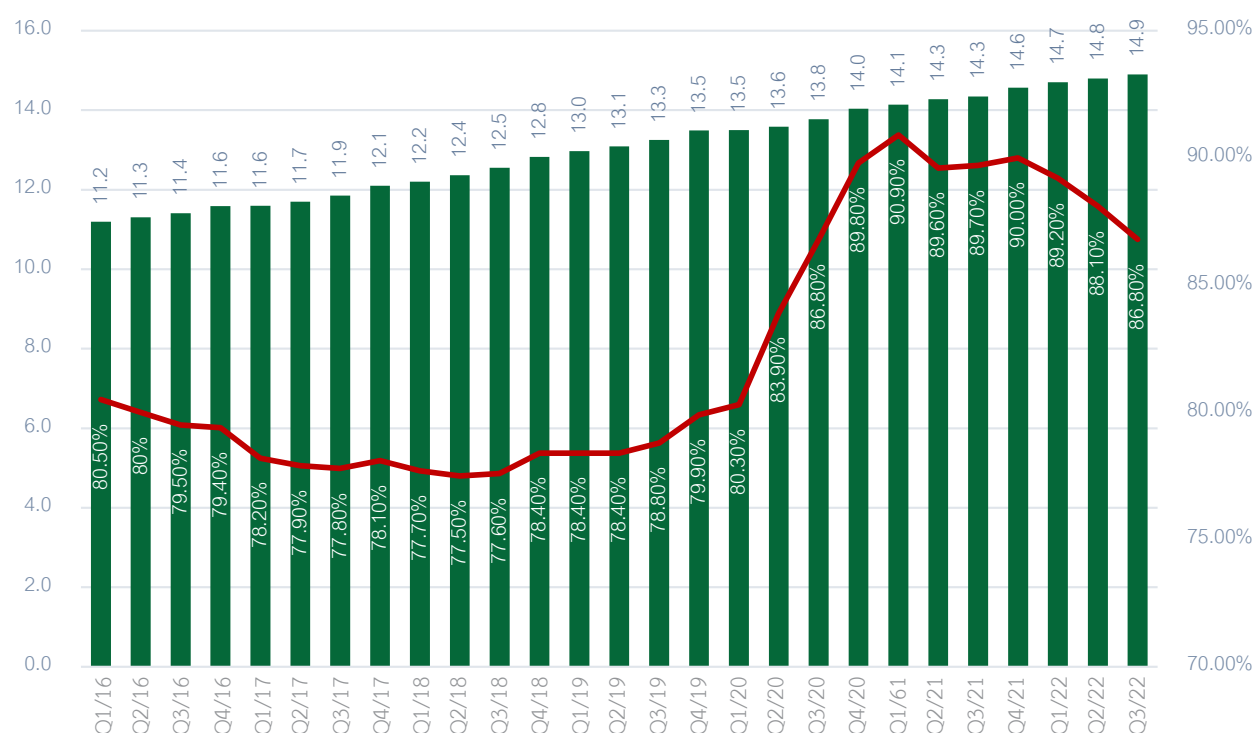


Source: Office of the National Economic and Social Development Council

The Thai economy in 2022 in the Fourth quarter of 2022 expanded by 1.4%, continuing from a 4.6% expansion in the third quarter of 2022. The production in the agricultural sector accelerated while the industrial sector contracted mainly decline from the production of industrial products. As for the service sector, it can still expand especially in the fields related to tourism.

The Thai economy in 2023 is expected to grow in the range of 3.0 - 4.0 percent, supported by the recovery of the tourism sector, the continued expansion of domestic demand in both consumption and investment, and the expansion of production in the agricultural sector. Private consumption is expected to grow by 3.0 percent, while private investment and public investment grow by 2.6 and 2.4 percent, respectively.

Chart : Loans to households (trillion Thai Baht) and the ratio of household loans to GDP (%)



Source: Bank of Thailand

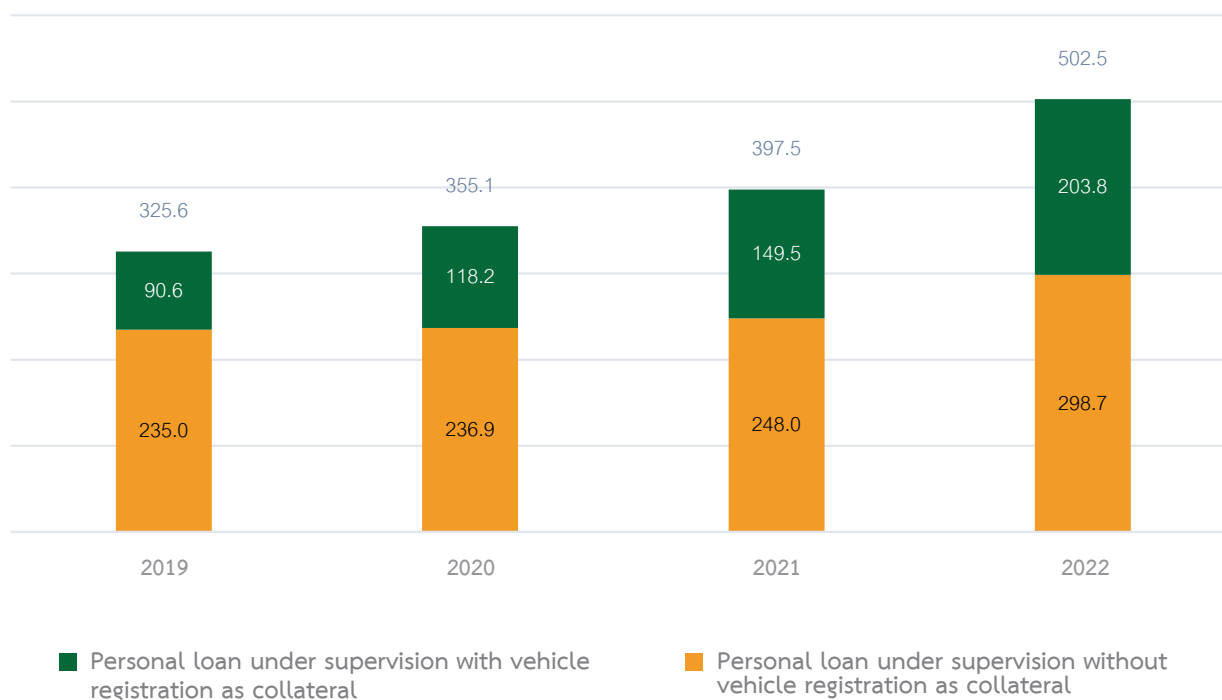
Household loans or household debt at the end of the third quarter of 2022, Thai household debt amounted to Baht 14.90 trillion, or 86.8% of GDP, compared to the second quarter of 2022, when Thai household debt amounted to Baht 14.76 trillion, or 88.1% per GDP or an increase in debt of Baht 1.38 billion or an increase 0.93% compared to the previous quarter. At the same time, when comparing Thai household debt in the third quarter of 2022 with the same period of the previous year, that is, in the third quarter of 2021, when Thai household debt amounted to Baht 14.34 trillion, or 89.6% of GDP, it was found that household debt in the period third quarter of 2022 increased by 3.94% compared to the same period last year.

However, when considering the details of household debt in the third quarter of 2022, it was found that the total amount of loans from commercial banks was Baht 6.36 trillion, compared to the second quarter of 2022, which was Baht 6.31 trillion, an increase of Baht 4.93 billion or an increase 0.78%, while the amount of loans from specialized financial institutions that accept deposits amounted to Baht 4.18 trillion, compared to the second quarter of 2022, which amounted to Baht 4.14 trillion, an increase of Baht 4.1 billion or an increase 0.99%, while the amount of loans from savings cooperatives amounted to Baht 2.20 trillion baht, compared to the second quarter of 2022, which amounted to Baht 2.19 trillion, an increase of Baht 16.4 billion or an increase of 0.75% and the amount of loans from credit card companies, leasing and personal loans amounted to Baht 1.65 trillion compared to the second quarter 2022 with an amount of Baht 1.62 trillion, an increase of Baht 27.7 billion or an increase of 0.75%.



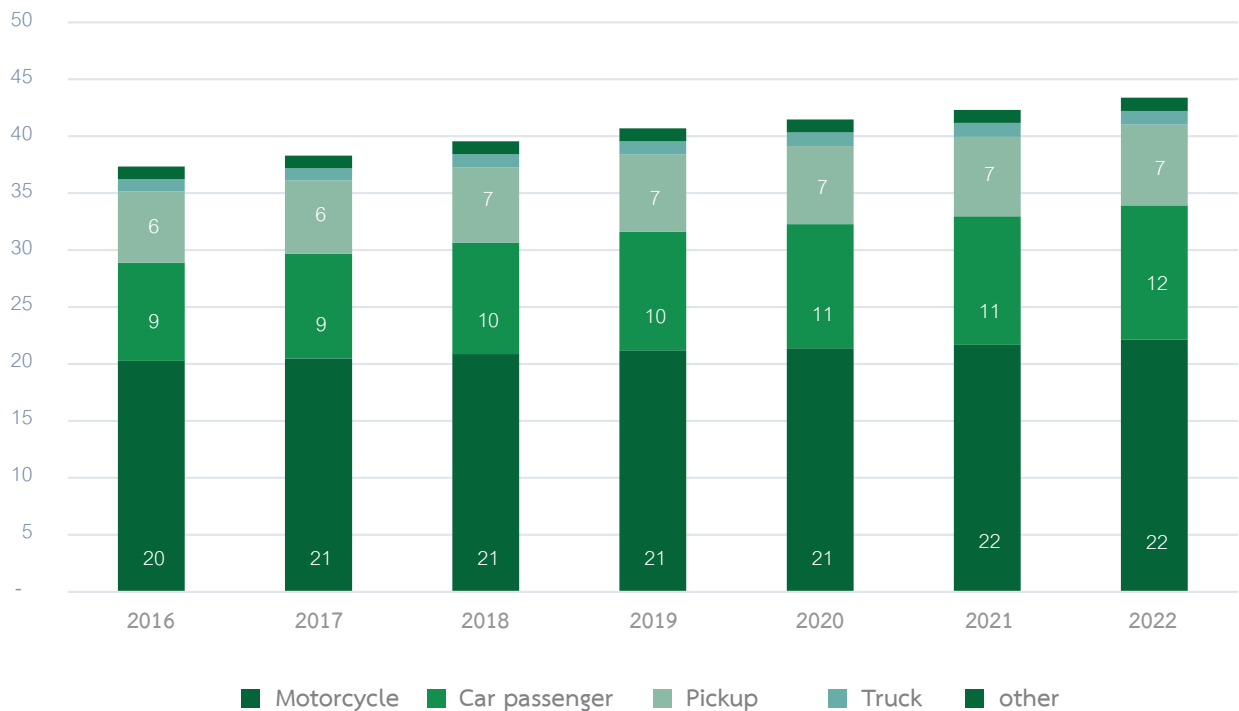
## 2.2 Personal loan and hire purchase loan industry

Chart: Value of personal loans under supervision (billion baht) classify loans with vehicle registration as collateral for business operators that are not financial institutions



The personal loan industry with securities and hire purchase loans grew in line with the growth of the automobile and motorcycle industry. The automobile and motorcycle industry in 2022 continues to grow, with the demand for household loans in the fourth quarter of 2022 increasing in all types of loans, especially auto hire purchase loans and other consumer loans. The auto hire purchase loan was supported by promotional promotions by operators in late 2022, as well as partly from the acceleration of consumer purchasing decisions in line with rising interest rates, while other consumer loans increased. This was due to demand for consumption expenditures, especially households with limited savings, coupled with improving consumer confidence in line with the economic recovery. For the first quarter of 2023, demand for credit card loans and other consumer loans is likely to continue to increase as consumer spending demand and consumer confidence continue to improve. Housing and auto hire purchase loans are likely to decline from the previous quarter, partly due to interest rate trends going forward and the end of the LTV easing measures and car sales promotions at the end of the year 2022.

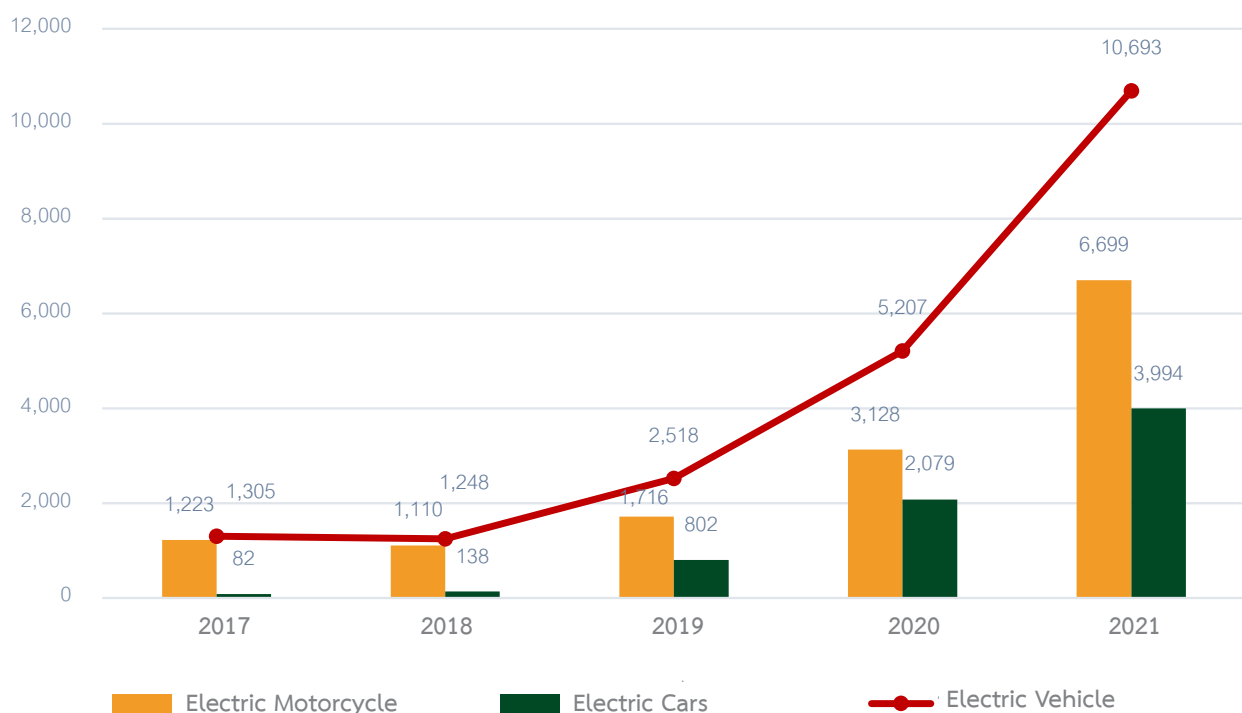
According to the Department of Land Transport, the cumulative number of registered cars in the country was 43.39 million cars in 2022, a slight increase from 42.31 million cars in 2021, with an increase of 1.08 million cars, while the number of new registered cars of all types 2022 equals 3.02 million cars.



The TTB Economic Analysis Center or TTB analytics estimates sales of battery electric vehicles (BEV) in 2022 to 10,000 units, or an increase of 539.7% compared to the same period in 2021, which is the highest recorded, according to data from the Department of Transport. The total number of registered electric cars of all types is 8,542 units. In 2022, the demand for electric cars in Thailand will increase according to the global trend amid plans to stop using internal combustion engine vehicles in many countries and the awareness of global warming that has become a turning point for electric cars to play a big role while the global economic direction is gradually recovering, and most importantly, with improvements in technology that make the battery capacity (Battery Capacity) better than before by up to 3 times in just 5 years, which is why the demand for electric cars increases.

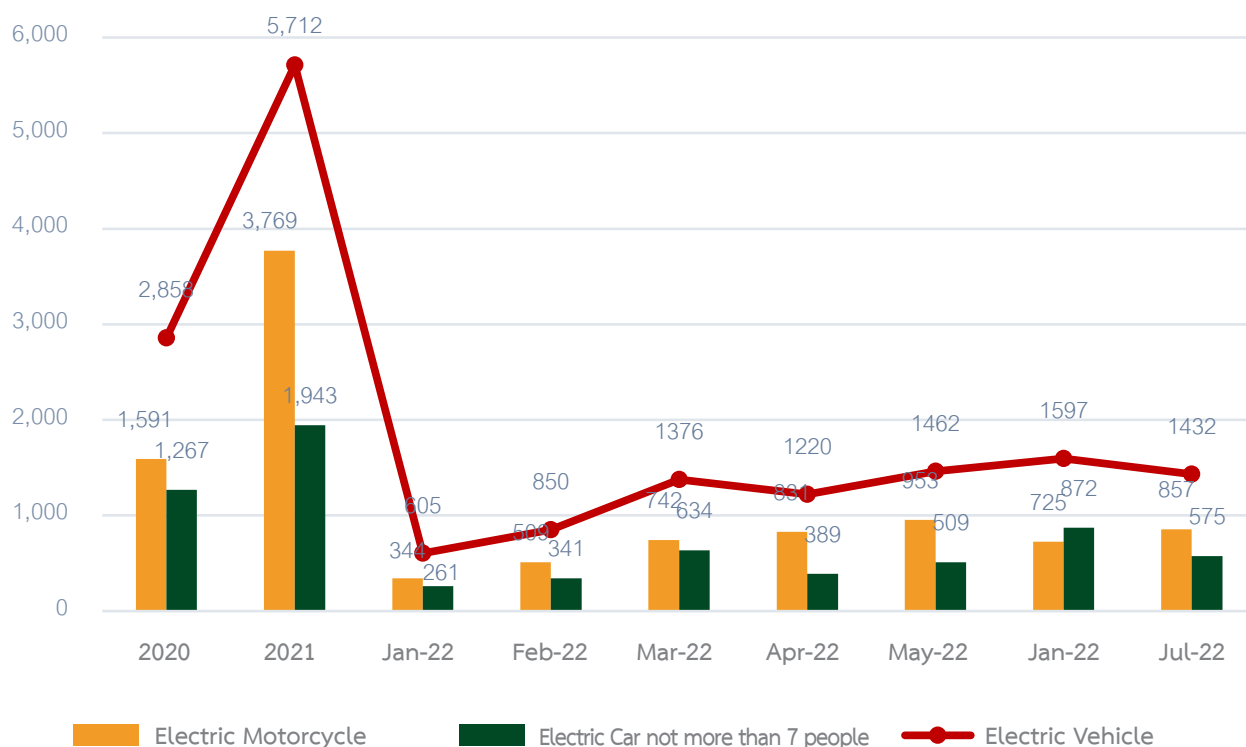
### Overview of the electric vehicle market in Thailand

Chart: Statistics of the number of electric trains registered (cumulative)



Source : Bank of Thailand

Chart: Statistics of the number of newly registered private electric vehicles nationwide



### 2.3 Development of services through online channels

Kasikorn Research Center views that in 2022, digital personal loan marketing according to the Bank of Thailand's definition of using alternative data for credit consideration, will have the characteristics of "gradual growth" with not very high outstanding balances approximately Baht 7,920 – 8,500 million, or only 1 percent of the total outstanding personal loan system.

1. Optimization in the application. and analyze the data to determine the identity and understand the true behavior of customers.
2. Creating an ecosystem that is ready to provide more complete customer information that can be used for effective risk assessment and debt repayment incentives
3. Debt Collection that is effective under the cost that is not too high
4. Intensifying competition as more non-bank players enter the digital personal loan market Especially the group of entrepreneurs who are ready in the customer database.

### 3. Industry Outlook

#### 3.1 Contributing factors in 2023

##### 1. Recovery of the tourism sector

Relaxation of measures to welcome foreign tourists by canceling the Thailand Pass measure from July 1, 2022, opening border checkpoints with neighboring countries. including starting Relaxation of travel control measures in various countries. As a result, foreign tourists continue to increase.

##### 2. Expansion of investment in both private and public investment

Private investment is likely to expand steadily in line with the increasing number of applications for investment promotion in line with the area expansion and leasing of industrial estates, and public investment is likely to expand in line with the government's investment budget. and the progress of state-owned enterprise infrastructure investment projects

##### 3. Continuous expansion of domestic consumption

Economic activities and spending behavior tend to recover more to normal. As the epidemic situation eased, consumer confidence continued to recover. This is in line with the improving labor market.

##### 4. Favorable expansion of the agricultural sector

The agricultural sector expanded favorably in line with the trend of agricultural production expansion, with the main contributing factor being sufficient water supply for cultivation.

#### 3.2 Limitations and risk factors in 2023

##### 1. High household and business debt burdens amid rising interest burden trends

Household and business financial conditions remain fragile and are severely affected by rising interest rates, while employment in some manufacturing sectors has not fully recovered.

##### 2. The uncertainty of the pandemic situation of COVID-19

The spread of COVID-19 remains uncertain. Amid virus mutations that could become more virulent and spread faster, booster vaccination rates in many countries remain low, as are vaccination rates in low-income countries.

### (3) Competition

The Company is a non-financial institution business operator. which provides secured and unsecured loans. Most of the business operators in the industry are hire purchase loan operators, vehicle title loan operators who have licenses to conduct personal loan business under supervision and/or licenses to conduct retail loan business for undertaking business. Occupation under the supervision of the Bank of Thailand.

As of December 31, 2022, for non-financial business operators, the value of personal loans under supervision (excluding those with vehicle registration as collateral) amounted to Baht 315,744 billion compared to the outstanding loans of the same type of companies in the amount of Baht 83.2 million or percentage 0.02 of the market share and the value of personal loans under supervision with vehicle registration as collateral of Baht 209,704 billion compared to the value of outstanding loans of the same type of the Company of Baht 4,634.5 million or 2.21 percent of the market share. and the value of hire-purchase loans in the amount of Baht 1,184,790 million compared to the outstanding loans of the same type of the Company in the amount of Baht 6,732.5 million or 0.05 percent of the market share.

#### (4) Procurement of products and services

In respect of loan services business, the main procurement of products and services is financing for use in the provision of loan services. The Company's current sources of funds include shareholders' equity and loans from financial institutions. In addition, in the early stages of business operations, the Company received funding from shareholders in the form of loans from related persons, which was in accordance with the joint venture agreement of 4 groups of shareholders. The Company has continuously received additional credit lines from commercial banks to be used as funding for expansion of loan services. The details of the sources of funds can be summarized as follows:

Liabilities	As of 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Loans from financial institutions						
Short-term loans	1,402.3	17.6	1,028.6	11.0	910.0	7.7
Long-term loans	3,101.6	38.9	3,527.5	37.6	5,693.2	48.0
<b>Total loans from financial institutions</b>	<b>4,503.9</b>	<b>56.5</b>	<b>4,556.1</b>	<b>48.6</b>	<b>6,603.2</b>	<b>55.7</b>
Funding from shareholders						
Loans from related persons	-	-	-	-	-	-
Shareholders' equity	3,471.0	43.5	4,815.5	51.4	5,244.3	44.3
<b>Shareholders' equity (post adjustment)<sup>(1)</sup></b>	<b>3,471.0</b>	<b>43.5</b>	<b>4,815.5</b>	<b>51.4</b>	<b>5,244.3</b>	<b>44.3</b>
<b>Total sources of funds</b>	<b>7,974.9</b>	<b>100.0</b>	<b>9,371.6</b>	<b>100.0</b>	<b>11,847.5</b>	<b>100</b>

**Remark :** <sup>(1)</sup> Adjustment by classifying loans from related persons as shareholders' equity.

As of December 31, 2022, the Company's loans from financial institutions for 55.7% of total sources of funds and the source of funds from shareholders' equity accounted for 44.3 % of total sources of funds. Most of the Company's loans from financial institutions were long-term loans, which accounted for an approximate of 48% of total sources of funds or 55.7% of total loans from financial institutions. This was consistent with the growth in the secured loan customer base with relatively average repayment periods.

#### (5) Assest used in the business

##### 1. Main fixed assets

As of 31 December 2022, the details of the Company's main fixed assets used in the business operations were as set out below.

Item	Net book value as of 31 December 2022 (Million Baht)	Type of ownership	Encumbrance
1. Land	7.0	Ownership	None
2. Buildings and improvements to leasehold buildings	74.5	Ownership	None
3. Furniture and office equipment	26.3	Ownership	None
4. Computer and equipment	12.7	Ownership	None
5. Vehicles	21.8	Ownership	None
6. Others	0.6	Ownership	None
<b>Total</b>	<b>142.9</b>		

### 1.1 Buildings and improvements to leasehold buildings

Location	Net book value as of 31 December 2022 (Million Baht)	Type of ownership	Encumbrance
1. Head office <ul style="list-style-type: none"> <li>– 3-storey office building on land of 1-2-25 Rai with total area of 1,269.0 square meters No. 69 Moo 7, San Sai Noi Sub-district, San Sai District, Chiangmai Province</li> <li>– 2-storey office building on land of 1-2-34 Rai with total area of 1,248.0 square meters No. 69/7 Moo 7, San Sai Noi Sub-district, San Sai District, Chiangmai Province</li> </ul>	11.7	Ownership	None
2. Branch office buildings	58.2	Ownership	None
3. Auction centers and warehouses for vehicles	4.6	Ownership	None
<b>Total</b>		74.5	

### 1.2 Vehicles

Type of vehicle	Net book value as of 31 December 2022 (Million Baht)	Type of ownership	Encumbrance
1. Head office and branch office vehicles in the number of 49 vehicles	3.2	Ownership	None
2. Head office and branch office motorcycles in the number of 997 motorcycles	18.6	Ownership	None
<b>Total</b>		21.8	

## 2. Leased assets

Type of leased asset	Net book value as of 31 December 2022 (Million Baht)	Type of ownership	Encumbrance
1. Head office building, warehouse for documents, and parking lot	9.3	Leasehold right	None
2. Branch office building of 488 branches	116.2	Leasehold right	None
3. Auction centers and warehouses for vehicles of 10 locations	4.3	Leasehold right	None
4. Head office and branch office vehicle in the number of 79 vehicles	17.3	Hire purchase	None
<b>Total</b>		147.1	


## 3. Intangible asset

As of 31 December 2022, the Company's intangible asset included computer software with net book value according to the Company's financial statements of THB 9.3 million or accounted for 0.1% of net book value of total assets.



#### 4. Trademark and servicemark

As of December 31, 2022, details of the Company's key trademark and servicemark used in the business operations are as set out below.

Trademark / Servicemark	Country	Application	Registration Date	Expiration Date
	Thailand	Provision of secured and unsecured loans	23 August 2016	22 August 2026
	Cambodia <sup>(1)</sup>	Provision of secured and unsecured loans	20 September 2016	20 September 2026
	Laos <sup>(1)</sup>	Provision of secured and unsecured loans	31 August 2017	31 August 2027

**Remark:** <sup>(1)</sup> As of 31 December 2022, the Company does not have any business operations in Cambodia and Laos.

#### 5. Key licenses used in the business operations

The details of key licenses used in the Company's business operations are as set out below.

License	Licensor	Type	Issuance Date	Expiration Date
License to operate regulated personal loan	Ministry of Finance	Business operators that are neither commercial banks, finance companies, nor credit foncier companies under the law governing financial institutions business established by specific laws.	13 June 2019	N/A
License to operate regulated personal loan	Ministry of Finance	Business operators that are neither commercial banks, finance companies, nor credit foncier companies under the law governing financial institutions business established by specific laws.	11 March 2019	N/A
Non-life insurance broker license (NorWor.6)	Office of Insurance Commission for the business of non-life insurance	Direct insurance arrangements	26 December 2019	25 December 2027
Life insurance broker license (NorChor.6)	Office of Insurance Commission for the business of life insurance	Direct insurance arrangements	26 December 2019	25 December 2027
License to auction Phitsanulok Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars and motorcycles	1 January 2023	31 December 2023

License	Licensor	Type	Issuance Date	Expiration Date
License to auction Suphanburi Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars	1 January 2023	31 December 2023
License to auction Nakhon Ratchasima Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars	1 January 2023	31 December 2023
License to auction Phrae Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars and motorcycles	1 January 2023	31 December 2023
License to auction Chiang Rai Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars and motorcycles	1 January 2023	31 December 2023
License to auction Chiang Mai Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars and motorcycles	1 January 2023	31 December 2023
License to auction Khon Kaen Province	Department of Provincial Administration, Ministry of Interior	Vehicle type: cars, motorcycles, public vehicles, service vehicles, private cars	1 January 2023	31 December 2023

## 6. Insurance policy

As of 31 December 2022, the Company has a property insurance contract for head office building branch office buildings, and auction centers. The key terms and conditions of the contracts are as set out below.

### (1) Property insurance head office building and 509 branch office buildings

Insurance company	The Deves Insurance Public Company Limited
<b>Insured person</b>	Heng Leasing and Capital Public Company Limited
<b>Policy type</b>	Property insurance policy
<b>Insurance period</b>	<ul style="list-style-type: none"> <li>Insurance period commencing from 27 February 2022 to 27 February 2023 at 4.30 p.m. in respect of 488 branches and 1 head office</li> <li>Insurance period commencing from 22 March 2022 to 27 February 2023 at 4.30 p.m. in respect of 21 branches</li> </ul>
<b>Beneficiary</b>	Heng Leasing and Capital Public Company Limited or financial institutions according to the details of obligations specified under the insurance policy
<b>Insured property</b>	Building (excluding foundation), furniture, fixtures, extension and building improvement, office equipment, computers, electronic devices (excluding all types of portable computers and/or tablets and/or mobile phones), antenna, lightning rod, satellite dish, ceiling, flooring material, landscape or other assets that comes with buildings, system works such as electricity (including transformer), waterworks, fences, doors and all kinds of assets belonging to the insured person, including assets under the care of the insured person as a keeper.

Insurance company	The Deves Insurance Public Company Limited
Protection	<ul style="list-style-type: none"> <li>Property insurance policy Protection against any damage or damage to the insured property due to fire, lightning, explosion, windstorm, water, smoke, traffic collision, aircraft peril, damage from smolder, earthquake, volcanic eruption, underwater wave or tsunami, hail, robbery with sign of tampering by entering or leaving a building, robbery, and accident caused by external factor that is not specified as an exception under the current property insurance policy approved by the Office of Insurance Commission</li> <li>Third party liability insurance policy Protection and payment of remedy on behalf of the insured person for any loss or damage to third party of which the insured person is liable according to the laws as a result of or caused by any accident arising from operations relating to the insured business within the scope of risks incurred during the insurance period and at the coverage area specified under the insurance policy for: <ol style="list-style-type: none"> <li>Loss of life, body, injury or health of third party;</li> <li>Loss or damage to third party's property. The protection under items 1 and 2 shall include any expenses, fees in making claim, and compensation of which the insured person must pay the claimant according to the laws.</li> <li>Litigation cost</li> </ol> </li> </ul>
Insured amount	<ul style="list-style-type: none"> <li>Insured amount of THB 1,491,650 for property insurance policy</li> <li>Insured amount of not exceeding THB 20,000,000 per accident and throughout the insurance period for third party liability insurance policy</li> </ul>

## (2) Property insurance policy in respect of 130 branch offices

Insurance company	The Deves Insurance Public Company Limited
Insured person	Heng Leasing and Capital Public Company Limited
Policy type	Property insurance policy
Insurance period	<ul style="list-style-type: none"> <li>Insurance period commencing from 17 January 2022 to 17 January 2023 at 4.30 p.m. in respect of 130 branches</li> </ul>
Beneficiary	Heng Leasing and Capital Public Company Limited
Insured property	Building (excluding foundation), furniture, fixtures, extension and building improvement, office equipment, computers, electronic devices (excluding all types of portable computers and/or tablets and/or mobile phones), antenna, lightning rod, satellite dish, ceiling, flooring material, landscape or other assets that comes with buildings, system works such as electricity (including transformer), waterworks, fences, doors and all kinds of assets belonging to the insured person, including assets under the care of the insured person as a keeper.
Protection	Protection against any damage or damage to the insured property due to fire, lightning, explosion, windstorm, water, smoke, traffic collision, aircraft peril, earthquake, damage from smolder, volcanic eruption, underwater wave or tsunami, hail, robbery with sign of tampering by entering or leaving a building, robbery, and accident caused by external factor that is not specified as an exception under the current property insurance policy approved by the Office of Insurance Commission
Insured amount	THB 379,000,000

### (3) Third party liability insurance policy in respect of 130 branch offices

<b>Insurance company</b>	The Deves Insurance Public Company Limited
<b>Insured person</b>	Heng Leasing and Capital Public Company Limited
<b>Policy type</b>	Third party liability insurance policy
<b>Insurance period</b>	<ul style="list-style-type: none"> <li>Insurance period commencing from 17 January 2022 to 17 January 2023 at 4.30 p.m. in respect of 130 branches</li> </ul>
<b>Protection</b>	<p>Protection and payment of remedy on behalf of the insured person for any loss or damage to third party of which the insured person is liable according to the laws as a result of or caused by any accident arising from operations relating to the insured business within the scope of risks incurred during the insurance period and at the coverage area specified under the insurance policy for:</p> <ol style="list-style-type: none"> <li>1. Loss of life, body, injury or health of third party;</li> <li>2. Loss or damage to third party's property.</li> </ol> <p>The protection under items 1 and 2 shall include any expenses, fees in making claim for compensation of which the insured person must pay the claimant according to the laws.</p> <ol style="list-style-type: none"> <li>3. Litigation cost</li> </ol>
<b>Insured amount</b>	Not exceeding THB 20,000,000 per accident and throughout the insurance period

### (4) Property insurance policy in respect of 6 auction centers

<b>Insurance company</b>	Muang Thai Insurance Public Company Limited
<b>Insured person</b>	Heng Leasing and Capital Public Company Limited
<b>Policy type</b>	Property insurance policy
<b>Insurance period</b>	1 year (10 July 2022 – 10 July 2023 at 4.30 p.m.)
<b>Beneficiary</b>	Heng Leasing and Capital Public Company Limited
<b>Insured property</b>	Office buildings (excluding foundation), including building improvements, fences and concrete patios, and cars and motorcycles
<b>Protection</b>	Protection against any damage or damage to the insured property caused by fire, lightning, explosion, aircraft peril, traffic collision, damage from water (excluding floods), forest fire, protest, strike, riot or act with malicious intent, smoke, flood, windstorm, earthquake or volcanic eruption, underwater wave or tsunami, hail, and accident caused by external factor, subject to conditions and exclusions under the property insurance policy
<b>Insured amount</b>	THB 109,642,980

### (5) Property insurance policy in respect of 1 auction center

<b>Insurance company</b>	Muang Thai Insurance Public Company Limited
<b>Insured person</b>	Heng Leasing and Capital Public Company Limited
<b>Policy type</b>	Fire insurance policy
<b>Insurance period</b>	1 year (22 April 2022 to 22 April 2023 at 4.00 p.m.)
<b>Beneficiary</b>	Heng Leasing and Capital Public Company Limited
<b>Insured property</b>	Warehouse for cars and motorcycles, office, building (excluding foundation)
<b>Protection</b>	Protection against any damage or damage to the insured property due to water damage, flood, earthquake, hail and wind storm
<b>Insured amount</b>	THB 4,111,000

### (6) Work that has not been delivered

- None -

## 1.3 Shareholding Structure

### 1.3.1 Shareholding Structure

As of December 31, 2022 The Company has no subsidiaries and associated companies

### 1.3.2 Parties with Conflict of Interest

- None -

### 1.3.3 Relationship with the business of major shareholders

- None -

### 1.3.4 Shareholders

#### (1) Major Shareholder

##### (a) The top 10 Shareholders as of December 30, 2022<sup>1</sup>

Rank	Major Shareholder	Shares	Voting rights	% Shares
1.	Kasikornbank Public Company Limited	381,000,000.00	381,000,000.00	10.000
2.	Mr. Wichai Suphasathitkul	331,883,525.00	331,883,525.00	8.711
3.	Mr. Wichian Suphasathitkun	256,869,870.00	256,869,870.00	6.742
4.	Mr. Parinya Supasatitkul	197,790,430.00	197,790,430.00	5.191
5.	Mr. Kitsmith Ratanasirisap	160,877,300.00	160,877,300.00	4.223
6.	Mr. Bunthid Supasatitkul	148,344,820.00	148,344,820.00	3.894
7.	Mr. Banyong Paisanteerakorn	143,098,450.00	143,098,450.00	3.756
8.	Mrs.Saowalak Puntharat	128,528,385.00	128,528,385.00	3.373
9.	Mr. Patpong Patong	125,893,145.00	125,893,145.00	3.304
10.	Mrs.Inthurath Paisanteerakorn	104,211,450.00	104,211,450.00	2.735

<sup>1</sup> Information from Thailand Securities Depository Co., Ltd. as of 30 December 2022

(b) Group of major shareholders who, by circumstances, have a significant influence on the company's management policy or operations (eg, having a person to be an authorized director)

- None -

#### (2) Holding company

- None -

#### (3) Shareholding Agreement

- None -

## 1.4 Registered and Paid-up Capital

### 1.4.1 Common Shares

The company listed Company in The Stock Exchange of Thailand, As of December 31, 2022 the Company registered capital total THB 3,810,000,000 consisting of 3,810,000,000 THB common shares at THB 1 per share. These shares represented THB 3,810,000,000 in paid-up capital, or 3,810,000,000 common shares.

### 1.4.2 Other Shares with Different Terms or Rights from Common Shares

- None -

### 1.4.3 Issuance and offering of shares or convertible securities to mutual funds for investors who are aliens.

- None -

## 1.5 Issuance of Other Securities

- None -

## 1.6 Dividend Policy

The Company has the policy to pay dividends to shareholders at the rate of not less than 40 percent of net profit from separate financial statements after deduction of corporate income tax and reserves as required by the laws and as stipulated in the Company's Articles of Association. If the Company has accumulated losses, it will consider not paying any dividends. Such dividend payments may be subject to change depending on the Company's operating results, liquidity, cash flow, and financial status, conditions and restrictions on dividend payment as stipulated in loan agreements, debenture agreements, or other relevant agreements obliged by the Company (if any), future business plans, and the necessity for investments, including other factors as the Board of Directors deems appropriate. The Board of Directors may consider reviewing and amending the dividend payment policy from time to time to comply with the Company's operational plans.

The annual dividend payment must be approved by the shareholders' meeting, except for the payment of interim dividends which may, from time to time, be approved by the Board of Directors when the Board of Directors deems that the Company has reasonable profits to do so and report to the shareholders' meeting for acknowledgment in the next shareholders' meeting.

In respect of dividend payment of the Company's subsidiaries, the Company currently does not have any subsidiary. However, to support the Company's future business expansion, the Company has set that consideration on dividend payment by subsidiaries shall be subject to the approval of the shareholders' meeting of each subsidiary by considering operating results, liquidity, cash flow, and financial position of each subsidiary, conditions, and restrictions on dividend payment as stipulated in loan agreements, debenture agreements or other relevant agreements obliged by each subsidiary (if any), future business plans, and the necessity for investment, including other factors as the board of directors of each subsidiary deems appropriate. The exception is an interim dividend payment which may, from time to time, be approved by the board of directors of each subsidiary when the board of directors of each subsidiary deems that such subsidiary has reasonable profits to do so and reports to the shareholders' meeting.

### Dividend payment history of the company

Pay year	2020	2021	2022
Earnings per share	0.53	0.11	0.12
Dividend per share (Baht)	0.3400	0.1139	0.0666
Dividend payout ratio (%)	64	103	55

Note : Average Earnings per share





## 2. Risk management



### Risk Management Overview

The Company recognizes and foresees the importance of good corporate risk management in driving the organization to grow and expand sustainably, create strong financial positions and generate returns to shareholders at an appropriate level, and operating in accordance with good corporate governance principles, including creating check and balance in the current business competition and ever-changing conditions faced by the Company, whether caused by external or internal factors, which may affect the ability to achieve goals and core mission of the Company. Initially, the Risk Management Committee is assigned to be responsible for formulating risk management policies covering the entire organization and overseeing that there is a risk management system or process to appropriately reduce the impact of risks on the Company's business.

### 2.1 Risk Management Policy and Plan

The Company realizes the importance and necessity to implement a risk management system that meets the international standards in its management. It aims to make the Company an important organization that creates customer satisfaction, has a good corporate image, and develops the Company's operations to move forward in the same direction throughout the organization. Therefore, the risk management policy is set as follows:

1. The Risk Management Committee is responsible for determining the risk management policy, both internally and externally, to ensure that it is comprehensive and in accordance with the strategy and directions of the business. At least the following 5 risks must be covered:

- (a) Financial Risk
- (b) Operational Risk
- (c) Strategic Risk
- (d) Compliance Risk
- (e) Risk from Business Environment

2. Risk management shall be responsibility of employees at all levels, who must be aware of the risks involved in their operations and the organization, focusing on risk management in various fields and managing under systematic internal control to a sufficient and appropriate level.

3. There must be an organizational risk management process that complies with good standards in line with international practice to effectively manage risks that may affect the Company's operations. The development and implementation of risk management throughout the organization must go forward in the same direction by making risk management system part of decision making, strategic and operational plans of the Company, and focusing on achieving the determined objectives, goals, visions, missions, and strategies to create operational excellence and build confidence in stakeholders.

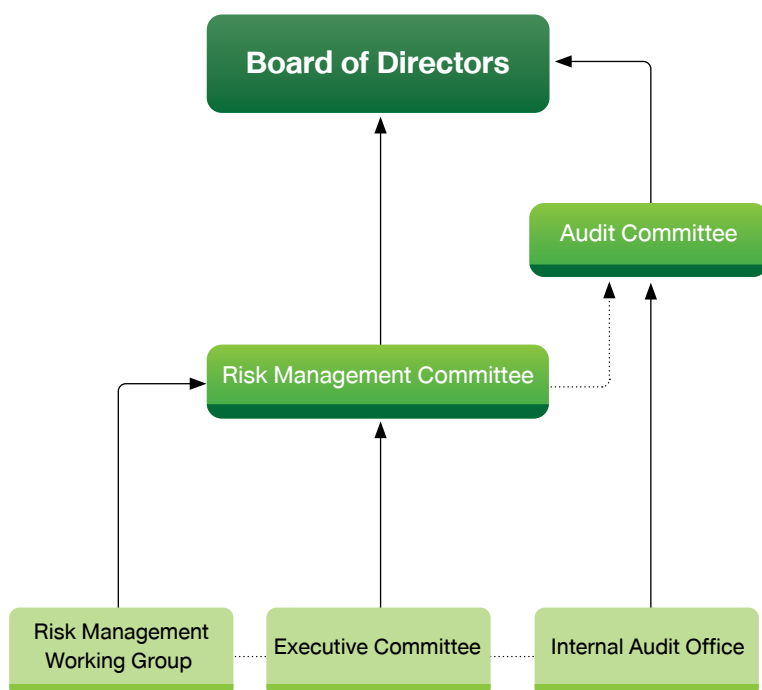
4. Guidelines are established in order to prevent and mitigate risks from the Company's operations to avoid damage or loss that may incur, including monitoring and assessing risk management results on a regular basis.

5. Promote and develop the use of modern information technology systems in the Company's risk management process and encourage personnel at all levels to have access to information on risk management, including establishing an effective risk management reporting system for the Risk Management Committee.

## Risk Management Structure of the Company

The Company has determined risk monitoring as part of the Company's management to ensure that the governance structure and responsibilities are appropriate and can promote effective risk management. The structure and duties and responsibilities in the monitoring of the Company's risks are as follows:

### Risk Management Structure



**Board of Directors** has the overall responsibility to supervise the Company's risk management in accordance with the risk management structure and acceptable policies and risks, including promoting continuous and efficient risk management at all levels throughout the Company according to international principles to create a sustainable risk management culture.

**Audit Committee** helps support the Board of Directors in performing duties relating to risk management by reviewing to ensure that the risk management system is appropriate and effective.

**Executive Committee** is responsible for the following matters:

1. Consider and review the Company's risk management and internal control system.
2. Report high and very high risk levels to the Risk Management Committee, the Audit Committee, and the Board of Directors for acknowledgement.

**Risk Management Working Group** is responsible for the following matters:

1. Analyze and assess risks of each unit and manage risks according to established guidelines.
2. Study, analyze, assess, and manage risks, including finding solutions.
3. Educate various departments to understand criteria for analysis and assessment and manage risks.
4. Follow up, review, notice the risk owners to manage risks continuously
5. Report result of assessment risks

**Chief Executive Officer** is responsible for the implementation of this policy and supervision to ensure continuous compliance through the Risk Management Working Group, which consists of executives from core units of the Company.

**Risk Management Committee** is responsible for ensuring that significant business risks are identified and assessed regularly, and effective risk management measures have been established and is responsible for the following matters:

1. Prepare risk management policy, strategy, and criteria for risk management to propose to the Board of Directors for approval.
2. Review risks and the Company's risk management guidelines as assessed by the agency owning risk and providing suggestions for improvements.
3. Supervise effectiveness of the Company's risk management process by continuous monitoring and review.


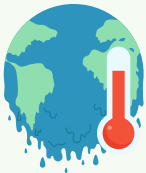
## 2.2 Factors and risks to the Company's business operations

### 2.2.1 Risks to the Company's business operations

#### Emerging risks

In the next 3-5 years, the Company is prepared to deal with many risks that may arise in the future. Such risks affect economic and business directions of the Company, both directly and indirectly. In order to find guidelines for eliminating or reducing risks, the Company has disclosed new risks that may arise in the future and the following risk management process.

Emerging risks	Risk description	Impact that may occur to the Company	Risk management process
<b>1. Emerging pandemic risk</b> 	Emerging pandemic risk affects the country's economy causing economic slowdown in manufacturing, exports and tourism sector. As a result, some customers lose their income, unable to repay debts on time or avoid using services at the Company's branches, which is an important risk of the Company that must be monitored and handled on an ongoing basis.	The pandemic may intensify and has a broad impact on economy and society, including directly affecting the Company's short-term to long-term operating results in providing customer service. The business model and customer service must be adjusted so that customers can continuously and safely receive services.	<ol style="list-style-type: none"> <li>1. The Company has urgently announced policies and measures to prevent the spread of emerging infectious diseases for all employees to follow in order to protect themselves and customers against the spread within the head office and branches across the country.</li> <li>2. The Company has place an IT system to support financial assistance measures for help customers that affected by the emerging infectious disease epidemic situation.</li> <li>3. The Company has added the process of auctioning assets to online channels in order to avoid exposure in accordance with social distancing policy.</li> </ol>
<b>2. Cyber security risk</b> 	At present, the Company uses technology and information technology systems as a mechanism to drive the business. As a result, the Company faces additional risk from cyber threats. Therefore, the Company should maintain strict and sufficient security against cyber threats in line with its risk management system to be prepared in handling cyber threats.	<p>Cyber attack will have a direct impact on the Company in many levels including:</p> <ol style="list-style-type: none"> <li>1. The Company's services will be interrupted if the intended attack on the Company's computer system is damaged.</li> <li>2. The Company's information will be published without permission.</li> </ol> <p>In addition to financial damage, it also affects customer confidence in the Company's services. There may also be penalty imposed by the authority if there is any violation of regulation. It may also cause financial damage to the customer if the attack is directed at the Company's customer.</p>	For prevention and response at the corporate level, the Company has focused on continuously providing tools and developing technology to be able to protect against sophisticated or unknown attacks. In addition, the Company has been developing information security management to upgrade its services with safety in accordance with international standards and compliance with official regulations such as ISO 27001 standard and the Personal Data Protection Act.

Emerging risks	Risk description	Impact that may occur to the Company	Risk management process
<p>3. Risk from market interest rate volatility, economic stagnation from inflation situation.</p> 	<p>The Company relies on main sources of funds from banks and financial institutions for its operations. The market interest rate may be affected by various factors such as the policy of adjusting the interest rate from the Bank of Thailand and economic recession resulting from the COVID-19 crisis and geopolitical risks about Russia-Ukraine, China-US creates uncertainty for the global economy and monetary policy leads to high inflation.</p>	<p>An increase in interest rate will result in an increase in the Company's financial costs, while interest rates on lending may remain the same.</p>	<ul style="list-style-type: none"> <li>The company will consider the trend and adjust the interest rate 2-3 months in advance to be in line with the interest direction.</li> <li>The company will consider issuing debentures which is issued with a fixed loan rate.</li> </ul>
<p>4. Risk from natural disasters caused by climate change such as global warming and flood.</p> 	<p>The company is unable to operate its business as usual. For example, when there is a flooding the service cannot be opened leads the distressed of lending and debt collection service to follow up on debtors and if the agricultural area is damaged by drought It may cause the cessation of operations in various sectors both in the manufacturing, service and consumption sector.</p>	<p>The occurrence of disaster can affect a company's ability to conduct business. If customers are affected by the cessation of operations in various sectors ,may not be able to pay their debts.</p>	<p>The company has instilled awareness among employees in campaigning for maximum energy efficiency.</p> <ul style="list-style-type: none"> <li>Save water and electricity consumption</li> <li>waste separation</li> <li>Reduce greenhouse gas emissions by using green vehicles</li> </ul> <p>Including prepared a Business Continuity Plan (BCP) and tested according to the specified period. In order to be able to respond effectively and efficiently to emergency situations.</p>

## Risk management

The Company gives importance to risk management in all aspects. The Company analyzes internal and external environment, including economic, social, political, technological, industrial, competitor and other trends in order to determine the Company's key risks, which can be summarized as set out below.

### (1) Strategic risks

#### (1.1) Risk of loan expansion not meeting the business plan

At present, the Company's branches are the main channels for providing loans and other services. The Company has a plan to continuously increase its number of branches to increase its service capabilities and support the needs of current and new customers in the future. This will help diversify risks if any event affects business operations in certain areas.

In the event that the Company is unable to expand loans in accordance with the Company's business plan or there is a delay or malfunction in the operations caused by factors such as inability to find potential areas to open new branches, inability to recruit qualified personnel or branch service personnel do not have enough capabilities to achieve goals, the Company may not be able to meet customers' needs effectively. Due to increasing competition in the personal loan business

from competitor's branch being located in the nearby area of the Company's branch, new branches may not be able to achieve operational goals determined by the Company such as targeted loan value, number of loan contracts, debt collection and tracking, insurance selling or operating costs or expected return on investment could not be achieved etc. Such factors may have negative impacts on the business, operating performance, financial positions and business opportunities of the Company.

However, the Company's shareholder groups have over 20 years of experience and expertise in loan service business. The Company requires an investment analysis by the relevant departments in terms of target customers, location, population distribution and characteristics of surrounding community, market conditions and competitors, consumer demand, local personnel, investment per branch, payback period, and expected return. Such investment analysis must be approved by the Executive Committee and/or the Board of Directors in accordance with the Company's authorization matrix. After making the investment, the Company closely monitors and evaluates the operating results and adjusts the operating plan according to the changing situations.

In addition, the Company has given importance to the development of personnel based on the fundamental belief of "Good services can deliver better business results (loan amount and debt collection)" by cultivating a service culture. The service culture emphasizes on driving towards the process that is equipped with good mindset and skills and creates "Change Leaders", a group of branch managers who acts as coaches to educate, provide advice and convey ideas and good service practices to nearby branches. The Company's identity as a preferred service provider to local people is emphasized. The change leaders are willing to provide proactive services, understand the needs of customers as locals, and perform their duties as professional at their best capabilities. In the long run, the Company expects that the seed of this cultivated personnel will expand and build up the business to create sustainable business operations

#### **(1.2) Risk from competition in hire purchase, regulated personal loan for occupation, and other loans industry, entry into the industry by new competitors, and technology disruption**

There are many service providers in the loan service business including existing and new service providers. The business is highly competitive. Other loan service providers have expanded their services to online channels and are using technology in the credit approval process to improve and create faster and more efficient services. The number of customers who choose to apply for loans through online channels has also increased.

In addition, the government has a policy to support online personal loans (P2P lending) and digital personal loans, resulting in new entrepreneurs who are interested in entering into the lending industry which provide services through online channels. Competition is presented due to various promotions such as providing a higher credit limit, reduction in interest rate, and extension on repayment period in order to attract customers to choose the services. There is competition in presenting promotions or additional investment to increase quality of the Company's services to compete with other service providers in the industry. Therefore, the Company may not be able to lend additional amount of loans in accordance with its strategies or the value of new loans by the Company may decrease as the Company's services are mainly provided through its branches. Service hours at the Company's branches are only from 08.00 a.m. – 5.00 p.m. on Monday to Saturday, while customers can access services of other loan service providers with online channels 24 hours. Such circumstances may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

The Company has prepared a strategic plan to respond to competition within the loan industry by expanding its customer base in order to increase an opportunity to lending through increasing number of branches in potential areas, building awareness of the Company's brand with local customers (Brand Awareness) through building a good relationship with customers for recognition (Brand Recognition) and decision to apply for loans with the Company as the first place (Conversions). In addition to expanding the customer base, the Company has a strategy to maintain its existing customers (Customer Retention). For instance, if customers pay their installments on time for a certain period of time, the Company will offer customers refinancing loans to increase their balance (Up-Selling) or will offer a new type of loan (Cross-Selling) or discounting promotion to increase its competitiveness. In addition, the company has marketing through Referral Program with partners in each locality such as car tents to introduce hire purchase loan products for customer who interested to buying a car. The company also participating in activities with community leaders for community leaders to recommend products to members. The Company focuses on development of loan products, new channels for product presentation, customer database system and system for, and expertise of personnel, in credit consideration and analysis. The Company has set measures for future business planning to support changes in consumer behavior and changes in technology by collecting customer information to study their behaviour in using loan services and repayment to analyze trend and changes on a regular basis. Such information is used for planning the Company' strategies. At present, the Company has begun to develop online channels according to the determined plan to support customers' needs and provide convenience in using the services in the future, in parallel with provision of services through branches. In addition, the Company has improved the credit approval process to become faster, while effectiveness of the approval process for screening qualified loan applicants is maintained. In addition, the company has also improved the credit approval process to be faster. At the same time, the effectiveness of the approval process for screening qualified loan applicants is maintained.

## (2) Operational risks

### (2.1) Risk from efficiency of credit analysis and credit approval which may affect the quality of the Company's loan portfolio

The Company analyzes customer data to determine appropriated credit limit. Credit consideration and approval is an important factor. The Company takes into consideration collateral value, customer identity, ability to repay debt, existing liabilities, and history of debt repayment. The branch officers will be responsible for analyzing data of which accuracy will be verified and credit will be approved by branch managers, district managers or the Credit Control and Approval Department. Persons authorized to approve the credit will depend on the value of credit limit as stipulated in the Company's operating manual.

The efficiency of credit analysis and credit approval is an important factor affecting the success of the Company's operations. Although the Company has a process of analyzing data and consideration of credit approval with caution and prudence and the process is completed in accordance with the operating manual, the Company cannot guarantee that it will analyze credit accurately at all times in the future. Factors affecting the quality of credit analysis and approval include employees' expertise in analyzing credit data, employees' expertise in valuing collateral, concealment of important customer information, and corruption by employee etc.



Inefficient or incorrect credit analysis may affect the quality of the Company's loan portfolio. The Company may not receive loan repayments within the period specified under the contracts, or in the event that the borrower defaults on payment for a long time, the Company's accounts may be affected as the Company have to record an increase in credit losses, or the Company may not be able to track down the vehicle used as collateral for auction and to pay off the debt, or the market value of the vehicle at that time may be substantially reduced and is insufficient for repayment of the outstanding loan etc. Such factors may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

The Company realizes the importance of credit analysis and approval process, which is a critical operation in the Company's business. Therefore, branch employees are required to complete credit analysis related knowledge training before operations. The branch employees must pass a knowledge test and attend practical training before starting actual work. In addition, the Company clearly separates the function of credit analysis from credit approval. The approval authority is determined according to the procedures under the operating manual. Accuracy of information must be verified prior to every credit approval. The Company believes that its credit analysis and approval process will allow the Company to analyze factors for approving credit with reliability.

**(2.2) Risk of debt collection being unable to meet the maturity period, which may be caused by external factors that are beyond the Company's control and the Company may significantly incur additional costs from such factors**

The Company provides loan services to customers with a monthly repayment schedule. The company faces risk of customers not paying installments as scheduled or the Company is unable to collect installments that are due or overdue. This might be due to external factors that affect ability and willingness to repay by customers such as macroeconomic conditions, total liabilities of the borrower or changes in career or income etc. Such circumstance will affect the Company's debtor status classification and provision for allowance of expected credit loss and the Company may incur additional expenses if the Company is unable to collect loans and has to take collateral for auction and use proceeds from the auction for repayment or there is a lawsuit or legal action. Such factors may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

To prevent the risk relating to debt collection, the Company analyzes and considers credit by requiring the Credit Control and Approval Department to consider qualifications of the borrower and taking into consideration the borrower's ability to repay loan as a main factor. In addition, the Company has an off-site payment collection service to help facilitate borrowers who are unable to pay installments at branches or other channels provided by the Company in order to increase the collection rate.

In terms of debt collection, the Company has set up a system for managing and tracking debts quickly and efficiently. The Company organizes trainings and provide knowledge to branch employees, call center employees and continually test their knowledge and understanding of the operations. In addition, the Company has determined operational guidelines based on compliance with the laws and the Debt Collection Act B.E. 2558 (2015), which have been stated in the operating manual of the Collection Department. The Company has established a debt collection procedure that is consistent with the outstanding debt of each borrower and a procedure for debt collection through field visit. The Company has separated the authorities of persons in the process of debt collection for each debtor status for transparency, verifiability, and can be crossed check among persons authorized for debt collection.

In respect of receivables that are overdue for more than 150 days, the Company engages an experienced external debt collection team. The external collection team performs its duties with professionalism and strictly operates in accordance with the laws and the Debt Collection Act B.E. 2558 (2015) to follow up such receivables. In addition, the Company has a system to control the results of debt tracking at the end of every day and at the end of every month to manage efficiency of debt collection and follow up debts in a timely manner, reducing risk of incurring non-performing loans (NPLs).

### **(2.3) Risk of not being able to track the vehicle which is a collateral under the loan contract or the vehicle which is a collateral under the hire purchase contract in the event of non-payments**

The Company's secured loans can be divided into 2 types of loans: loans with vehicle registration as collateral and hire purchase loans. For loans with vehicle registration as collateral, the borrower who owns the vehicle will use original vehicle registration as loan collateral and deliver the original vehicle registration to the Company, along with signing the ownership transfer documents to the Company in advance so that the Company could track the vehicle according to the vehicle registration and auction the vehicle for loan repayment.

In the event that the customer has defaulted on payment, the Company will follow up and seize the vehicle used as collateral under the loan with vehicle registration as collateral contract or seize the vehicle used as collateral under the hire purchase contract. Such vehicle will be auctioned to pay off the outstanding loan. The Company faces risk of not being able to track motorcycles, cars or other types of vehicles used as collateral that can be moved easily. Such factor may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

To reduce the chance that the Company is unable to seize the vehicle, the Company has determined that the customer's primary residence is one of the factors that are taken into account in the credit analysis and approval. The Company will consider giving loans to customers whose residences are in the provinces where the Company's branches are located or in the provinces with specified distances from the branches only. The branch employee will go to the local area to check the customer's history and the Credit Control and Approval Department will call customers directly to verify and confirm the information. The customer's history will be checked against the Company's black list and credit information of the customer will be checked at the credit bureau prior to credit approval. In the event that the customer defaults on payment beyond the period specified by the Company, the Company's policy is to follow up and seize the collateral under the contract with the Company without delay. The Company will negotiate with the customer using reasonings and ask the customer or the person who has possession over the vehicle at that time to sign a memorandum regarding delivery of vehicle or a letter requesting for return of hire-purchased vehicle and agreement to be responsible for any damages, together with delivering the vehicle. The conditions of the collateral shall be inspected and a photo of the collateral at that time shall be taken as evidence.

### **(2.4) Risk of the value of assets held for sale is lower than the outstanding debt or inability to sell assets held for sale**

The Company has assets held for sale due to breach of contract and non-payment of outstanding balance by customers. As a result, the Company has assets held for sale in order to repay outstanding debts of such customers. The Company, therefore, cannot guarantee that: (1) There will be no damage to the vehicle used as collateral while in the customer's possession. Any damage to the vehicle may result in a significant impairment in the value of the vehicle; (2) The value of the collateral through auction sale will cover the outstanding debts under each contract. The value

will depend on conditions, age and popularity of the brand, model, market conditions, and demand for such vehicle at that time; (3) In the event that there is outstanding debt after the auction sale, the Company may have additional expenses from following up on the outstanding debts or may incur legal costs and if the Company cannot claim the customer or the guarantor to pay the difference of the outstanding debt, or in the event that the Company expects that the cost of debt collection will be higher than the expected cash inflow, the Company may consider not to follow up on the debt. As a result, the Company will incur a loss from the sale of assets held for sale.

However, the Company has a strict policy for credit analysis and debt collection by comprehensively considering important factors to assess the borrower's qualifications and the conditions of the collateral, including but not limited to purpose and suitability of the use of the vehicle, the main address of the borrower, occupation, brand, model, year of production, and market price of the car etc. In addition, the Company has auction channels through: (1) the Company's 7 auction centers in Chiang Mai, Chiang Rai, Khon Kaen, Nakhon Ratchasima, Phrae, Suphan Buri, Phitsanulok; and aims to increase the auction yard in Surat Thani province as the 8th place. Target customers include juristic persons and individuals.

#### **(2.5) Risk of malfunction, interruption or damage to information technology system during business processes**

The Company has invested and developed information technology system for use in various business processes. The business processes include credit analysis, record of customer information, calculation of installment payment, preparation of loan contracts, debt collection and monitoring of debt, management and storage of contract information, sale of collateral, accounting and finance management, human resources management, and legal proceedings. The Company will use information from such information technology system to prepare a report for the management (Management Report) and financial statements and analysis of the Company's operating performance and financial positions.

If the information technology system malfunctions, is interrupted or damaged due to the Company's business operations, or events beyond the control of the Company such as natural disaster, network problem, power outage, hardware problem, cyber security threats etc. Such event may cause data loss, inability to access information in the information technology system, or data leakage. As a result, efficiency in the Company's business operations will decrease, creating delays or interruptions, which may cause financial loss or resulting in lack of confidence in the Company's business operations from customers, and adversely affect the Company's reputation. Such factor may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

However, the Company has a policy to maintain information security in order to prevent any damage that may occur to the Company's information technology system. The efficiency of the information technology system is checked. The information technology security is regularly reviewed and improved to be in line with the changing environment, including establishing a business continuity plan and an IT disaster recovery plan (IT DRP) with a rehearsal on implementation of the plans to respond to emergencies at operational level. The right to access information and information systems is determined according to the authorities and responsibilities of each level of employees. Password is determined for access and the Company has personnel with expertise to inspect, improve and control operations of the information technology system in order to prevent and solve any problems that may arise within a reasonable time and limit any damages.

## (2.6) Risk of reliance on senior management and key personnels with expertise and experience in various fields in the business

The Company relies on a team of senior management with experience and expertise in the industry in managing the Company's business, including professional management team in the financial industry, loan service business and other industries for a long period of time. If the Company is unable to motivate and retain senior management and key personnel or unable to recruit replacement or additional personnel within a suitable time period for such change, there might be a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

The Company has established a succession plan and a career development program to develop potential personnel within the organization and recruit potential personnel from outside the Company for executive-level personnel and other key positions so that the Company is able to recruit key personnel to replace them within an appropriate period of time. In addition, the Company has allocated compensation suitable for the knowledge and capabilities of each position of which the Company believes that it can be compared with other operators in a similar industry.

The Company relies on personnel with expertise and experience in operating the Company's business in multiple processes, including but not limited to data analysis for credit approval, valuation of collateral, debt collection, and preparation and analysis of financial, accounting and legal information etc. The Company's inability to recruit or retain personnel with knowledge and expertise may have a negative impact on its operations. Such circumstance may result in incorrect credit analysis and consideration, inaccurate assessment on the customer's ability to repay debt or appraised value of the asset is not in accordance with conditions of the asset etc.

The Company cannot guarantee that it will be able to recruit or maintain personnel with skills, knowledge, expertise and experience that is sufficient and suitable for the Company's current operational needs or can support future business expansion plans. The recruitment or development of personnel which does not keep up with the Company's needs in expanding the business according to the strategic plan or the inability to recruit personnel to replace important positions which may suddenly retire, relocate or resign may cause the Company's operations to be inconsistent, inefficient or interrupted, or the Company may incur additional costs by offering additional compensation and benefits to attract and retain key personnel with experience and competence. Such factors may have a negative impact on the Company's business, operating performance, financial positions, and business opportunities.

However, the Company is determined to continually recruit and develop the quality of its personnel to increase their capabilities. The recruitment and selection of employees will be based on educational qualifications, knowledge, relevant training courses, and skills related to the job position. In addition, the Company has an annual training plan in each department to transfer knowledge to employees and requires personnel at all levels to attend regular trainings on knowledge and skills relating to their operations. Performance assessment are carried out to acknowledge strengths and weaknesses of the personnel, including adjusting the method of development and improvement of competence as appropriate. To attract and retain qualified and competent personnel in its business operations, the Company has established a fair compensation and welfare structure in line with the responsibilities and expertise of personnel and can compete with businesses in the same industry. The Company also creates a good working atmosphere and work motivation such as rewarding employees for good performance, annual bonus payment and other welfare etc.

## **(2.7) Risk of fraud by employee in the Company's main activities such as credit analysis and approval, payment installment, cash storage, and debt collection etc.**

The Company has opened branches to support the provision of loan and installment payment services by customers for fast and efficient services that can compete with other service providers. The Company's main activities will occur at the branches, including such credit analysis and approval, acceptance of installment payment, cash storage, debt collection, and custody of assets etc. Such activities may provide an opportunity for fraud such as credit approval for non-qualified individual, embezzlement or forgery of documents etc.

The Company has a strict policy and measures to prevent fraud by employee and continually communicate such policy and measures to its personnel so that its personnel understand the measures and penalties for fraud. The Company has established internal control measures in each operating process. There is a separation of duties of branch employees and the Credit Control and Approval Department. The approval authority is determined according to the procedures under the operating manual. The loan application, supporting information, and customer identification are checked every time before credit approval. There is also a check on cash on hand at the end of the day at each branch.

In addition, the Company has engaged KPMG Phoomchai Business Advisory Limited ("KPMG") as its internal auditor whose role is to regularly and independently audit the operations of branches and departments. There is a random check on the branch operations. The results of the audit will be reported directly to the senior management and the Audit Committee for acknowledgment. There are channels for reporting whistleblowing. The Company's internal and external stakeholders may directly report any clue or complaint to the Office of the Company Secretary via comment box, mail, telephone at 1361, email [whistleblower@hengleasing.co.th](mailto:whistleblower@hengleasing.co.th) or through the Company's website [www.hengleasing.com](http://www.hengleasing.com). A report on risk of corruption is also prepared to monitor such risk and the senior management and the Risk Management Committee is reported in order to reduce opportunities for corruption and corruption can be detected in a timely manner.

The Company has been certified by the Thai Institute of Directors (IOD) to be a member of the Private Sector Collective Action Coalition Against Corruption (CAC). Such certification is valid for a period of 3 years, effective on 31 March 2021.

## **(2.8) Risk of loss or damage to loan contract or collateral document due to theft, fire or other natural disasters**

The Company keeps original loan contracts, vehicle registrations and land title deeds which are collaterals of the contracts at the Company's head office and makes copies of such contracts and stores them in the Company's information system to increase efficiency in information management and provide access of information to employees for operations. However, the Company cannot guarantee that the original loan and collateral contracts or information stored in the Company's information system will not be damaged or lost due to occurrence of the abovementioned factors in the future as the abovementioned events are beyond the control of the Company.

The Company is highly aware of the importance of contracts and collateral documents and has established a policy and procedures for keeping contract and collateral documents. The Registration and Contracts Unit/branches are responsible for controlling completeness and overseeing storage of loan contracts and collateral documents. Documents are systematically stored in designated

room for storage of contracts and collateral documents. Copies of contracts and collateral documents are also stored in the Company's information technology system and the information is regularly back up on the Company's redundant servers. There are regular audits and improvements of the information system to maintain system efficiency.

### **(3) Financial risks**

#### **(3.1) Risk of reliance on credit from financial institutions and obligations to comply with financial covenants as stipulated in the loan agreements**

The Company currently has 2 main sources of funds to support its loan services business which include loans from financial institutions and funds from the Company's shareholders. The risk of being reliance on any one financial institution is mitigated by procuring funding from 6 commercial banks in Thailand. The Company has good relationship with such financial institutions and the Finance Department is required to monitor the status of the business in maintaining financial ratios and regularly report to the relevant executives to ensure that the Company is able to comply with financial covenants under the existing loan agreements with financial institutions. In addition, after the initial public offering (IPO), the Company has additional sources of funds from offering of its ordinary shares. Part of the proceeds from the IPO is intended to be used as a source of funds for supporting operations and growth of the Company's business.

#### **(3.2) Risk from difference in credit term and borrowing period (Mismatch fund)**

The Company's loan service business requires a high amount of capital. The Company's main sources of fund for loan services include short-term and long-term loans from financial institutions, shareholders' capital, proceeds from capital raising in the stock market, and cash flow from operations. The Company may not have sufficient liquidity to meet due dates of loans or other liabilities at all times. There are factors that may negatively affect efficiency of the Company's cash flow management, including changes in macroeconomic conditions, financial markets, and government policies relating to the Company's business operations, both directly and indirectly, efficiency in credit analysis, collection and monitoring of the Company's debts etc., which may cause the Company's loan services not being in accordance with the strategic plans or goals. The Company's cash flow from operations may not be sufficient to repay loans from financial institutions or there may be a period that does not correspond to the due date of loan, which negatively affects the Company's liquidity.

Inefficient capital and liquidity management may result in the Company not being able to procure funds to support the Company's business operations and business expansion plan at appropriate cost and conditions, or may not able to procure additional funds at all, which may have a negative impact on the Company's business, performance, financial positions, and business opportunities.

The Company's liquidity management policy includes: (1) preparation of monthly cash flow projections; (2) closely monitoring of debt collection and cash flow from operations; (3) procurement of funds from bank loans in accordance with the Company's lending plan; (4) procurement of funds at the level that is in line with the Company's loan growth so that the Company has sufficient funds to repay short-term and long-term loans under the loan agreements. In addition, reports on the Company's cash flow analysis shall be prepared on a regular basis. The Company is confident that it can manage sufficient cash level to support its business operations and repay loans from financial institutions. In the past, the Company has always had a good relationship with financial institutions and never faced any financial problem nor defaulted on loan repayment.



### **(3.3) Risk of interest rate fluctuations while the Company's interest income from loans with vehicle registration as collateral and personal loans is subject to the maximum interest rate as prescribed by the Bank of Thailand**

Finance cost is an important cost in the Company's business operations because the Company's main income is from interest receive on loans and the interest rate cannot be adjusted during the contract term.

In addition, the Bank of Thailand supervises personal loan with vehicle registration as collateral, personal loan without vehicle registration as collateral, and regulated retail loan for occupation. The Bank of Thailand also imposes a maximum interest rate of which the Company can charge its customers, while short-term and long-term loans from financial institutions, which is the Company's main source of funding, charge floating interest rates. The Company cannot guarantee that it can maintain the current loan interest rate or will be able to find funding at a better interest rate. The increase in borrowing rates may be caused by changes in the Bank of Thailand's interest rate policy, changes in credit policy of commercial banks or changes in the Company's risks etc.

In the event that the interest rate increases, the cost of borrowing will be higher. This causes a decrease in the nominal spread between interest income and interest expense. In addition, this may affect financial stability and ability to pay off loans by debtors who have other debt obligations with floating interest rates. This can result in higher default rates and lower average debt repayments, which may have a negative impact on the Company's business, performance, financial positions and business opportunities.

## **(4) Compliance risks**

### **4.1 Risk of failure to comply with applicable laws, regulations, and announcements**

The Company operates: (1) hire purchase; (2) regulated personal loan with vehicle registration as collateral; (3) mortgage loan; (4) regulated personal loan without vehicle registration as collateral; (5) regulated retail loan for occupation; and (6) non-life and life insurance broker to retail customers under the service mark "Heng Leasing" through the Company's branches. The Company's business is subject to various applicable laws and regulations, which have different limitations, obligations, and criteria in respect of business activities. The Company's business operations are under the supervision of relevant agencies such as the Ministry of Finance, the Bank of Thailand, the Office of the Consumer Protection Board, the Anti-Money Laundering Office, the Office of Insurance Commission, the Department of Business Development, Ministry of Commerce, National Credit Bureau Co., Ltd., and the Department of Provincial Administration, Ministry of Interior, and other related agencies. Such agencies may impose penalties against the Company and its personnel if it is found that any business operations violates applicable laws, rules, regulations and requirements or is in a manner that may cause an offense against any obligation as prescribed by the laws, including public or non-public accusations, fine, proceeding, or in severe cases, there might be a suspension or revocation of the relevant business license or legal action may be taken against the Company.

The regulatory agencies under the relevant laws will continually revise and amend the regulations, particularly the Bank of Thailand. There will also be an inspection on the Company's operations which may result in an exercise of discretion whether the Company has fully complied with the applicable laws, announcements, standards or practices, and conditions under its licenses (collectively, the "Applicable Laws"). As a result, the Company may have to change its work procedures and/or policies to comply with the Applicable Laws and/or orders of the regulatory agencies. This may significantly affect the Company's operating performance and business operations.

The Company gives importance to and is aware of the aforementioned risk. Therefore, the Company has established a compliance unit with specialized knowledge to supervise, control and monitor the operations of various departments within the Company to be in accordance with the laws. The Compliance Unit is assigned to analyze impacts, plan and assess key risks associated with compliance with the Applicable Laws, including setting guidelines for control measures, recommendations and preventive measures to reduce the risk to an acceptable level and to continuously develop the organization's risk management system to be effective. The Compliance Unit also keeps track of amendments to laws, regulations and announcements relating to the Company's business operations. If necessary, the Company may hire an external legal advisor to provide legal advice and opinions so the Company is able to continue its business operations according to the laws on an ongoing basis.

#### **4.2 Risks relating to compliance with personal data protection laws for which the Company's operating procedures shall be adjusted in accordance with such laws upon enactment**

The Personal Data Protection Act B.E. 2562 (2019) ("PDPA"), which is effective from 28 May 2019 onwards, provides that any information that makes an individual identifiable, whether directly or indirectly, shall be deemed as personal data. The right of owner of the personal data shall be protected, including certain other rights in relation to his/her personal data. From 1 June 2022 onwards, the Personal Data Controller (including the Company) will have a duty to comply with the process of collecting, using or disclosing personal information in accordance with the procedures and requirements prescribed under the PDPA. The relevant agencies under the PDPA will enact additional relevant regulations to ensure full compliance with the PDPA. Therefore, the Company will have additional obligations to comply with the PDPA in collecting, using or disclosing personal information. Since the Company's business operations require collection and processing of a large quantity of customer data in the normal business operations, which may cause an increase in resources and costs and the Company may have to significantly change its relevant operations and/or policies. In the event that the Company fails to comply with such existing and future laws, or the Company understands that it has complied with such laws, but in fact it has not fully complied, or the Company receives any complaint from customer who is the owner of personal data, the Company may have to indemnify the owner of personal data or be punished by the laws. In such case, the Company may require additional resources to handle the complaint, resulting additional costs. In addition, such event may significantly affect the Company's reputation and operating performance.

However, the Company realizes the importance of complying with the PDPA and has appointed the personal data protection working group and the Personal Data Protection Officer. The Company has sent the Personal Data Protection Officer and the relevant employees to attend trainings with various agencies. In addition, the Company has assigned the personal data protection working group to study the PDPA from various sources for a better understanding of such laws and to prepare for the Company's duties relating to the handling of personal information when the PDPA becomes effective. In this regard, the Company has established a personal data protection policy regarding compliance with the PDPA and the Board of Directors has considered and approved such policy.

## **(5) Risk from business environment**

### **5.1 Risk of credit assistance measures to support customers affected by the Covid-19 outbreak announced by the Bank of Thailand that may affect the Company's cash inflow and the ability to repay debts**

With the spread of Covid-19 in the year 2021, the Bank of Thailand announced an extension on credit assistance measures to support borrowers. Therefore, the Company implemented measures to assist borrowers. In respect of hire purchase loans, the Company offered borrowers who joined the program to pay each installment in a decreased amount by 50% for a period of 12 months. In respect of regulated personal loans with vehicle registration as collateral and long-term loans, the Company offered borrowers who joined the program to each installment in a decreased according to the ability to pay debts but not lower than the interest charged for a period of 12 months.

However, the aforementioned measures affect the Company's cash inflow and the Company cannot guarantee that, after the end of the assistance measures, borrowers will have the ability to repay their debts similar to before the Covid-19 pandemic. The borrowers' decreasing ability to repay debts may result in the Company's failure to collect debts as targeted and the Company may have to set additional allowance of expected credit loss. However, the Company has set management overlay to cover risks that may occur after the aforementioned measures have ended, including closely monitoring the status of borrowers participating in the assistance measures. According to the Company's policy, debt collection report is prepared every day at the end of the day and at the end of the month to manage efficiency of debt collection in a timely manner and reduce risk of non-performing loan (NPL).

### **5.2 Environmental, Social, and Governance risk**

At present, entrepreneurs around the world expect to partner with businesses that operate whilst preserving the environment. The Company has a vision of operating a profitable business while promoting society and being friendly to the environment. Therefore, it is a challenge for the Company to find suitable methods in managing along this vision. In this regard, sustainability risk or ESG risk plays an important role in affecting the ability to generate profits, competition, image, reputation or even the survival of the Company. Giving importance to sustainability risk management represents readiness in prevention and adaptation in handling various risks.

The Company places great emphasis on sustainability risk and can apply ESG principles to business practices. Apart from creating a good corporate image, the fact that the Company has a good policy and guidelines for managing resources and is environmentally friendly also helps reduce the Company's expenses. The Company's quality and transparent internal management with employee welfare and the ability to maintain good relations with employees reduce employee turnover rate and cost of training new employees. It also helps to increase profits, which will affect the value of the Company and contributes to the Company's sustainable growth.

#### **5.2.1 Climate change risk**

Currently, global warming affects the world's climate significantly. The changing climate will inevitably affect the way organizations operate. It will cause shifting seasons and changes including droughts, floods, severe forest fires, and extinction of certain wild animals.

In some cases, climate change will have a direct impact on the Company's operations. For instance, floods may affect branch services, storms will result in air pollution (PM 2.5), or drought will affect agricultural productivity and farmer's income. The Company understands our responsibility for environmental issues and has organized a campaign for employees to use natural resources for optimal benefits, including saving water and electricity, caring for the community, and helping society. Every year, the Company has a plan to protect and conserve natural resources such as planting forests, donating equipment to support the environmental groups, building firebreaks to prevent forest fires, reducing small dust particles, and expanding results in important risk areas.

### 5.2.2 Human rights risk

Human rights issues have been a global focus for the past few years. The business sector plays a role in promoting human rights through conducting business that improves the quality of life, including development of public utilities to provide convenient access to the people. At the same time, the business sector has the potential to violate human rights of individuals such as having an unsafe working environment in the business premise, emission of pollution which affects human rights in the community etc. Moreover, climate change may pose a threat to human rights due to the changing climate which causes damages to crops and properties. It may affect the rights to life, health, food, and adequate standards of living. The consequences of human rights violations may lead to negative impacts on overall business operations such as the organization image and resistance from the society.

The Company gives priority to employees, communities, and surrounding society. To maintain respect for the human rights of all stakeholders, the Company has appointed a welfare committee at the place of business to represent employees in consulting with the employer to provide appropriate employee welfare within the workplace. The welfare committee has been appointed according to the announcement of the Department of Labor Protection and Welfare regarding criteria and procedure for election of the welfare committee in the place of business. In addition, the Company has a policy of recruiting employees who are mainly local people to create jobs for people in the community. This will allow the Company to understand the needs or concerns of the local community and appropriately bring such needs or concerns into action. In the year 2022, the Company had no human rights complaints from employees or communities and has never been fined by regulators regarding such matters.

### 5.2.3 Trade partner risk

Business operations of various organizations involve many stakeholders. Trade partners take a part in driving the Company's business to move forward according to the specified goals. If the Company receives adequate, appropriate, and correct support as needed, it will be able to move forward quickly and steadily. Therefore, trade partner management is an important factor in business operations and enhances the quality of life for the Company's stakeholders, including increasing transparency in management of the organization. In addition, managing partners will result in the Company being able to receive quality products and services, enhancing business opportunities, and being able to continually manage trade partner risks. The risks associated with trade partners that may affect the Company's sustainable operations include:

- 1.) Reliance on large trade partner
- 2.) Supplier concentration
- 3.) Reliance on a small number of trade partners
- 4.) Receipt of poor-quality products/services

The Company has established policies and manuals for procurement practices such as bidding, price comparison, channels for recruiting vendors by announcing procurement across the country through public website, approving the selection of shops together with multiple departments to prevent collusion, and evaluation of trade partners and segregation of duties between the person ordering products and the person receiving products. The Company is committed to strengthening good relationships with trade partners along with trade partner management. We communicate with important trade partners for acknowledgement and compliance with the code of conduct of trade partners. The performance of trade partners is assessed at appropriate intervals. For instance, trade partners will be made aware of the Company's expectations etc.

#### **5.2.4 Risk of corruption**

In addition to economic, social and environmental risks, the Company takes into account a preventive measure for risk of corruption, which is important to every step of the Company's operations. The Company has conducted an assessment on risk of corruption to identify, assess, and prevent such potential risk and ensure that the risk is handled and managed promptly. The Company's executives from all departments have a duty to cooperate in providing information on risk of corruption that may occur in their departments. The Risk Management Department reviews expenses and related documents for disbursement to government agencies on a quarterly basis. Channels are available for reporting wrongdoings by internal and external stakeholders. Any clue or complaint can be directly reported to the Office of the Company Secretary via comment box, mail, telephone at 1361, email [whistleblower@hengleasing.co.th](mailto:whistleblower@hengleasing.co.th) or through the Company's website [www.hengleasing.com](http://www.hengleasing.com). A report on risk of corruption is also prepared to monitor such risk and the senior management and the Risk Management Committee is reported in order to reduce opportunities for corruption and corruption can be detected in a timely manner.

The Company has been certified by the Thai Institute of Directors (IOD) to be a member of the Private Sector Collective Action Coalition Against Corruption (CAC). Such certification is valid for a period of 3 years, effective on 31 March 2021 to 31 March 2024.

#### **2.2.2 Risk to investment by securities holders**

The investment in the Company's shares can cause investment risks to shareholders because the return on investment may not meet shareholders' expectation and is subject to share prices, share liquidity, and investment conditions. In addition, return in the form of dividend is subject to the Company's operating results from time to time. Therefore, shareholders may receive more or less return on investment than expected. The Company has identified key risks and risk management. However, the Company has other risks that may occur in addition to the risks identified. Shareholders should study the risks and use their careful discretion when making investment decisions by accepting that the Company may not be able to prevent all risks. Other factors such as local and international economic conditions, political situation, capital inflows and outflows, change in government's policy, and other unknown events may affect the Company's operating results and dividend payments. The Company's risk factors can be summarized as set out below.

## (1) Risk of volatility of the Company's ordinary shares, liquidity and trading volume

Price of the Company's ordinary shares, liquidity and trading volume may fluctuate depending on a number of factors, which is beyond the Company's control such as:

- Economic conditions, capital markets, and local and international politics
- Changes to conditions which affect the industry, general economic conditions or stock market or other events or factors
  - Natural disaster including earthquake, tsunami, fire, flood, drought, epidemic or other similar events
  - Volatility of exchange rates and changes in currency exchange policy enforced by the Bank of Thailand
- Interest rate volatility
- Changes in relevant laws and regulations
- Changes in taxation
- Issuance of, or change in, the Company's estimated performance and recommendations to buy or sell the Company's ordinary shares by analysts
- Difference between the actual financial and operating results and the financial and operating results expected by investors and analysts
- Changes in valuation and share prices of listed companies that operate a business similar to the Company
  - Announcement of information of other companies that are in the same industry as the Company
  - Sale or selling of a substantial number of shares by the existing shareholders
  - Volatility of stock prices in the stock market
  - Litigation and investigations by government agencies
  - Other risks that may affect the Company's financial positions and operating performance

The above factors and other factors may result in the market price, demand for purchase of the Company's ordinary shares being significantly volatile, which may limit or prevent investors from selling the Company's ordinary shares at a reasonable price and may have a negative impact on the liquidity of the Company's ordinary shares.

## (2) Ability of the Company to pay dividends in the future depending on profits, financial positions, cash flow, working capital requirements, and future capital expenditures

The ability to pay dividends on the Company's shares is subject to its future operating performance. The operating performance depends on the success of implementing the strategic plan, financial factors, competition, factors relating to supervision by the relevant agencies, general economic conditions, and other specific factors related to the Company's industry. These factors are beyond the Company's control and past dividends are not a guarantee of future dividends. In addition, the Board of Directors may have a suggestion to decrease or refrain from paying dividends for a particular period as it deems appropriate or the Company may not be able to make profits in the future or the Board of Directors may not approve the dividend payment even if the Company is profitable.

According to the Public Limited Companies Act B.E. 2535 (1982) (as amended), if the Company still has accumulated losses, the Company may not pay dividend even though the Company generates net profit in such financial year. If the Company generates net profit in any year, the Company has a duty under the Public Limited Companies Act and its Articles of Association to allocate part of the annual net profit as reserve of not less than 5.0% of the annual net profit less the accumulated losses brought forward until such reserve is not less than 10.0% of the Company's registered capital. If the Company is unable to generate sufficient profit or if it considers appropriate, the Company may not pay dividends in the future.





### (3) Possible restrictions on the exercise of rights to purchase the Company's newly issued ordinary shares in the future for shareholders with a residence outside of Thailand

Although public limited company is not required to offer the first right to purchase newly issued ordinary shares to the existing shareholders when issuing new ordinary shares, public limited company may issue instruments, including newly issued ordinary shares and other types of instruments such as warrants, transferable subscription rights (TSR) or convertible debentures from time to time by allocating to the existing shareholders in proportion to their shareholding. In the event that the Company offers or grants the right to ordinary shareholders to purchase newly issued ordinary shares or any other rights, the Company has the right to exercise its discretion in offering such instrument and may not offer such instrument to ordinary shareholders who reside outside of Thailand. Subject to the applicable laws, the Company may be prohibited from offering instruments to shareholders in certain countries, unless relevant procedures have been undertaken. For instance, the Company may not offer such rights to ordinary shareholders who are U.S. Persons according to regulations under the United States Securities Act of 1933 (as amended) unless: (a) there is a securities offering registration form according to the United States Securities Act; or (b) it is an offer for sale of the right to shareholders which falls under exceptions according to the United States Securities Act. Compliance with securities laws or other regulatory requirements in certain countries may prevent investors from exercising their rights to subscribe instrument in proportion to their shareholding and may reduce the shareholding of such investors. The Company is not obliged to apply for registration of its ordinary shares in any country in order for foreign investors to exercise their rights to subscribe the newly issued ordinary shares in proportion to their existing shareholding in the future.

### 2.2.3 Risk of investing in foreign stock markets.

- None -



# Sustainability Development



## About this report

Heng Leasing and Capital Public Company Limited developed this report sustainable development report to transparently expose the company's aim and motivation about the significant information and sustainable development performance to all stakeholders. Accordingly, this report covered the operations and development pertaining to ESG: environment, social and corporate governance, happening during the period from 1 January to 31 December 2022.

## Framework of the development

The company has exposed the information in the form of One Report according to the sustainability assessment of the Stock Exchange of Thailand, which includes 19 topics in the assessment. In addition, the report was developed according to the Global Reporting Initiative G4: GRI. It includes the significant indicators of sustainability. Besides, the company has aimed to achieve the United Nation's Sustainable Development Goals: SDG. Therefore, the strategies for growth have been set to the direction and vision for those goals, which shall be described in details in this report.

## Business Strategy and Sustainable Development Goals for the Year 2022

### Identification of key issues

The Sustainability Development Committee gathers key sustainability issues based on adjustment of organizational strategy. Decision-making resources used to identify issues relevant to business operations and stakeholders, covering economic, social, and environmental dimensions, are:

- Global reporting initiative (GRI)
- Global trend
- United Nations Sustainable Development Goals (SDGs)
- Other important issues in the same industry or related industries such as financial business group

### Prioritization of material sustainability issues

The Company gathered key sustainability issues from sources of information through preliminary screening, along with a survey of opinions and expectations of all groups of stakeholders through answering questionnaires about prioritizing sustainability issues that are important to stakeholders and the organization and reviewing other important issues from the same industry or related industries. The Company's stakeholders, executives, and employees participated in providing opinions on those issues.

### Validation and review of key sustainability issues for continuous improvement

The Company presented key sustainability issues to the Corporate Governance and Sustainable Development Committee Meeting No. 1/2022 held on 9 November 2022 to ensure prioritization and consideration of the level of influence on assessment and decision-making of stakeholders along with their significance to economic, social, and environmental impacts. The Company also validates the assessment and prioritization of key sustainability issues, particularly expectations, views and recommendations relating to the organization's sustainable operations to all groups of stakeholders by gathering opinions of stakeholders and holding meetings within the organization to review the sustainability assessment process.

### Scope of the report

According to the consideration of business involvement, information readiness, and performance of main operation of the company for this year and 3-year projection.

## Other

The “56-1 One Report of Year 2022” is downloadable via <https://investor.hengleasing.com/en/home>  
For more information, the person in charge for the report is reachable at Miss Natthanan Kittiphonsombun “Company Secretary Office” Heng Leasing and Capital Public Company Limited 69 Moo 7, San Sai Noi Sub-district, San Sai District, Chiangmai Province 50210 Tel. 02-1539582 ext. 8020, 8021, 8022 E-mail: CS\_Heng@hengleasing.co.th



### Vision

The most admire financial service for localization.



### Mission

To provide financial services that respond to the needs of local customers and exceed their expectations and comply with international standards by professional personnel in order to achieve the optimum benefits for customers. To improve product quality, manage and control risks, and continuously improve the quality of personnel for sustainable growth.



### Goals

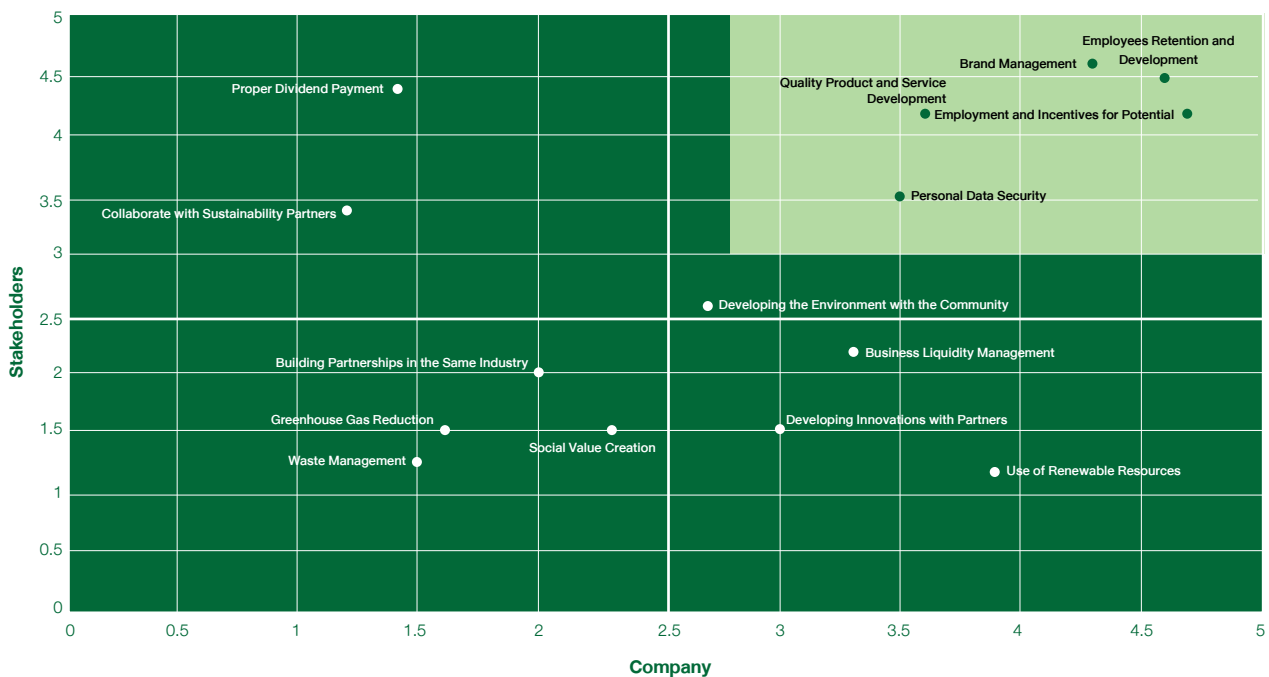
The company is determined to be one of the leaders in the comprehensive credit service business that can respond to the needs of all groups of customers. There are important business goals as follows:

1. To expand the Company’s service channels for accessibility of the Company’s products and services by customers. The Company plans to continuously expand to increase the number of branches to 830 branches by 2023, covering all regions of the country and continuously expanding to 1,340 branches by 2025.
2. To develop loan services to suit the behavior of each target customer group. The Company’s goal is to continuously grow the value of debtors and has the value of receivables of approximately THB 14,800 million within the year 2023 and plans to expand the receivable value to approximately 25,400 million baht within 2025
3. To increase the effectiveness in the control and management of debtor quality by setting control NPL is not over than 2.9% in the year 2023.
4. To develop the Company’s personnel to become professional with standards to support the growth of the organization. By which personnel can perform according to the operating criteria of the company Reduce errors in the operation.
5. To develop technology systems to support business growth and increase competitiveness.

## Assessment of significant aspects and identification of sustainability

The sustainability issue significantly impacted in both positive and negative ways on the process of decision-making, operation, performance of the company, as well as the stakeholders in short medium and long terms. This result covered issues of environment, social and governance. The Company discloses material topics that are important to sustainable organizational development related to the environment, social and corporate governance.

## Assessment of significant aspects



The Company has prioritized the top 3 sustainability issues for the year 2022. However, that sustainability issues was approved by the Corporate Governance and Sustainable Development Committee No. 1/2022 at November 9, 2022 as follows

### 1. Employees Retention and Development

The company has always realized that the employees are an important mechanism in driving the organization to the goals as planned. Therefore, the company would support the employee's growth and development in their royal mindsets and affiliation with the company. The company shall provide knowledge enhancement for the employees to grow develop expertise in their career paths.

Goals	Current actions	Strategies to achieve goals	(Sustainable Development Goals : SDGs)
<ul style="list-style-type: none"> <li>Employee satisfaction at 80 percent</li> <li>100% of employees received training in courses applicable to their roles and responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Organizing training for employees to develop their knowledge and capabilities</li> <li>Organizing activities to build relationships between employees and executives</li> <li>Employee satisfaction survey for improvements</li> </ul>	<ul style="list-style-type: none"> <li>Having training plan that is consistence with operations by promoting participation in formulating training plan</li> <li>Organizing activities for employees which create opportunities to meet with executives or colleagues to create a good relationship</li> </ul>	<div> <div> <b>3</b> GOOD HEALTH AND WELL BEING  </div> <div> <b>4</b> QUALITY EDUCATION  </div> <div> <b>8</b> DECENT WORK AND ECONOMIC GROWTH  </div> <div> <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS  </div> </div>


## 2. Brand management

The company aimed to grow in the domestic market therefore, we would emphasize on branding by continued brand development which included building customers and brand relationship with corresponding concerns; brand awareness, brand preference, brand loyalty and brand advocacy. This was to put the brand into trust-worthy, reliable and memoizable brand to the perception of the customers.

Goals	Current actions	Strategies to achieve goals	(Sustainable Development Goals : SDGs)
<ul style="list-style-type: none"> <li>Being the most preferred financial service provider in each locality and nationwide</li> <li>Target for 80% customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Providing financial knowledge to the community</li> <li>Providing IT knowledge to educational institutions</li> <li>Conducting customer satisfaction surveys</li> <li>New innovations to promote products such as digital platform</li> <li>Product development to create a variety of products that responds to customers' needs, such as loans which focus on giving high credit limits to customers who require a lump sum to be used for transactions or loans with fast approval for customers who need fund urgently etc.</li> </ul>	<ul style="list-style-type: none"> <li>Social activities planning</li> <li>Market development by expanding to new areas to increase the lending amount</li> <li>Appropriate development and improvement of products including loans for purchase-sale, secured loans, and unsecured loans</li> </ul>	   

## 3. Personal Data Security

The Company respects and recognizes the importance of personal data protection according to the Personal Data Protection Act B.E. 2562 (2019) to gain trust and confidence from customers that the Company will collect, use, and disclose their personal data according to the purposes set out in the personal data protection policy. The Company has established a policy and guidelines for the protection of personal data for customers to be informed about collection, storage, usage, disclosure of personal data, rights of personal data owners, and the Company's practices and announced the personal data protection policy and guidelines for information.

Goals	Current actions	Strategies to achieve goals	(Sustainable Development Goals : SDGs)
<ul style="list-style-type: none"> <li>Personal information held by the Company is appropriately protected in accordance with the applicable laws</li> </ul>	<ul style="list-style-type: none"> <li>Providing training to educate employees on the Personal Data Protection Act B.E. 2562 (2019)</li> <li>Establishment of the Company's personal data protection working group</li> <li>Communication and review of policies and practices regarding personal data protection on a regular basis on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>Encouraging staffs to apply knowledge of personal data protection in the Company's operations</li> </ul>	

## Scope of key sustainability

Proper Dividend Payment	Key Issue	GRI	Scope of impact	
			Internal	External
Economy	Brand Management	GRI 202	✓	Customers and Trade Partners
	Quality Product and Service Development	GRI 203		
	Business Liquidity Management	GRI 206		
	Building Partnerships in the Same Industry			
	Developing Innovations with Partners			
	Proper Dividend Payment	GRI 201	✓	Shareholders
Corporate governance	Personal Data Security	GRI 418	✓	Customers and Trade Partners
Society	Employees Retention and Development	GRI 401	✓	Society and Regulators
	Employment and Incentives for Potential	GRI 402		
		GRI 403		
		GRI 404		
		GRI 405		
		GRI 406		
		GRI 407		
		GRI 408		
	Collaborate with Sustainability Partners	GRI 203	✓	Trade Partners
	Social Value Creation	GRI 413	✓	Community Society
Environment	Developing the Environment with the Community	GRI 302	✓	Community Society and Regulators
		GRI 303		
	Greenhouse Gas Reduction	GRI 304		
	Waste Management	GRI 305		
	Use of Renewable Resources	GRI 306		
		GRI 413		

### 3.1 Sustainability management policies and goals

#### Sustainable management policy

The company has a policy to operate business in accordance with sustainable development guidelines as of UN Sustainable Development Goals 2030 (SDG 2030) by creating a balance of economy, society, environment, and cooperate governance, as part of business strategies for short-term and long-term goals for stability and suitability. The corresponding actions showed through the realization of responsibility and the creation of values with all stakeholders as formed by this guideline.

1. Taking into account the balance of the economy, society, environment, and cooperate governance, which includes all stakeholders involving in the growth of business sustainability.
2. Creating the awareness of the sustainable management policy as well as supporting all actions applied towards sustainability in order to reduce the impact to the operations along the value chain.

3. Continuously promoting the development of innovation and technology in the operation in order to achieve the benefits to sustainable society and environment.

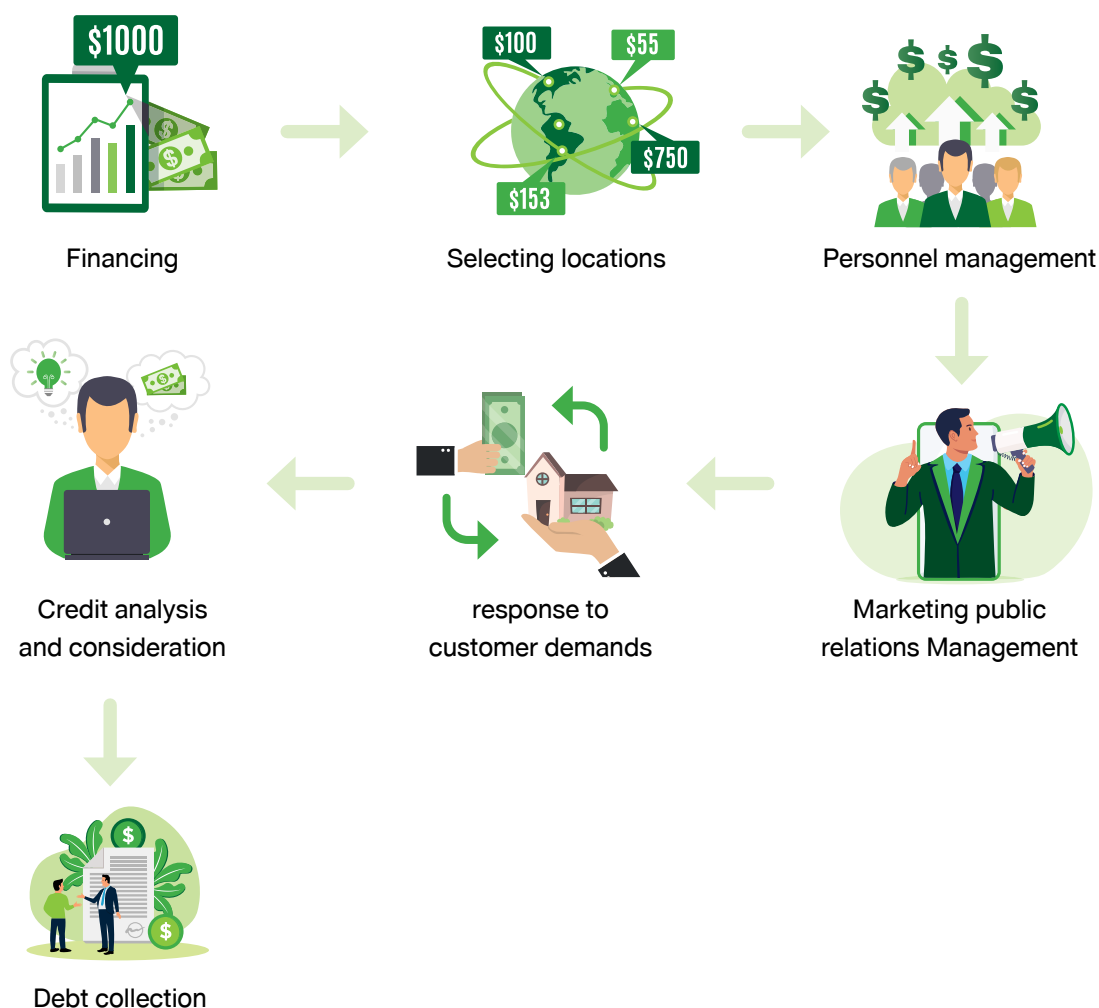
4. Disclosure of policies, management guidelines, and operation with transparency as well as being a good model for behavioral change towards the sustainability culture of the business.

5. Adhering to human rights by creating equality and equality to inside and outside of the organization, as well as being respectful to all stakeholders with fairness following the fundamentals of human dignity, no racisms, no discrimination based on ethnicity, genders, language or religious belief.

### 3.2 Management of effects towards stakeholders in the business value chain







#### 3.2.1 Business value chain

In the business value chain management process, the company paid high attention in every process, obtain the effective management of the business value chain. Regarding this matter, the company has arranged the process of seeking suitable funding sources, selecting the corresponding personnel and location of the establishment, training for employees, public relation for customer accessibility to our services based on their demands. When a customer would like to apply for a company loan, the company undertook the credit analysis and loan consideration according to personal data, which were securely kept based on security standards. Also, for the following up process of debt repayment, the company would proceed with legal standards and fairness for the customers.





**Primary Activities** are the 7 core activities in the business value chain which are involved continuously based on context of the business - the details are shown below in the table.

Activities in the business value chain	Identification of related activities	Identification of stakeholders
<b>1. Financing</b> 	<ul style="list-style-type: none"> <li>Provision of funds from financial institutes or other source of funding with reasonable costs</li> <li>Profits from business operation</li> </ul>	<ul style="list-style-type: none"> <li>Creditors</li> <li>Shareholders</li> <li>Customers</li> </ul>
<b>2. Selecting locations</b> 	<ul style="list-style-type: none"> <li>Consideration of proper locations which also suit the business operation</li> <li>Consideration of expenses, which had to be in accordance with market prices</li> </ul>	<ul style="list-style-type: none"> <li>Partner/lessor</li> <li>Employees who were in charge of location finding</li> </ul>
<b>3. Personnel management</b> 	<ul style="list-style-type: none"> <li>Supplying local employees</li> <li>Employee training</li> <li>Consideration of employees' per diem payment and benefit</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Partners/Recruiters</li> </ul>
<b>4. Marketing Public Relations Management and Response to customer demands</b> 	<ul style="list-style-type: none"> <li>Consideration of marketing and PR strategies targeting what customers need</li> <li>Marketing communication</li> <li>Development of products and innovation</li> <li>Evaluating customers' satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> <li>Communities</li> <li>Employees</li> <li>Shareholders</li> </ul>
<b>5. Credit analysis and consideration</b> 	<ul style="list-style-type: none"> <li>Setting credit/loans criteria</li> <li>Credit analysis</li> <li>Assessing credit risks</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> <li>Employees</li> <li>Governmental agency</li> </ul>
<b>6. Debt collection</b> 	<ul style="list-style-type: none"> <li>Acceptance of credit service payment</li> <li>Debt collection</li> </ul>	<ul style="list-style-type: none"> <li>Governmental agency</li> <li>Employees</li> <li>Partners</li> <li>Customers</li> </ul>




### Supporting activities






Supporting activities are those which support the main activities to achieve the goals. Such activities have been performed with careful considerations, in compliance with management criteria, internal control, and appropriate risk management, such as development of information technology and preparation of financial and accounting system etc.

### 3.2.2 Value Chain and Stakeholder Analysis

Achieving good operating performance, efficient business operations and good governance are not only internal considerations, but also involve a variety of stakeholders who are related to the Company's business operations. Therefore, communicating with stakeholders through various channels, analyzing information obtained from such communication, determining needs from those stakeholders, and responding to them are all important parts of the Company. The Company must take such matters into account in formulating a strategic plan that can meet the needs and create cooperation with all sectors in running business smoothly, along with the development towards the sustainability of the Company and all stakeholders. Therefore, the Company has divided the groups of stakeholders to cover all dimensions, including internal and external dimensions, taking into account participation, impact on

operations, and the Company's performance for optimal benefits to all parties. Therefore, the groups of stakeholders are categorized into 8 main groups: 1) employees; 2) shareholders; 3) customers; 4) trade partners; 5) creditors; 6) competitors; 7) society, community, and environment; and 8) public sector. Since the expectations of each stakeholder group are different, the Company's response and communication channel must be appropriate and consistent with the needs of each group of stakeholders, as stated in the summarized table below.

Stakeholders	Channel of participation	Expectation of stakeholders	Response towards the expectation of stakeholders
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• All levels of employee meeting</li> <li>• Reporting information, clues and complaints</li> <li>• Survey of employees' satisfaction</li> <li>• Establishment of committees as stated by laws</li> </ul>	<ul style="list-style-type: none"> <li>• Development of knowledge and stability, advancement in career paths</li> <li>• Reasonable compensation and fair to work/tasks</li> <li>• Obtaining adequate and appropriate welfare</li> <li>• Communicating needs, opinions and complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Selecting local employees to generate income for the people in the areas</li> <li>• Training for knowledge development</li> <li>• Internal activities of the company</li> <li>• Arrangement of the activities so that the employees could engage in social giving and environment caring</li> <li>• Development of innovation to enhance effectiveness of working</li> </ul>
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>• Shareholders meeting</li> <li>• Analysts meeting</li> <li>• Disclosure of information</li> <li>• Contacting Investor Relations</li> <li>• Reporting information, clues and complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting business with transparency and efficiency</li> <li>• Stable business, continuous growth, good returns</li> <li>• Equitable treatment of all shareholders</li> <li>• Recognizing information correctly complete and up-to-date</li> </ul>	<ul style="list-style-type: none"> <li>• Organizing the management structure under good corporate governance</li> <li>• Conduct business with prudence for sustainable growth</li> <li>• concrete risk management and anti-corruption in all cases</li> <li>• proper dividend payment without affecting future investment plans</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Providing credit loan services through branches or loan services via online channels</li> <li>• Reporting information, clues and complaints</li> <li>• Survey of satisfaction in services or products</li> </ul>	<ul style="list-style-type: none"> <li>• Receiving suggestion and services reasonably and in-time</li> <li>• Keeping information of the customers confidentially and properly</li> <li>• Solving problems, healing and listening to suggestions with willingness, fairness and promptness</li> <li>• Developing quality in sale and service presentation of the sale representatives to be in accordance with market conduct</li> </ul>	<ul style="list-style-type: none"> <li>• Development of products and services including benefits to meet the customers' needs</li> <li>• Properly providing services with willingness according to customers' needs</li> <li>• Listening to customers' complaints of channels</li> <li>• Providing customers to assess the services of the company</li> <li>• Supporting the anti-corruption policies continuously</li> <li>• Development of Legal retention of customer information</li> </ul>

Stakeholders	Channel of participation	Expectation of stakeholders	Response towards the expectation of stakeholders
<b>Partners</b> 	<ul style="list-style-type: none"> <li>Offering sale services</li> <li>Conducting agreement</li> <li>Reporting information, clues and complaints</li> </ul>	<ul style="list-style-type: none"> <li>Transparent and verifiable procurement</li> <li>Fair contract/agreement</li> <li>Developing partners to achieve sustainable growth with the company</li> </ul>	<ul style="list-style-type: none"> <li>Process of partner selection and partner performance evaluation</li> <li>Setting clear and transparent criteria with non-discriminatory</li> <li>Supporting the anti-corruption policies continuously</li> <li>Building good relationship and paid high attention in Developing Innovations with partners</li> </ul>
<b>Creditors</b> 	<ul style="list-style-type: none"> <li>Agreeing in contracts</li> <li>Meeting with the creditors</li> <li>Reporting information, clues and complaints</li> </ul>	<ul style="list-style-type: none"> <li>Conducting as stated in the contracts</li> </ul>	<ul style="list-style-type: none"> <li>Fair and transparent treatment towards the creditors in accordance with rules and signed contracts</li> <li>Management of financial liquidity</li> </ul>
<b>Business rivals</b> 	<ul style="list-style-type: none"> <li>Reporting information, clues and complaints</li> <li>Attending meetings of related associations of business operation</li> </ul>	<ul style="list-style-type: none"> <li>Business operations with fair and transparent competition</li> </ul>	<ul style="list-style-type: none"> <li>Operating in accordance with the Company's Code of Conduct</li> <li>Establishing business partnership for development business in the same industries</li> </ul>
<b>Society, Community and Environment</b> 	<ul style="list-style-type: none"> <li>Arranging activities for community, society and environment</li> <li>Reporting information, clues and complaints</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration in community and social development</li> <li>Supporting community's activities</li> <li>Operating business with cares toward society community and environment</li> </ul>	<ul style="list-style-type: none"> <li>Assessment and analysis of the impact of the Company's business operations on the community</li> <li>Organizing activities that promote the relationship between the Company, surrounding community, society, and environment</li> <li>Encouraging people in the community to access financial services and manage their finances effectively</li> </ul>
<b>Government</b> 	<ul style="list-style-type: none"> <li>Arranging meeting to hear policies and practical guideline for good corporate governance</li> <li>Receiving check with government agencies</li> <li>Reporting information, clues and complaints</li> </ul>	<ul style="list-style-type: none"> <li>Conducting work following the rules and related laws</li> <li>Operating the business with responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Conducting work following the rules and related laws</li> <li>Providing cooperation in terms of giving access to information upon request</li> </ul>

### 3.3 Sustainability management in environmental dimension

#### 3.3.1 Environmental policies and practices

##### Environmental management policies

The Company has policies and guidelines for conducting business in accordance with the UN Sustainable Development Goals 2030: SDG 2030 by creating a balance in the economy, society, environment, and corporate governance to be consistent with the Company's strategies, both in the short term and in the long term, with stability and sustainability, and realizing responsibilities and creating shared values with all groups of stakeholders:

##### Environmental management

The Company places importance on environmental conservation. We are strictly committed to operating the business in accordance with the laws, requirements, and regulations relating to the environment, including energy and water usage, and management of waste, pollution, and natural resources. The Company also encourages employees to be conscious and participate in showing responsibility for the overall environment. The short-term goal is to use resources cost-effectively and efficiently and the long-term goal is to use renewable energy in the organization in a way that would reduce greenhouse gas and the impact on the environment.

In addition, the Company encourages the evaluation of trade partners to purchase products that are environmentally friendly, energy-saving, and cost-saving by choosing products that have been assessed and verified to meet environmental standards according to the requirements announced by the Green Label committee.

##### Environmental practices

- Create the awareness of using natural resources wisely and effectively, maintaining the environment, and not to harm environment
- Operate the business with environmental concerns and follow the rules and laws about the environment strictly
- Promote the use of environmental-friendly products to reduce impact to natural resources
- Support and collaborate with other agencies who work on environmental conservation and effective use of natural resources

#### 3.3.2 Results of environmental performance.

##### Efficient use of energy and resources

At present, global warming and climate change have received great attention from all sectors, including international organizations, government agencies, private agencies and organizations, and the public. Therefore, the Company supports and promotes awareness and knowledge on the usage of energy and resources. These are the duties of all parties to work together, maintain, and use resources for maximum efficiency.

##### Guidelines

1. Strict compliance with rules, laws, and regulations relating to usage of energy and resources.
2. Raising awareness of the economical and efficient use of resources.
3. Reviewing the environmental policy on a regular basis.
4. Promoting the use of technology relating to saving energy and resources and applying such technology to business operations.
5. Supporting activities relating to environmental responsibilities for employees at all levels.

The Company has therefore prepared an environmental project. This is the starting point for efficient use of energy and resources, and instilling awareness in all employees to be a part of the efficient use of natural resources.

Item	Subject	Goals for the year 2022	Short term goals (1 - 2 years)	Long term goals (3 - 5 years)
1	Environmental goal	Fuel usage is not greater than average fuel usage before the campaign	Fuel usage is not greater than last year's average fuel usage	Fuel usage is lower than last year's average fuel usage
2	Energy management	Electricity usage is not greater than average electricity usage before the campaign	Using electricity from other sources or reducing electricity usage by 1 percent of the electricity usage in the year 2022	Using electricity from other sources or reducing electricity usage by 3 percent
3	Water resource management	Water usage is not greater than average water usage before the campaign	Using water from other sources or reducing water usage by 1 percent of the water usage in the year 2022	Using water from other sources or reducing water usage by 3 percent
4	Garbage and waste management and/or pollution reduction such as sorting recycled waste (Recycle) to reduce greenhouse gas emission	Sorting more recycled waste than the average of recycled waste before the campaign	Sorting recycled waste (Recycle) at least 1 time more than that of the year 2022	Sorting recycled waste (Recycle) at least 2 times more than that of the year 2022



### “Heng Loves the World” Project

The Company has a policy and guidelines for energy usage and greenhouse gas emission. These include reducing electricity usage, water usage, encouraging cycling to work to reduce fuel consumption, and waste sorting. The Company has communicated the policy and guidelines through campaigns by employees' representatives and electronic mail system within the organization to ensure that employees and related parties are informed and ready to be a part of the utilization of resources for maximum benefits.



Target **347** employees  
at HENG's  
head office



**Objective : Campaign for employees to understand and realize global warming crisis and join in rehabilitation and collaboration to change behavior for a better environment in 4 areas:**

- **H**our for HENG - Requesting for cooperation in turning off the air conditioners every Friday for at least 30 minutes before the end of the working day to save electricity. Turn off the lights and the computer screens during lunch breaks.
- **E**co water saving - Close the faucets completely, use water sparingly, and immediately notify the administration department when a defective device is found.
- **N**on-Emission Vehicle - Reducing pollution by using environmentally friendly vehicles, cycling and carpool.
- **G**ood behavior - Sorting waste for efficient management and recycling waste to reduce global warming.





The Company has a policy of promoting employees to use motorcycles instead of cars in performing their duties. This is because motorcycles are more fuel efficient than cars. Such replacement will help reducing greenhouse gas emissions into the world's atmosphere.



Sending an emails to create an understanding and awareness of global warming for employees.



The Company planted trees inside our head office and has encouraged nearby communities to have more green spaces in order to absorb carbon dioxide in the communities and create fertility to the soil. The Company planted trees in an area of approximately 7,000 square meters (approximate of 4 Rai, 1 Ngan, 50 Square Wah) inside and around the Company's head office.



To reduce the amount of waste, the Company used leaves and tree twigs in the head office and surrounding areas in making compost. The Company then used compost to nourish the trees to increase organic matters in soil and make the soil more fertile. This process also preserves moisture in the soil and accelerates the growth process of the trees.



Summary of environmental actions				
Category	Goal	Action		% of success
		Year 2022 (Pre-campaign from Jan-Oct)	Year 2022 (Post-campaign from Nov-Dec)	
<b>Material</b>				
Paper consumption	Paper usage is not greater than average Paper usage before the campaign	7,599.2 kg. average 759.92 kg. per month	1,292.6 kg. average 646.3 kg. per month	Decrease 14.95% (Collect data from Head Quarter paper usage)
<b>Energy</b>				
Gasoline consumption (liters)	Fuel usage is not greater than average fuel usage before the campaign	20,748.77 liters average 2,074.88 liters per month	4,929.17 liters average 2,464.58 liters per month	Increase 18.78%* Because there is an accelerated action to achieve the goal at the end of the year
Diesel consumption (liters)	Fuel usage is not greater than average fuel usage before the campaign	113,916.02 liters average 11,391.60 liters per month	28,661.56 liters average 14,330.78 liters per month	Increase 25.80%* Because there is an accelerated action to achieve the goal at the end of the year
Electricity consumption (kWh.)	Electricity usage is not greater than average electricity usage before the campaign	2,627,558.31 kWh. average 262,755.83 kWh. per month	508,690.23 kWh. average 254,345.12 kWh. per month	Decrease 3.31% (Collect data from Provincial Electricity Authority)
Water consumption	Water usage is not greater than average water usage before the campaign	27,099,000 liters average 2,709,900 liters per month	5,313,000 liters average 2,656,500 liters per month	Decrease 2.01% (Collect data from Provincial Waterworks Authority)

\* Collect data from fleet cards



Scope 1: Direct GHG emissions by the organization are calculated from the fuel combustion generated by the organization's vehicles (owned by the organization) and motorcycles paid by the Company to the employees. These are calculated from the amount of gasoline consumption and the actual diesel fuel used.

Category	Fuel consumption (liters)			
	Year 2022 (Pre-campaign from Jan - Oct)	kgCO <sub>2</sub> e	Year 2022 (Pre-campaign From Nov-Dec)	kgCO <sub>2</sub> e
Diesel	113,916.02 liters average 11,391.60 liters per month	40,121.22 kgCO <sub>2</sub> e average 4,012.12 kgCO <sub>2</sub> e Per month	28,661.56 liters average 14,330.78 liters per month	10,094.64 kgCO <sub>2</sub> e average 5,047.30 kgCO <sub>2</sub> e Per month
Gasoline/ gasohol	20,748.77 liters average 2,074.88 liters per month	8,349.31 kgCO <sub>2</sub> e average 834.93 kgCO <sub>2</sub> e Per month	4,929.17 liters average 2,464.58 liters per month	1,983.50 kgCO <sub>2</sub> e average 991.75 kgCO <sub>2</sub> e Per month

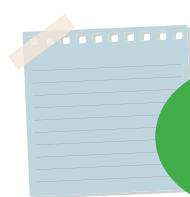
Scope 2: Indirect GHG emissions of the organization are calculated from the amount of electricity purchased for use in the Company.

Category	Electricity consumption (kWh)			
	Year 2022 (Pre-campaign from Jan - Oct)	kgCO <sub>2</sub> e	Year 2022 (Pre-campaign From Nov-Dec)	kgCO <sub>2</sub> e
Average electricity consumption per month	2,627,558.31 kWh. average 262,755.83 kWh. per month	1,572,856.40 kgCO <sub>2</sub> e average 157,285.64 kgCO <sub>2</sub> e Per month	508,690.23 kWh. average 254,345.12 kWh. per month	304,501.97 kgCO <sub>2</sub> e average 152,250.99 kgCO <sub>2</sub> e Per month

Scope 3: Other Indirect GHG Emission is calculated from the actual amount of paper used and the actual water consumption. Measures and performance of Scope 3 can be elaborated as set out below.

Category	Paper consumption			
	Year 2022 (Pre-campaign from Jan - Oct)	kgCO <sub>2</sub> e	Year 2022 (Pre-campaign From Nov-Dec)	kgCO <sub>2</sub> e
Paper consumption	7,599.2 kg. average 759.92 kg. per month	5,073.99 kgCO <sub>2</sub> e average 507.40 kgCO <sub>2</sub> e Per month	1,292.6 kg. average 646.3 kg. per month	863.07 average kgCO <sub>2</sub> e 431.53 kgCO <sub>2</sub> e Per month

After the company has “Heng Loves the World” project between November to December 2022, The company Can reduce greenhouse gas emissions 848.47 kgCO<sub>2</sub>e by brought wastes into the recycling process as follows:



Paper  
**142**  
kilogram



Plastic  
**32**  
kilogram



steel  
**3**  
kilogram



glass  
**18**  
kilogram

Category	Water consumption (megaliters)			
	Year 2022 (Pre-campaign)	kgCO <sub>2</sub> e	Year 2022 (Pre-campaign)	kgCO <sub>2</sub> e
Tap water	27,099,000 liters average	14,660,559.00 kgCO <sub>2</sub> e average	5,313,000 liters average	2,874,333.00 kgCO <sub>2</sub> e average
	2,709,900 liters per month	1,466,055.90 kgCO <sub>2</sub> e Per month	2,656,500 liters per month	1,437,166.50 kgCO <sub>2</sub> e Per month



## 4. Heng Collaboration for Energy Conservation

### Target group

all departments in the head quarter

### Objectives

1. To promote the economically use of electricity to support the awareness of global warming
2. To create the culture of use with awareness of electricity

### Project period

Year 2022 – 2026 and extendable

### Project implementation

We communicated to all employees in the headquarter to turn off the light and electrical appliances which were not necessary to use during the lunch break. Also, the company installed the solar cell which could generate 40 kilowatts solar energy to be used in replacement of electrical energy.

### Target

Reduce the electricity bill of the head office by 1% per year.

### Performance Summary

The Company can generate electricity from solar energy 9,013.53 kwh. per year

### Return

The Company recognizes the importance of efficient use of electricity resources and thus promotes the use of solar energy to reduce carbon dioxide, which is one of the key factors contributing to greenhouse gas emissions. Therefore, the Company has installed solar cell panels at the head office to save electricity costs. In 2022, the Company can produce electricity from solar energy at 9,013.53 kwh.



## The second Heng Leasing volunteer project to prevent and solve the problem of smog and forest fires

Project	Fireproof length	No. of Heng volunteers	No. of working hours per person	No. of total hours	No. of communities	No. of houses
The second Heng Leasing volunteer project to prevent and solve the problem of smog and forest fires	5 kilometers, 8-meter width, totaling 40 square meters	23 volunteers	6 hours	138 hours	1 community	175

Heng Leasing and Capital Public Company Limited has foreseen the importance of the wildfire situation during the dry season of every year between December and April which causes rapid destruction of forest areas and results in air pollution. The Company has, therefore, implemented the project “Heng Leasing volunteers to prevent and solve the problem of smog and forest fires” by promoting and supporting activities to prevent and solve forest fires and smog. The Company has provided resources to cease combustion and dedicated all efforts to establish the “Heng Leasing volunteer group” which helps the community and focuses on prevention, reduction of pollution created from open burning, reduction of dust amount to the level that does not exceed the standard level. This was a cooperation to conserve forests, watersheds, land, and animals in the ecosystem with quality weather conditions for people’s lives. In the year 2022, there was a joint assessment with government agencies, related organizations, and communities in target areas to understand the problem and seek prevention methods of which the Company can increase its participation.

### Target group

The target group is people living in Ban Pong Community, Hang Dong District, Chiang Mai Province. This is because the community is in the overlapping area with inadequate surveillance units and has experienced severe forest fires in the year 2020. The Company has therefore participated in this activity to take care of the area and increase the level of surveillance.

### Objectives

The objectives include implementation of the Company’s environmental policies and practices. It is a cooperation with people in the community and promotion of volunteer activities to the Company’s employees. Most importantly, another objective includes raising awareness on the social problem of forest fires and smog, which is a big environmental issue in the northern provinces.

### Processing time

Within the year 2022

### Project implementation

1.) Participating in discussions with relevant agencies, including people in the community, to listen to their problems and ways of which the Company can help and take part in working with people in the community.

2.) Public relations throughout the head office to recruit volunteers as members of Heng Volunteers to help build a firebreak to prevent the occurrence of forest fires and reduce the amount of small dust.

3.) Preparing equipment, including lawn mower, air blower, sprayer, hand rake, and coconut broom, for making fire breaks. After completion of the firebreak activity, the Company provided equipment for making fire break lines to 1 community through representatives of the Chiang Mai Delight.

4.) Participating in the 2022 forest fire prevention and surveillance project on 20 February 2022 at Ban Pong Community, Hang Dong District, Chiang Mai Province.

#### Action summary:

1. Donation of equipment for making forest firebreaks including lawn mower, air blower, sprayer, hand rake and coconut broom with the total value of over Baht 100,000 to 1 community.

2. Volunteering in creating a firebreak with the length of more than 5 kilometers which helps in protecting forest area of at least approximately 4 square kilometers around the community.

3. Participating in reducing air pollution which was based on the quality of PM 2.5 dust measured from the parameters of the Chiang Mai Government Center Station, Si Phum Sub-district, Mueang District, Chiang Mai Province\*. In February 2022, the average PM 2.5 particulate matter was at 29.92 AQI (with the highest level at 54 AQI and as low as 17 AQI), which was down compared to the average value in February 2021 at 47.64 AQI (highest value at 77 AQI and lowest value at 18 AQI).

(\*Source : Air Quality and Noise Management Bureau's website, Pollution Control Department)

### 3.4 Sustainability management in social dimension

The company realized the critical issues about responsibility to community and society. We supported the growth of people in the community as the way to sincerely payback to the society. Therefore, we had developed policies to help others in the society, including activities of local community engagement and development. We also responded to other events which might have social or environmental impacts. As for the executives and employees, we supported all actions which expressed their cares and responsibility to society and environment.

#### 3.4.1 Policies and Social practices

- operate the business legally and neither participate nor support both directly or indirectly with illegal firms or persons who violated the laws.
- coordinate in information giving for any disclosable information in order to prevent economic damage which may occur.
- allocate the budget to continuously support society at good cause.
- promote and cultivate mindsets to all executives and employees to be aware of responsibility towards environment, society and community.
- promote the development of quality of life of people residing around the company

## Employees

### Human rights policy

The Company places importance on respecting human rights with an intention to create equality within and outside the organization. The Company regularly monitors and ensures that our business is not involved in the violation of the rights and freedom of individuals, whether directly or indirectly. For instance, the Company does not support forced labor and is against the use of child labor. The Company respects and treats all stakeholders fairly based on human dignity and without discrimination. This includes treating all personnel equally without discrimination based on race, gender, language, or religion. The Company has established a process for identifying human right risks and a mechanism for filing complaints about human rights violations according to the Company's whistleblowing and complaints policy.

The abovementioned human rights policy has been approved by the Board of Directors' Meeting No. 1/2023 held on 17 February 2023.

### Guidelines

1. Respect human rights by treating each other with respect and equally without discrimination based on differences in appearance, mental, race, nationality, country of origin, religion, gender, language, age, skin color, education, social status, culture, custom or any other matter.
2. Support and promote actions to protect human rights.
3. Oversight of respect for human rights and do not neglect when witnessing any act that violates human rights.
4. Provide fairness and protection to those who report human rights violations.

### Risk assessment

The Company has established a process for human rights risk identification and a mechanism for filing complaints regarding human rights violations. The Company provides a channel for submission of complaints regarding human rights violations according to the Company's whistleblowing and complaints policy. In the past year, there was no complaint regarding this matter.

## 3.4.2 Social Performance

### Performance

The Company has established a workplace welfare committee to represent employees in discussion with employers regarding the determination of the Company's employee welfare. In 2022, the Company has not violated human rights and there were no disputes related to human rights violations.

In the past year, the Company has conducted a human rights risk assessment and found that there is no human rights risk. In this regard, the Company strictly values and recognizes human rights and is ready to comply with the relevant regulations.





## Chiang Mai Pride 2022 Festival

The Company encourages employees to be aware of the equality of gender diversity and join the activities of the Chiang Mai Pride 2022 to express their standing and stand alongside LGBT people at Tha Pae Gate Courtyard, Muang District, Chiang Mai Province on Sunday, 3 July 2022. There was a parade at the event, starting from the Buddha statue - Night Bazaar - Loi Kroh Road – Tha Pae Gate, sound and light show, costume contest, LGBTQ+ couple wedding ceremony, talent show and art. It was an expression of the Company's standpoint and respect for human rights as promoted by the Company.

### Target group

1,000 LGBTQ+ people and the general public.

### Objectives

To promote the rights and equality of LGBT people.

### Performance

The Company was recognized, and our employees were proud to stand by the side of LGBT people and donated 50 packs (600 bottles) of drinking water.

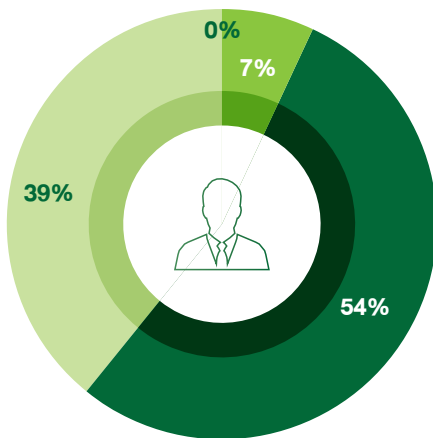
The Company has a policy to encourage employees to love and bond with the organization. The Company also promotes the development of employees' knowledge and eagerness to learn and self-development as one of the key values. This is consistent with the corporate values which have become a common practice (H-E-N-G), which consists of H = Honesty, E = Excellence, N = New Ideas, and G = Growth. In respect of employees, the Company focuses on N = New Idea and G = Growth, which is a love for learning and continuous self-development, with the intention to achieve better results and courage to think, do, and create new things all the time. This would result in more efficient works, team, and customer service which would cause rapid growth in the business and sustainable profitability every year.



## Heng Buddy Project

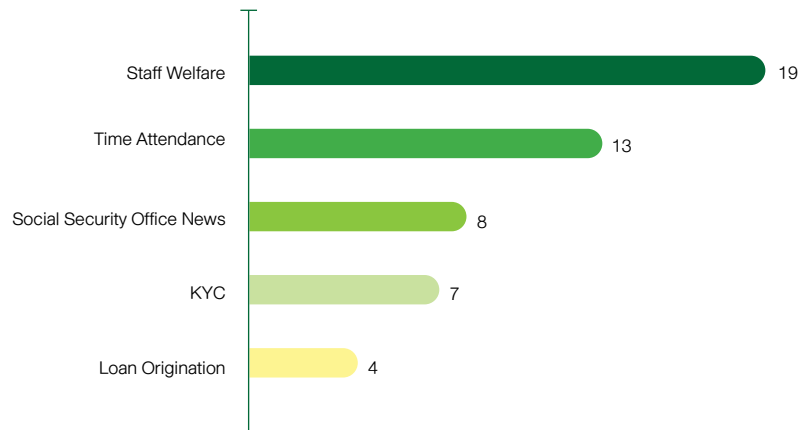
The Company encourages employees to learn, exchange work experience, and discuss various issues in daily life via Heng chat system.

The number of employees feedback



- Everyday
- 1-3 Day
- 4-7 Day
- >7 Day

Matter Discussed/asked by employees in the Heng Buddy group



## Baan Aunjai Project

The Company recognizes the importance of employees and their families, which is considered an important force in driving the organization. If employees receive security in life and property, they will be ready to perform their duties to their best capabilities and will drive the Company to reach the specified goals. The Company has, therefore, formed Baan Aunjai project for executives and employees to create stability in terms of housing for employees and their families. This is a welfare given to employees and their families. The employees can also buy insurance at a cheaper price than the market price. They are encouraged to become aware of taking care of the family's property and safety. If there is any unforeseen event that may happen to the property, they will receive a high amount of protection. The project was approved by the meeting of the Executive Committee No. 14/2022.

The Company started Baan Aunjai project in June 2022. As of December 2022, there were 70 employees participating in the project. The aggregate insurance premiums were Baht 35,000 and all incentives of Baht 7,000 were paid back to the employees.

## Employee satisfaction

In the year 2022, the Company conducted an employee satisfaction survey, in which the company targeted employee satisfaction at 80 percent. The results of the survey showed that employee satisfaction was at 83.61 percent, which was higher than the target by 13.61 percent. The top 3 matters, that were most satisfied by employees, included:

- 1) Supervisor's performance of duties
- 2) Expressing other opinions to the organization
- 3) Job satisfaction

In the year 2022 and 2021, the employee turnover rates were as set out below.

Year	Accounting to (%)
2021	3.39
2022	4.03

This was due to the change in branch expansion strategy. Since most of the employees who resigned were employees at the operational level, it did not affect the management structure and business operations.

[illegible]

**อุ่นใจ ไร้กังวลในทุกยาม**

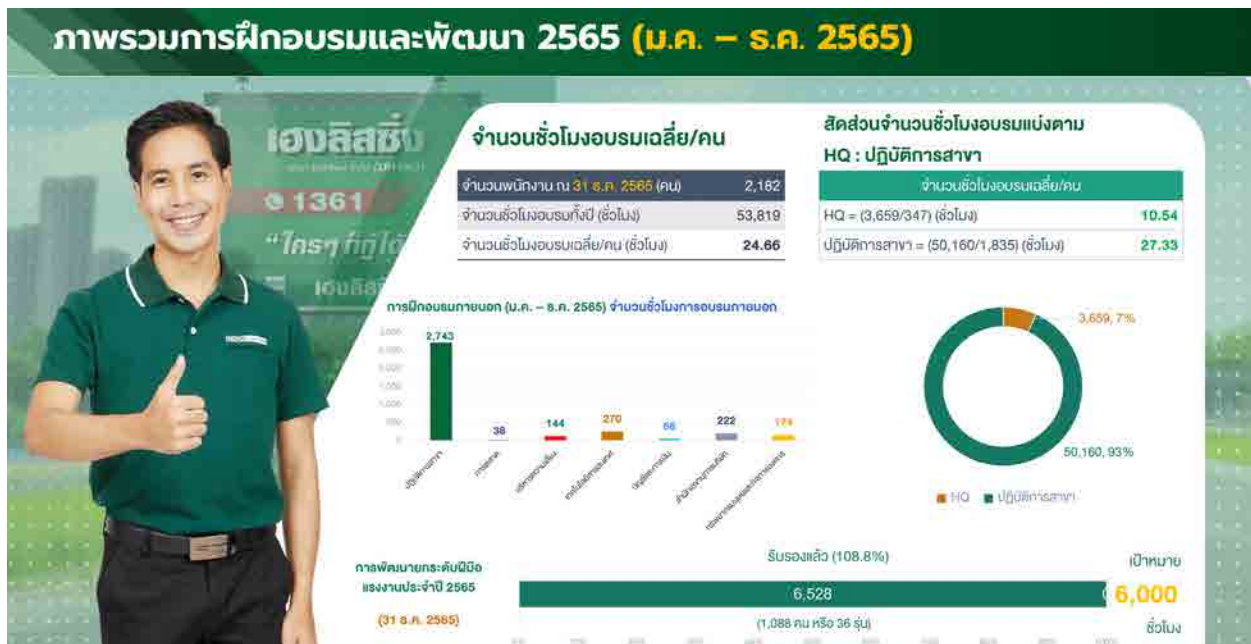
**คุ้มครองครอบคลุม**

**สูงสุด 500,000 บาท**

- ไฟไหม้
- พายุฟ้าผ่า
- น้ำท่วม
- สบพายุ

**HENG LEASING** เองลิสซิ่ง

☎ 1361    f    @hengleasing



### Training and orientation for new employees

The Company has prepared an annual training plan on a regular basis that is in line with the need for personnel development of each unit and the Company's business plan, both internal and external trainings, so that its personnel can perform the responsibilities according to their job positions. The Company encourages personnel to be ready for career growth, including instilling good attitude and behavior to be consistent with the Company's values.

For new employees, the Company places importance on knowledge transfer to all employees. The important curriculum is corporate governance and compliance and orientations for all new employees. The Company has determined the following courses relating to corporate governance to be studied and acknowledged by employees:

- Commitment as anti-corruption organization

The focus is on creating awareness of the anti-corruption concept of which may occur in all forms. The course includes guidelines for employees, including whistleblowing guidelines and provision of information to help prevent corruption within the organization.

- Supervision of fair services to customers (Market Conduct)

Branch operations staff and staff involved in customer service shall be aware of fair services to customers and financial service providers by adhering to the principles of 4 No, namely "no deceit, no force, no disturbance, no taking advantage" to create a good service culture for customers.

- Personal Data Protection Act (PDPA)

All employees shall understand and realize the principles of Personal Data Protection Act by giving definitions according to the rights and duties of the Thai people. The employees shall be aware of impact, information, legal penalties. Guidelines regarding PDPA shall be provided to the employees in accordance with the Company's operational policy framework.

In respect of new branch operation staff, the Company has laid the foundation on work attitudes, good service mind, marketing techniques, loan services, and encourages compliance with the operating manual (credit, collection, and administration of the branch's financial documents). The Company provides refresher knowledge courses and focuses on reducing work errors such as principles and practices regarding consent, KYC verification methods and techniques, application verification procedures, credit approval, vehicle inspection techniques and registration book, negotiation techniques for debt collection and problem-solving methods, preparing for life insurance and non-life insurance broker exam, and encouraging employees to attend training to renew brokerage license according to the OIC regulations etc.



In the year 2022, the Company's goal is to provide an orientation program to 1,131 new employees, with a total of 1,131 employees participating in the program, representing 100 percent, which is in line with its goal. Due to the Covid-19 outbreak, the Company provided training courses to develop the capabilities of employees at various levels in the forms of on-site training, online conference, and through e-Learning system to ensure that the Company's employees will be fully equipped with knowledge and developed their capabilities to the fullest. In the year 2022, the total training hours of employees were 53,819, representing an average training hours of 24.66 hours per person per year to improve capabilities of employees and executives.

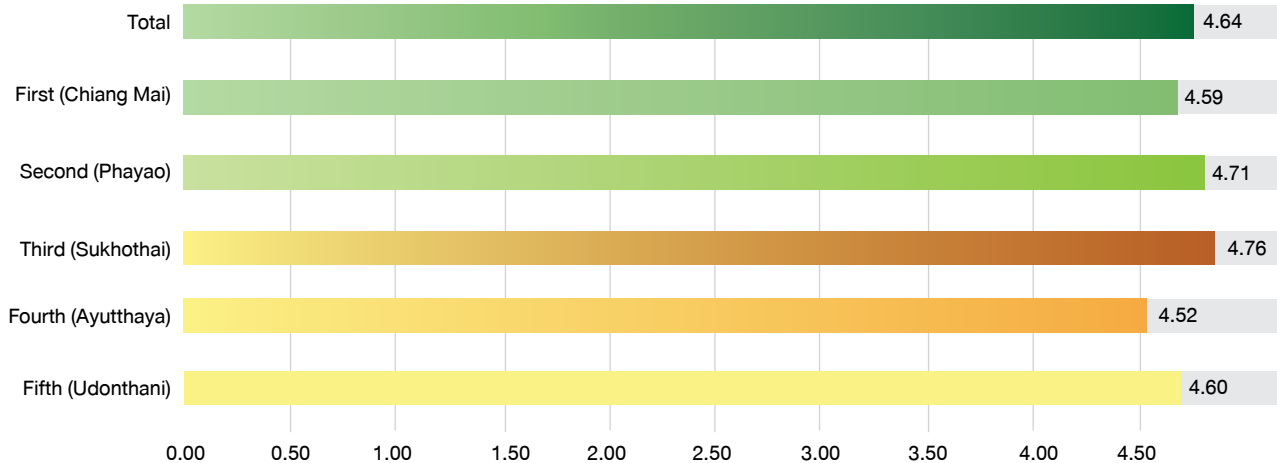


### Engagement Workshop

The Company organized an engagement workshop for employees in each region to meet with top executives, provide comments on operations, understand and solve problems arising from works, and create a good relationship between the Company's executives and employees.



### Average score from assessment after activity



## Heng Leadership & Service Culture, Class 1

### Objectives

- To analyze and determine customer service standards in Heng Leasing's format.
- To develop Heng Leasing's branch manager development curriculum.
- To jointly determine content of the branch manager curriculum and development guidelines by the selected branch managers through Heng Leasing's unique leadership development model to pass on knowledge and experience to branch managers in the organization.

### Benefits

- Ability to learn and understand business operations.
- Having the skills and abilities to extend credit and provide efficient services.
- Ability to manage and perform marketing to achieve various goals according to the policy.
- Being a role model for branch managers to develop and improve capabilities of other branch managers.
- Having leadership potential and ability for growth and achieving a higher managerial position.

## Training on the development of waste management in the organization to reduce carbon footprint

The Company pays attention to the current global warming situation. Therefore, employees are required to attend various training courses related to global warming solutions and adapt the knowledge in the operations to reduce the Company's greenhouse gas emissions as much as possible.

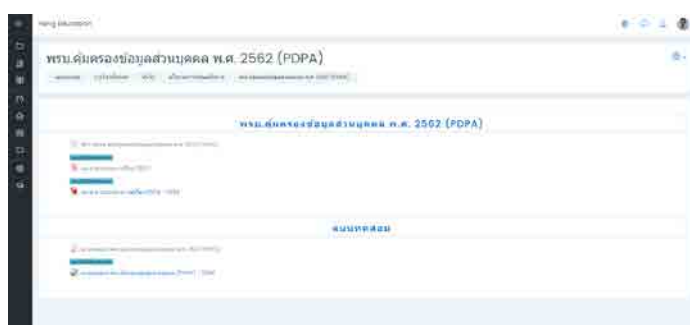


On 23 March 2022, the Company sent 3 employees, who are responsible for promoting reduction in the Company's greenhouse gas emissions, to attend the "Carbon Footprint" training course. The employees who participated in the training brought methods to manage waste to reduce carbon footprint in the organization and communicated with the relevant departments in order to apply the methods in the Company's operations.

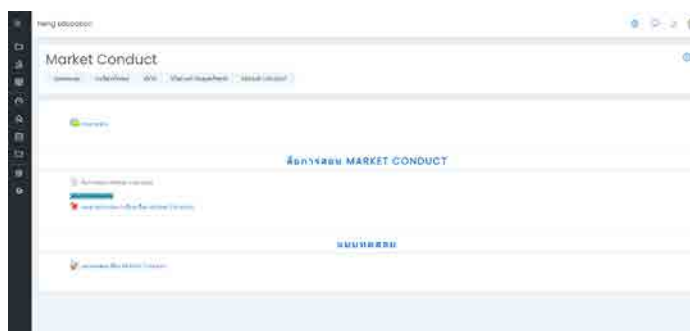
## Compliance with applicable laws and regulations

The Company places importance on strict compliance with the relevant laws and regulations, particularly the followings:

1. The Personal Data Protection Act, which will come into effect in the middle of 2022, during which the Company has been prepared for protection of personal information by monitoring and studying the laws relating to the protection of personal data. There is an improvement in the information technology system to store data, promote, and provide training to relevant personnel to have knowledge and understanding regarding personal data protection. In addition, the Company has already appointed a Personal Data Protection Officer (DPO) to perform various duties as required by the laws. In the year 2022, there were 1,290 employees attending the training on the Personal Data Protection Act and 1,290 employees took the test. A total of 1,281 employees passed the test, representing 99.30 percent.



2. Provision of fair services to customers (Market Conduct). The Company is licensed to operate regulated personal loan business and retail loan for occupation under the supervision of the Bank of Thailand. In addition to managing other work systems related to providing fair services to customers, the Company must take into account the privacy of customers and have security measures regarding customer information that are suitable according to international standards. In the year 2022, there were 1,381 employees attending the training on provision of fair customer service (Market Conduct) and 1,381 employees took the test. A total of 1,368 employees passed the test, representing 99.06 percent.



3. The Company has established a compliance unit to coordinate with regulatory agencies. It keeps up to date with the laws and announcements relating to the business operations and Company's operations. The Company disseminates such information to relevant parties for understanding and supervises the business operations for compliance. Employees are required to report directly to their supervisors. The Company also has a legal department to provide legal advice and prepare agreements that meet standards and do not contradict the applicable laws.

In the year 2022, no action violating regulations, laws or rules of regulatory agencies and causing damage to the Company was found. There were no fines for violation, breach of contract, or violation of social and environmental laws.

4. The Company is aware of the use of inside information and the prevention of conflicts of interest among employees at all levels. Therefore, the Company has established policies and guidelines regarding the use of inside information and the prevention of conflicts of interest in the code of ethics and set such policies as the Company's main policies. The Company requires employees from all departments to study and acknowledge such policies through the Company's channels (Intranet). For new employees, the Company provides training and knowledge on the prevention of the use of inside information and conflicts of interest. The Company also provides other knowledge training related to their roles and responsibilities. In the year 2022, there were 1,290 employees attending training on prevention of the use of inside information and conflicts of interest and 1,290 employees took the test. A total of 1,281 employees passed the test, representing 99.30 percent.



## Customers

### Customer satisfaction survey

The Company's vision is committed to being the most preferred financial service provider in each locality. The Company is determined to serve customers with honesty, transparency, sincerity, and fairness. Therefore, the focus is on serving customers. The Company conducts a random satisfaction survey, after-sales service for general customers, and sensitive customers (aged 60 years and over) to use the information for improvement and development of better services. In the year 2022, the Company randomly conducted customer satisfaction survey, which can be summarized as follows:

#### satisfaction goal



#### Customer groups in the random survey

General  
**4,550**  
customers

Sensitive  
**4,713**  
customers



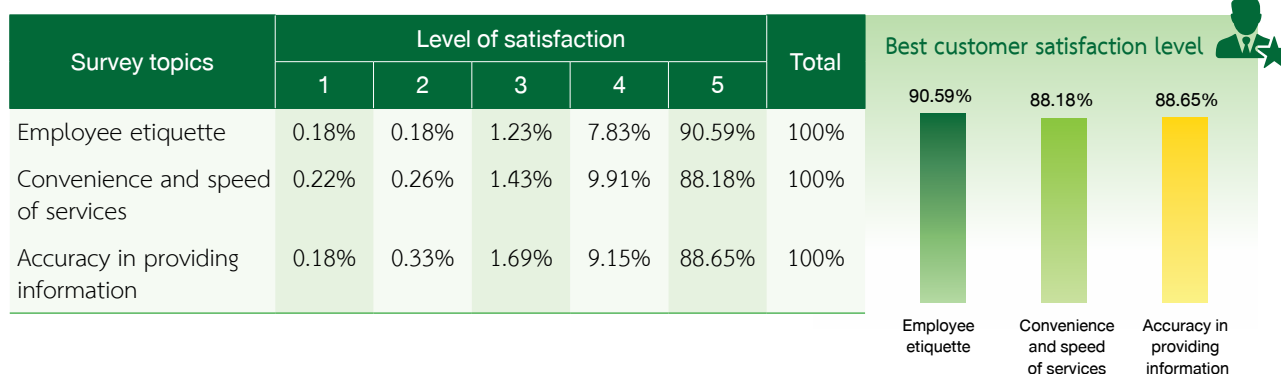
#### Survey topics

1. Employee etiquette
2. Convenience and speed of services
3. Accuracy in providing information



## Level of satisfaction from survey in the year 2022

### General customers



### Sensitive customers



## Management of comments, suggestions, and complaints

To raise the level of service, the Company has established various channels in handling product-related and service-related complaints and impact from services in order to protect financial consumers, setting guidelines for resolving problems, handling complaints, and remedies that are clear, fast, independent, efficient, and fair, with a call center in charge. The call center is responsible for coordinating, problem solving, and tracking progress if customers report that they are dissatisfied with the service. They will contact the customers and ask for more details and bring them back for improvement of services. The Company has inspected the quality of services, analyzed, recorded the cause of the problems in order to use the results for improvement of quality and efficiency of products and services, including monitoring the progress in solving various problems and reporting actions.

### Evaluation of customer satisfaction

The Company is committed to improving the products and providing excellent services to customers. Therefore, creating customer satisfaction along with creating social benefits is important. The Company has arranged for an evaluation of satisfaction from customers and partners who use the Company's service on an annual basis to improve services and business development.

### Products for safety and health of customers

In the past year, the Company has developed products and services to reduce the risk of loan applicants. The Company focuses on selling life insurance coverage among the group of customers who use cars as collateral for loans with the Company by recommending life insurance to protect the loan amount. In launching products, the Company has verified with the regulatory body and there was process, which had been approved, and a quality control policy in place.

### Information Technology Security

Currently, the Company need to deal with internal and external agencies. Thus, the Company has introduced a computer system to help in the operation to be more efficient. Therefore, in order to ensure the safety of the Company's computer information system, the Information Technology Department has established an information technology security policy to serve as guidelines and procedures for the use of information technology to achieve maximum efficiency against the Company.

The employees and executives of the Company including external personnel who can access the Information Technology System of the Company, they shall comply with the information technology security policy. The violation of the provisions of the said policy and resulting in any damage against the Company or any persons, the Company shall consider to take discretionary action according to the Company's rules and applicable laws against the employee who has violated such policy as it deems appropriate upon the approval of the Board of Director. In addition, the policy shall be announced and all of employees shall comply with it and it shall be enforceable to all level of employees from the executives to general employees including external personnels relating to the use of IT information and assets of the Company.

In year 2022, the Company has recognized the importance of information technology security, the Company then procured its employees to attend the seminar and training as follows:

No.	Cybersecurity Training/Organizer/Duration/Attendees	Duration	No. of Person
1.	Leader in complying with Cybersecurity Act, National Cyber Security Agency	5	1
2.	Cybersecurity Potential Development Program, DEPA and ACIOA	3	8
3.	Developing cybersecurity skills program – DEPA and Mahidol University	3	4

### Innovation development on service channels (Heng Line Digital Platform)

In today's business competition, the focus is on consumers. It is an important point indicating the success of a business. Nowadays, consumers have a variety of choices when deciding to use the service. The Company's success may depend on new innovations developed and implemented by the Company because innovations make a difference in products, creating a competitive advantage and making products and services more attractive to customers. Therefore, the Company has developed a digital platform system to improve the Company's products and provide customers with convenient, fast, and safe access to loan services in accordance with the relevant standards, particularly the Line official channel which is accessed by more than 148,373 customers (as of December 2022), enabling the Company to deliver fast services which meet basic information needs of both existing and new customers.

# HENG LINE DIGITAL PLATFORM

**1.ลงทะเบียนใช้บริการ**  
เริ่มต้นการใช้งานด้วยการลงทะเบียน  
และยืนยันตัวตนเพื่อเป็นสมาชิก  
กับเฮงลิซซิ่ง

**2.สัญญาของฉันท**  
ลูกค้าสามารถดูข้อมูลสัญญา รายละเอียด  
การชำระค่ามัด ประวัติการชำระเงิน  
ได้ง่ายๆ ตลอด 24 ชั่วโมง

**3.คู่มือภัณฑ์**  
เลือกผลิตภัณฑ์ที่สนใจ พร้อมสมัครสิน  
เชื่อ ผ่านเว็บไซต์ของเฮงลิซซิ่งได้ทันที

**4.ค้นหาสาขา**  
ค้นหาสาขาที่อยู่ใกล้คุณได้ง่ายๆ  
เพียงแชร์โลเคชั่น ระบบจะแนะนำ  
สาขาที่อยู่ใกล้คุณให้ทันที

**5.ติดต่อเจ้าหน้าที่**  
สอบถามข้อมูล แจ้งปัญหา กับเจ้าหน้าที่  
ทาง Call Center 1361

**6.โปรโมชั่น**  
สิทธิพิเศษที่มอบให้กับลูกค้าของเฮงลิซซิ่ง

## Organizing activities with trade partners

The Company aims to increase the market expansion channel and increase the customer base. In order to deliver good wishes to existing customers, the Company has cooperated with trade partners to exchange expertise or share experience. The Company encourages customers to receive good service and have access to appropriate services from the Company and its trade partners.

## Trade partners

The Company's process for selecting trade partners includes allowing trade partners to compete on equal information and selecting trade partners with fairness, transparency, and non-discrimination, subject to the Company's criteria for evaluation and selection of trade partners. The Company arranges for a follow-up to ensure that the procurement conditions are fully complied with and to prevent fraud and misconduct in every step of the procurement process. The Company purchases products from trade partners according to trade conditions and strictly complies with the agreements made with trade partners. It promotes potential and ability to conduct sustainable business with partners such as product development, service or innovation etc.

## Guidelines for selecting trade partners

The Company places importance on dealing with suitable and fair partners. To ensure that the partner selection process is correct and appropriate according to the established criteria, the Company selects, assesses and verifies partners equally. For instance, the Company considers product and service quality, punctual delivery to ensure that partners will be able to deliver products and services that meet the needs of the Company. The Company assesses the potential of partners, including effectively selecting new business partners. It has standards for selection, assessment, and verification of trade partners fairly and transparently. It adheres to the principle of business stability and trust of partners. The selection process is performed with business integrity and requires partners to have liquidity, a reliable track record, and verifiable place of business. The Company promotes fair business dealings with trade partners without human rights violations, while considering its responsibilities to the society, community, and environment.



### Specify key trade partners

The Company has categorized its trade partners into different groups as follows:

- Main trade partners are those with high expenses and specific products or partners without whom would affect the Company's procurement. The Company plans to prepare trade partner assessment form to verify operational standards and reduce potential risks, and ensures that the main trade partners would manage the risks at an acceptable level.
- Secondary trade partners are trade partners with not very high or low expenses. The Company plans to prepare a trade partner assessment form to ensure that the secondary trade partners will be able to jointly manage risks that may occur to the Company.

Details of the top 10 trade partners in the year 2022 are as follows:



The Company's top

**10**

trade partners accounted for

**53.68**

percent of the total purchase orders.

## Trade partner risks identification process



## Risk management and monitoring

At the end of 2022, the Company started preparing trade partners assessment form in respect of ESG for the first year. The assessment was conducted on all key trade partners. The Company is in the process of compiling assessment results as a manual.

## Credit terms

The Company places importance on liquidity and cash cycle management. In determining the credit terms, the Company takes into consideration various factors such as the duration of being trade partner, product type, product quantity, product quality or inventory turnover. However, the Company has determined credit terms with fairness, appropriate, and beneficial to all parties.

Details on determining credit terms

- General partners: a credit term of 30 days from the date of receipt of good or service.

The Company promotes the potential and ability to conduct sustainable business together with trade partners. The Company's objectives are to deliver good wishes to its customers and to cooperate with business partners.

1) FIT Auto service center, PTT Oil and Retail Business Public Company Limited during 1 January to 30 June 2022 offered a discount promotion within FIT Auto service centers nationwide to encourage customers to maintain their own cars in good working conditions, including an oil change at an appropriate interval at an affordable price. If customers use the services of the Company's trade partners, the Company expects that it can help reduce unforeseen accidents and reduce greenhouse gas emissions from the engines that have been maintained over time.





2) Go! Power by Power Buy, a subsidiary of Central Retail Corporation Limited, starting from 1 June 2022, the Company offered Heng Leasing personal loans to be one of the payment options for customers who would like to buy electrical appliances at go! Power and Power Buy for better quality of life and access to amenities in daily lives. This has given customers access to loans that can be paid in installments at fair interest rates, increasing financial liquidity and avoiding moneylender or daily installments.



## Society and community

### Policies and guidelines for community or social development

The Company is aware of the responsibility towards the community and society to strengthen the community and give back to society. The objective is to create a body of knowledge, jobs, and people. Therefore, the Company’s policy is to provide assistance and develop the society and cooperate in various activities as appropriate with the nearby communities in which the Company operates the business. The Company also responds to events that affect the community, society, and environment resulting from the Company’s operations with speed and efficiency. In addition, the Company encourages its executives and employees to be cautious and responsible for the environment and society.

### Policies and practices in relation to innovations and publication of innovations derived from operations with responsibilities to social, environment, and stakeholders

The Company has established an information technology department with knowledgeable and experienced personnel responsible for development and innovations for the Company’s business to grow sustainably and respond to usage and facilitate the customers. The Company also has a security protection system that prevents outsiders from accessing the Company’s internal confidential information.

### Responsible Lending Policy

#### Responsible Lending

The Company places importance on sustainable business operations by taking into consideration environmental, social and governance factors in formulating policies and strategies for responsible lending. There is also a risk management process and possible impacts from the Company’s lending. The Company operates its business with responsibility to stakeholders, particularly customers. The Company considers the benefits of customers as a priority, consisting of 3 important issues:

1. Providing funding in the system for low-income customers by developing products that are suitable for each group of customers, including the repayment term and the ability for repayment. After deducting the debt and other expenses of customers, the customers must have sufficient money left for their living. In addition, the Company has expanded branches to provide customers with access to borrowings in the system.

2. Assisting customers experiencing financial crises. The Company will consider helping customers on a case-by-case basis as appropriate.

3. Clear and transparent product presentation along with providing knowledge about financial discipline, risks that may occur to customer on a case-by-case basis and taking into consideration the impact if the customer is unable to pay back within the specified period.

The Company clearly and transparently presents products offered by the Company on its website. The Company also provides information on rights that should be known to customers for making decisions. It provides many channels for accepting product-related complaints, services, impact from services, and exaggerated advertising. This is to protect financial consumers, as well as setting guidelines for solving problems, handling complaints, and remedies that are clear, fast, independent, efficient, and fair. The Company's call center at 1361 is responsible for such roles which include coordinating, problem solving, and tracking progress.



## Financial literacy promotion for sustainable community project: “Wise spending for fantastic life”

### Target group

Participants include 30 people who have an interest in the project.

People of San Kayom Village, Moo 7 and Moo 8, San Sai Noi Sub-district, San Sai District, Chiang Mai Province

### Objectives

To provide knowledge of financial planning and debt management. To build fundamental financial skills that are needed in everyday life, including building proper attitudes and financial behavior. To reduce debt problems in retail customers that have an impact on the economy. The project was organized for those with interest. To provide knowledge on financial planning and debt management and sustainably reduce debt problems in the community.

### Actions

Financial knowledge course by Mr. Krit Ngaomuang, financial advisor

Workshop on preparation of cash flow statements and income-expense accounts

### Results

Participants have knowledge and understanding of preparation of income and expense accounts and join the group for follow-up. The knowledge is applied for savings and basic financial skills required in daily life.





## Heng Ruay Pang Program

### Target group

Guests and subscribers of Hengleasing channel on Youtube

### Objectives

To provide knowledge about finance that can be used in daily life

### Actions

Production of financial knowledge program called “Heng Ruay Pang”. The program has been moderated by a financial expert since the year 2021. In the year 2022, there were 3 additional contents including EP.5 How to have debt and be lucky and rich / EP.6 How important is interest? and EP.7 Reduce principal, reduce interest, reduce debt, good life.

### Results

In 2022, there were a total of 76,667 views of content relating to the program.





## Promoting financial literacy and create discipline in saving for students

### Target group

Students in Grade 6 – 9, Ban Rak Pandin School, Tap Tao Sub-district, Thoeng District, Chiang Rai Province

### Objectives

To promote useful financial knowledge to students and donate money to purchase books, allowing underprivileged school children access to good quality books.

To cultivate the discipline of saving money in school children.

### Actions

Organizing activities to promote financial knowledge and create discipline of saving money in students on 5 October 2022.

Creating a savings schedule and playing games, giving away lots of prizes.

### Results

Students participating in the activities have the skills to create a savings schedule and gain knowledge of creating discipline in savings.







### Young Analyst Competition CMUBS 2021-2022 Project (HENG)

At the Department of Finance, Faculty of Business Administration, Chiang Mai University.

#### Target group

Undergraduate students, Course 702499, 4th year, the Department of Finance, Faculty of Business Administration, Chiang Mai University.

#### Objectives

To give students the opportunity to apply the knowledge gained in class with real business problems. To develop skills in analyzing and applying business and financial information. To gain information that is beneficial to the organization.

#### Actions

The Company acted as a sponsor in a competition on analysis and valuation of shares. The analysis and award were presented on 22 February 2022, and the prize for winners worth Baht 18,000 was given out on 2 March 2022.

## Debt restructuring with the Legal Execution Department

The Legal Execution Department requested cooperation from business operators as creditors to join the debt restructuring program to assist the debtors in managing household debt and transfer knowledge on debt management. The Company participated in the project and gave advice on debt management to 123 debtors. From total 2,392 persons participated in the project or 5%. The Company expects that it will be a part in helping the debtors to reduce and properly manage the problem of existing household debt and prevent debt that may occur in the future.



## Donation of essential aids to disabled and elderly people

### Target group

Disabled and elderly people from Hua Dong Sub-district Disabled Club, Phichit Province.

### Objective

To help and alleviate suffering of disabled and elderly people.

### Actions

District 15, Phichit branch. Providing essential aids with the total value of Baht 20,000 to disabled persons.

## Charitable donations

### Target group

Persons with hearing disabilities: Sisaket Province of 176 persons and Surin province of 276 persons.

### Objective

To carry out activities that enhance the quality of life and develop the potential of people with hearing disabilities.

### Actions

Gave a donation to support the activities of the Surin Deaf Association, Mueang Surin District, Surin Province in the amount of Baht 5,000.





## Provision of drinking water to help flood victims in Chiang Mai

### Target group

Over 500 homes which were affected by the flood in the area of Nong Hoi Sub-district, Chang Khlan Sub-district, Tha Wang Tan Sub-district, and Nong Phueng Sub-district in Chiang Mai Province.

### Objectives

To help and alleviate troubles of the people in Chiang Mai.

To enhance a good image for the organization in respect of helping society.

### Actions

Donated 100 packs of drinking water (1,200 bottles) to the Chiang Mai Institute for Skill Development to be distributed to the public.

## The 2<sup>nd</sup> Heng volunteer sending 'Ai Un' project for improvement of financial knowledge

The social policy of Heng Leasing and Capital Public Company Limited includes sharing, helping, and demonstrating social responsibilities. Therefore, it has initiated the project “Heng volunteers sending ‘Ai Un’ for improvement of financial knowledge” in the year 2021 with the objective of relieving the victims of the cold. The Company donated 500 “Heng Leasing” blankets. Other objectives include developing communities or society by providing basic financial knowledge and solving debt problems within the community.

### Target group

In the second year of this project, the Company operates in the area of Pa Klang Sub-district, Pua District, Nan Province, covering an area of 7 villages with a total population of 8,847 people (information as of the year 2021), which is an area that has been continuously affected by cold weather. The area has underprivileged people from various ethnic minorities. The three major ethnic minorities are Hmong group, Mien group, and Lua group. Each group has different cultural traditions and there is still a need to support life in many dimensions, including knowledge support. Financial literacy plays an important role in equipping people with knowledge and understanding, solving debt problems within the community, and instilling good financial understanding in the early ages of the community’s new generation.



## Objectives

To promote financial knowledge for the benefit of people in the community. It also helps to alleviate the problems of people in the community who suffer from the cold by donating blankets and sweaters that come from donations in the project. This represents sharing and be kind to each other so that people in the community can live and perform various activities normally in the winter.

## Period

In December 2022.

## Actions

- 1.) Public relations throughout the head office to recruit volunteers as members of the Heng volunteer group.
- 2.) Accepted donations of essential items at the Company's head office and its 24 branches.
- 3.) Organized financial literacy activities. Raised community awareness on proper financial planning.
- 4.) Gave out 500 "Heng Leasing" blankets and items from donations, such as winter clothes.

## Results

1. A total of 1,000 persons participated in the financial literacy training. The attendees were people in the area.
2. 500 blankets and items received from donations were donated.
3. A total of 16 volunteers attended the project.

## Regulator

### Tax policy

The Company is committed to complying with tax laws and managing tax risks by understanding the importance of being a good taxpayer and being responsible and transparent in paying taxes correctly as required by the laws. This is to demonstrate social responsibility, which is an important part that enables the Company's business to grow steadily and sustainably and promote value creation and risk management for all groups of stakeholders. The Company also has guidelines for tax planning and operations that are consistent and in the same direction. The Company's tax policy consists of 4 important parts as set out below.

1. Tax supervision
2. Tax risk management
3. Tax transparency
4. Legitimate use of tax benefits, including using the correct tax structure that does not cause tax evasion.

### Tax reporting

The Company regularly monitors and assesses the implementation of laws, requirements and regulations related to taxation to ensure that the relevant people are properly informed and comply with the laws. In the year 2022, the Company did not conduct any operations that violated tax laws and regulations which would result in penalties. The Company's profit before tax was Baht 574,963,737 and income tax was Baht 113,839,134 based on an effective tax rate of 19.80 percent, which was different from the effective tax rate of 0.20 percent. There were tax privilege items received within the year, namely Royal Decree No. 437 on employee training expenses.





## Management Discussion and Analysis (MD&A)

### Overview of Operating Performance Analysis

The Company is a non-financial institution operator who provides: (1) hire purchase loan; (2) regulated personal loan with car registration as collateral (pledge of car registration); (3) mortgage loan; (4) regulated personal loan without car registration as collateral; (5) regulated retail loan for occupation (“Nano Financing”); and (6) non-life and life insurance brokers to general retail customers. As of 31 December 2020, 2021, and 2022, the Company’s total receivables were Baht 8,276.8 million, Baht 9,180.5 million and Baht 12,020.1 million respectively. During the year 2020 – 2022, the Company’s main loans included hire purchase loans, which accounted for 71.2%, 59.9% and 56.0% of total receivables respectively, and loans with car registration as collateral, which accounted for 24.0%, 31.8% and 38.6% of total receivables respectively.

In the year 2020, 2021 and 2022 the Company’s total receivables increased by Baht 238.5 million, Baht 903.7 million and Baht 2,839.6 million or 3.0%, 10.9% and 30.9% respectively. Mainly due to the Company’s focus on providing: (1) regulated personal loan with car registration as collateral; (2) mortgage loan; and (3) unsecured loan according to the Company’s business plan to increase variety of products and services to meet the needs of various customer groups and increase the yield on loan for the Company. In general, regulated personal loans with car registration as collateral and unsecured loans have higher interest rates (Yield on loan) than hire purchase loans. However, due to the uncertainty of the Covid-19 pandemic, the Company is more cautious in considering new loan approvals for customers with certain occupations whose repayment capabilities may be affected by the Covid-19 pandemic and has adjusted the annual loan target. As a result, the Company’s total receivables increase from the end of 2021 which was a significant increase.

Overall, the Covid-19 pandemic has temporarily affected the Company’s operations. The Company has adjusted the work procedures for the safety of employees and customers such as temporary closure of some affected branches for 1-2 days to clean and disinfect when there is a risk, accepting installment payments via QR code to reduce cash exposure, opening car auctions through online channels instead of auctions in the auction yard, restricting access in and out of office buildings, and planning work anywhere for support employees who can work from home.

As of 31 December 2020, 2021 and 2022, the Company’s expected credit losses were Baht 182.1 million, Baht 177.6 million, and Baht 230.1 million or equivalent to 2.4%, 2.1%, and 2.0% of the total receivables respectively.

In the year 2020, the Company's expected credit losses decreased by Baht 210.3 million or 53.6% mainly due to the fact that the Company had set aside an additional allowance for doubtful accounts in the year 2019 to accommodate the change of Thai Financial Reporting Standard 9 ("TFRS 9"), financial instruments, which was effective on 1 January 2020. The Company has been careful considering various factors which may affect the loan quality in the future. The consideration included the impact of the Covid-19 pandemic that has slowed down the economy and may affect debtors' ability to repay after and/or termination of assistance measures to debtors affected by the Covid-19 pandemic according to the Bank of Thailand's guidelines. In this regard, the Company will review the additional provision (Management Overlay) every quarter if it considers that such event still affects the trend of the Company's loan quality in the future. For the year 2021 and 2022 the Company's expected credit losses mainly due to variation from size of loan portfolio.

For the financial year ending 31 December 2020, 2021 and 2022, the Company's total revenues were Baht 1,590.0 million, Baht 1,644.4 million and Baht 2,124.4 million respectively. The Company's main income is interest income which accounted for 91.2%, 89.5% and 87.6% of total revenues or equivalent to interest rates of 17.8%, 16.9% and 17.6% respectively. Due to the uncertainty of the Covid-19 pandemic, the Company is more cautious in considering new loan approvals for customers with certain occupations whose repayment capabilities may be affected by the Covid-19 pandemic and has adjusted the annual loan target. Including, the Company has provided assistance to debtors affected by the Covid-19 pandemic in accordance with the Bank of Thailand's guidelines such as extending repayment period, However, the company has channel to increase ability to perform more income from life and non-life insurance commissions.

For the financial year ending 31 December 2020, 2021 and 2022, the Company's total expenses were Baht 1,191.5 million, Baht 1,100.9 million, and Baht 1,549.4 million respectively. The Company's main expenses are service and administrative expenses, which accounted for 59.6%, 65.7% and 64.6% of total expenses or equivalent to operating expenses to total income (Cost to Income) of 51.6%, 54.2% and 52.5% of total revenues respectively.

For the financial year ending 31 December 2020, 2021 and 2022, the Company's net profit were Baht 318.1 million, Baht 353.8 million, and Baht 461.1 million or equivalent to net profit margin of 20.0%, 21.5% and 21.7% respectively. The Company had a return on equity of 9.4%, 8.5% and 9.2%, respectively.

The management discussion and analysis of the Company's operating performance and financial position during the past 3 years referred to information from the financial statements according to the following details:

- The management discussion and analysis for the financial year ending 31 December 2019 referred to information from the financial statements for the year ending 31 December 2020.
- The management discussion and analysis for the financial year ending 31 December 2021 referred to information from the financial statements for the year ending 31 December 2022.

## Important Accounting Policies

### 1.1 Revenue recognition

#### (A) Loan interest income

The Company recognizes interest income from hire purchase contracts, and the loan agreement on an accrual basis under the effective interest method throughout the contract period and calculated from the gross book value of Accounts receivable under hire purchase contracts/loans.

For receivables under hire purchase contracts/loans with subsequent credit impairment, the Company recognizes interest income under the effective rate method, calculated from the net book balance (accrual net of allowance from expected credit loss) of the debtor

Direct income and expenses incurred from hire purchases/loans are recognized by apportionment to be gradually recognized under the effective interest rate method and presented as a deduction from interest income from hire purchase contracts/loans throughout. The term of the contract to reflect the actual rate of return on the contract.

#### (B) fee and service income

Fees and service income is recognized on an accrual basis, except for fees that are included as part of the effective interest rate, and income from late penalties is recognized on the amount actually received.

### 1.2 Expense recognition – interest expense

Interest expenses are expensed on an accrual basis.

### 1.3 Financial Instruments

#### Classification and measurement of financial assets and financial liabilities

##### *Financial asset*

The Company classifies its financial assets - debt instruments, such as hire purchase and loan receivables as subsequently measured at amortised cost or fair value in accordance with the Company' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. All financial assets of the Company are classified and measured at amortised cost because of following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially measured at its fair value plus transaction costs and subsequently measured at amortised cost net of allowance for expected credit loss (if any).

##### *Financial liabilities*

The Company classify financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost calculated using effective interest rate method.

## Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

## Derecognition of financial instruments

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Company, are still recognised as financial assets.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### 1.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### 1.5 Hire purchase receivables/Loan receivables

Hire purchase receivables are stated at the contract value net of unearned hire purchase, which is presented after net of initial direct income and costs at the inception of the contracts.

Loan receivables are stated at the principal amount and accrued interest receivables, which is presented after net of initial direct income and costs at the inception of the contracts.

### 1.6 Allowance for expected credit losses

The Company applies the General Approach to calculate the expected credit losses on its financial assets, such as deposits at financial institutions and hire purchase and loan receivables.

The Company classifies its financial assets into three stages (three-stage approach) to measure the value of the expected credit losses, with the classification of the financial assets determined on the basis of the change in credit risk since initial recognition as follows:

Stage 1: Financial assets where there has not been a significant increase in credit risk (Performing)

For the financial assets where there has not been a significant increase in credit risk since initial recognition, the Company recognises allowance for expected credit losses at the amount equal to the 12month expected credit losses.

Stage 2: Financial assets where there has been a significant increase in credit risk (Under-Performing)

For financial assets where there has been a significant increase in credit risk since initial recognition but not credit-impaired, the Company recognises allowance for expected credit losses at an amount equal to the lifetime expected credit losses of the financial assets.

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

For financial assets are assessed as credit-impaired, the Company recognises expected credit losses in an amount equal to the lifetime expected credit losses of the financial assets.

At the end of each reporting period, the Company assesses whether there has been a significant increase in credit risk of financial assets since initial recognition by comparing the risk of default at the reporting date with the risk of default at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company may use internal quantitative and qualitative indicators and forecasts information to assess the deterioration in the credit quality of financial assets such as arrears of over 30 days past due. The Company assesses whether the credit risk has increased significantly from the date of initial recognition on an individual or a collective basis.

Hire purchase/loan receivables are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of receivables have occurred. Evidence of credit-impaired receivables includes arrears of over 90 days past due or having indications that the borrower is experiencing significant financial difficulty, the legal status, renegotiation of terms or distressed restructuring.

In subsequent periods, if the credit quality of financial assets improves and the assessment is that the significant increase in credit risk from the initial recognition date that was assessed in the previous period no longer applies, the Company will change from recognising expected credit losses over the expected lifetime to recognising the 12 months expected credit losses.

Hire purchase and loan receivables that have been renegotiated or changed in terms of the contractual cash flows due to a deterioration in the debtor's condition is usually considered to be significant increase in credit risk or credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Expected credit losses are the probability-weighted estimate of expected credit losses over the lifetime of the financial assets, taking into account the present value of all cash that are expected not to be recoverable based on historical loss information for a group of assets that the Company considers having shared credit risk characteristics, taking into account type of collateral, months on books, and other relevant factors, adjusted for current observable data, as well as forward-looking information that is supportable and reasonable, provided it can be shown to be statistically related. It also involves the appropriate exercise of judgement to estimate the amount of expected credit losses, using macroeconomic data. The Company determines both current and future economic scenario, and probability-weighted each scenario (base-case scenario, best-case scenario and worst-case scenario) for the purpose of calculating expected credit losses. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit losses. However, the Company has established a process to review and monitor methodologies, assumptions and forward-looking economic scenario on a regular basis. In addition, a management overlay is applied to account for factors that are not captured by the model.

Increase (decrease) in an allowance for expected credit loss is recognised as expenses in profit or loss in the statements of comprehensive income. The Company has a policy to write-off receivables when it has made appropriate efforts at recovery, for which there is clear evidence, and debts remain unsettled.

### **1.7 Financial assets with modifications of terms/Debt restructuring**

When a financial asset's terms of repayment are renegotiated or modified, or debt is restructured, or an existing financial asset is replaced with a new financial asset because a debtor is having financial difficulties, the Company assesses whether to derecognise the financial asset and measures the expected credit losses, as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Company calculates the gross book value of the new financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises a gain or loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and the fair value of the financial asset is recognised in profit or loss.

In cases where debt restructuring does not result in derecognition, a debtor is classified as a financial asset with a significant increase in credit risk (Stage 2) until the debtor is able to make payment in accordance with the debt restructuring agreement for the longer of 3 consecutive months or 3 installments, or the debtor is reclassified as credit-impaired (Stage 3). A debtor is classified at the same stage until payment is made in compliance with the debt restructuring agreement for not less than 12 months from the restructuring date, when the debtor is classified as a financial asset without a significant increase in credit risk (Stage 1). If the debt restructuring results in derecognition, the new financial asset is treated as a financial asset where there has not been a significant increase in credit risk (Performing or Stage 1).

In addition, the Company has adopted the accounting guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19, as discussed in Note 3.3 to the financial statements.

### **1.8 Assets foreclosed**

Assets foreclosed are assets seized from hire purchase and loan receivables and stated at the lower of cost or net realisable value net of allowance for loss on impairment (if any).

Gain (loss) on disposal of assets foreclosed are recognised in profit or loss in the statements of comprehensive income upon disposal.

Loss on impairment (if any) is recognised as an expense in the statements of comprehensive income.

### **1.9 Land, buildings and equipment and depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).



Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Building	10 years
Building improvement	10 years
Furniture and office equipment	5 years
Computers and equipment	5 years
Motor vehicles	7 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of land, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is recognised in profit or loss in the statement of comprehensive income when the assets are derecognised.

### 1.10 Lease liabilities

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach of all leases, except for short-term leases and leases of low-value assets. The Company recognise right-of-use assets, which represent the right to use underlying assets and lease liabilities based on lease payment.

#### Right-of-use assets

At the commencement date of the lease, the Company is measured right-of-use assets at cost, less accumulated depreciation and any accumulated impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease and less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their useful lives and the lease term as follows:

Buildings	1 - 10 years
Office equipment	4 - 5 years
Vehicles	2 - 5 years

If ownership of the leased asset is transfers to the Company at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Company is to assess the impairment of the right-of-use assets as discussed in the note to the financial statements on impairment of non-financial assets.

## Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

## Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### 1.11 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Company's intangible assets are computer software, that have useful lives of approximately 3 - 5 years.

### 1.12 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets or intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss in statements of comprehensive income (if any).

### 1.13 Employee benefits

#### a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

#### b) Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

#### c) Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gain and loss arising from post-employment benefits are recognised immediately in other comprehensive income.

### 1.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

#### a) Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

#### b) Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting date, the Company review and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

### 1.15 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

### 1.16 Provisions

Provisions are recognised when the Company have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### 1.17 Fair value measurement

Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## Operating Performance

### (1) Revenues

The below table illustrates the Company's revenues.

Revenues	For the financial year ending 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Hire purchase interest income	1,033.2	65.0	825.9	50.2	924.0	43.5
Loan interest income	417.1	26.2	645.4	39.3	937.4	44.1
<b>Total interest income</b>	<b>1,450.3</b>	<b>91.2</b>	<b>1,471.3</b>	<b>89.5</b>	<b>1,861.4</b>	<b>87.6</b>
Fee and service income <sup>(1)</sup>	102.6	6.5	105.0	6.4	197.6	9.3
Other income <sup>(2)</sup>	37.1	2.3	68.1	4.1	65.4	3.1
<b>Total revenues</b>	<b>1,590.0</b>	<b>100.0</b>	<b>1,644.4</b>	<b>100.0</b>	<b>2,124.4</b>	<b>100.0</b>

**Remarks:** (1) Fee and service income mainly consists of insurance commission, collection fee, late penalty fee, and fee for issuing a termination letter.

(2) Other income mainly consists of recovered bad debts.

For the financial year ending December 31, 2020, 2021, and 2022, the Company's total revenues were Baht 1,590.0 million, Baht 1,644.4 million, and Baht 2,124.4 million respectively. The revenues can be explained as set out below.

The Company's revenues consist of interest income, fee and service income and other income the details as follows:

#### (a) Interest income

The following table illustrates the Company's interest income classified by type of loan service.

Interest income	For the financial year ending 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>1. Interest income from secured loans</b>	<b>1,401.1</b>	<b>96.6</b>	<b>1,320.7</b>	<b>89.8</b>	<b>1,710.2</b>	<b>91.9</b>
• Hire purchase	1,033.2	71.3	825.9	56.1	924.0	49.6
• Regulated loan with vehicle registration as collateral	367.3	25.3	479.3	32.6	761.1	40.9
• Mortgage loan	0.6	0.0	15.5	1.0	25.1	1.4
<b>2. Interest income from unsecured loans</b>	<b>49.2</b>	<b>3.4</b>	<b>150.6</b>	<b>10.2</b>	<b>151.2</b>	<b>8.1</b>
• Regulated personal loan without vehicle registration as collateral	6.2	0.4	24.2	1.6	22.4	1.2
• Nano financing	43.0	3.0	126.4	8.6	128.8	6.9
<b>Total interest income</b>	<b>1,450.3</b>	<b>100.0</b>	<b>1,471.3</b>	<b>100.0</b>	<b>1,861.4</b>	<b>100.0</b>

For the financial year ending December 31, 2020, 2021 and 2022, the Company's total interest income were Baht 1,450.3 million, Baht 1,471.3 million and Baht 1,861.4 million. The changes in interest income can be analyzed as follows:

### Hire purchase interest income

For the financial year ending December 31, 2020, 2021 and 2022, the Company's hire purchase interest income were Baht 1,033.2 million, Baht 825.9 million and Baht 924.0 million or equivalent to 71.2%, 56.1% and 49.6% of the total interest income respectively. This was mainly due to a decrease in the amount of receivables under hire purchase contracts because the Company focused more on regulated personal loan after the receipt of a license to operate regulated personal loan under supervision of the Ministry of Finance in the middle of 2019.

### Interest income from regulated personal loan with vehicle registration as collateral

The Company received a license to operate regulated personal loan under supervision of the Ministry of Finance on 13 June 2019. For the financial year ending December 31, 2020, 2021 and 2022, the Company's interest income from regulated personal loans with vehicle registration as collateral were Baht 367.3 million, Baht 479.3 million and Baht 761.1 million or equivalent to 25.3%, 32.6% and 40.9% of the total interest income respectively. This was due to the Company being more focused on regulate personal loans with vehicle registration as collateral to acquire the group of customers with financing needs who have their own vehicles to be used as collateral for borrowing under the programs "Heng changes a car to money" and "Motorcycle loan project" after the receipt of a license to operate regulated personal loan under supervision of the Ministry of Finance.

### Interest income from mortgage loan

In the 2020, the Company began to expand its loan products to increase the variety of collaterals and increase the Company's competitiveness. For the financial year ending December 31, 2021 and 2022, the Company had interest income from mortgage loans in the amount of Baht 15.5 million and Baht 25.1 million or equivalent to 1.1% and 1.4% of total interest income under "Heng's land and house loan program."

### Interest income from regulated personal loan without vehicle registration as collateral

For the financial year ending December 31, 2020, 2021 and 2022, the Company's interest income from regulated personal loan without vehicle registration as collateral were Baht 6.2 million, Baht 24.2 million and 22.4 million or equivalent to 0.4%, 1.6% and 1.2% of total interest income. This type of loan focuses on customers with regular income. The maximum loan limit is 1.5 times of salary and not more than Baht 45,000 per person under "Heng's ready to use personal loan program."

### Interest income from nano financing

The Company was granted a license to operate retail loan for occupation under supervision of the Ministry of Finance on 11 March 2019. For the financial year ending December 31, 2020, 2021 and 2022, the Company's interest income from nano financing were Baht 43.0 million, Baht 126.4 million, and Baht 128.8 million or equivalent to 3.0%, 8.6%, and 6.9% of total interest income respectively because the Company focused on providing retail loan for occupation (non-recurring income). The maximum loan limit is not more than Baht 20,000 per person under "Heng's nano financing program" after the receipt of a license to operate retail loan for occupation under supervision of the Ministry of Finance.



### (b) Fee and service income

Important fee and service income includes insurance brokerage, collection fee, late penalty fee, and fees for issuing a termination letter. For the year ending December 31, 2020, 2021 and 2022, the Company's fee and service income were Baht 102.6 million, Baht 105.0 million, and Baht 197.6 million or equivalent to 6.5%, 6.4% and 9.3% of total revenue. This was mainly due to the provision of assistance to debtors affected by the Covid-19 pandemic situation and the adjustment on the Company's policy for fee collection from customers, which is in accordance with the Company's marketing plan.

### (c) Other income

Other income mainly consists of recovered bad debts. For the financial year ending December 31, 2020, 2021 and 2022, the Company's other income were Baht 37.1 million, Baht 68.1 million and Baht 65.4 million or equivalent to 2.3%, 4.1% and 3.1% of total revenue respectively. This was mainly due to receipt of payment after the Company has written off accounts receivable in accordance with the guidelines of the Ministerial Regulation No. 186 and No. 374 in the Revenue Code such as money received from debtor under a court order etc.

## (2) Expenses

The following table illustrates the Company's expenses:

Expense	For the financial year ending 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Service and administrative expenses	710.3	72.5	790.8	77.6	1,000.5	75.2
Expected credit losses	182.0	18.6	177.6	17.4	230.1	17.3
Loss on impairment and disposal of assets	87.0	8.9	50.8	5.0	99.9	7.5
<b>Total expenses</b>	<b>979.3</b>	<b>100.0</b>	<b>1,019.2</b>	<b>100.0</b>	<b>1,330.5</b>	<b>100.0</b>

For the financial year ending December 31, 2020, 2021 and 2022, the Company's total expenses were Baht 979.3 million, Baht 1,019.2 million and Baht 1,330.5 million. The Company's main expenses are service and administrative expenses.

### (3) Financial expenses

For the financial year ending December 31, 2020, 2021 and 2022, the Company's financial expenses were Baht 212.2 million, Baht 184.8 million and Baht 218.9 million or accounting for 13.3%, 11.2% and 10.3% of total revenue respectively. This was mainly due to the management of financial costs, whereby the Company was able to find a source of loans with lower financial costs. In addition, the policy interest rate has decreased.

### (4) Net profit

Based on the above operating performance, for the financial year ending December 31, 2020, 2021 and 2022, the Company's net profit were Baht 318.1 million, Baht 353.8 million and Baht 461.1 million or equivalent to net profit margin of 20.0%, 21.5% and 21.7% respectively. The Company's net profit has increased due to cost management and improved quality of loan portfolio.

## Financial Position Analysis

### (1) Assets

As of December 31, 2020, 2021 and 2022, the Company's total assets were Baht 8,242.2 million, Baht 9,701.9 million and Baht 12,263.6 million respectively. The main assets of the Company are hire purchase receivables and loan receivables.

#### (a) Hire purchase receivables and loan receivables

The following table illustrates the Company's hire purchase receivables and loan receivables:

Total receivables – net	As of 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Hire purchase receivables – net	5,451.9	70.5	5,168.9	59.8	6,434.7	56.0
Loan receivables – net	2,281.4	29.5	3,471.2	40.2	5,046.9	44.0
<b>Total receivables – net</b>	<b>7,733.3</b>	<b>100.0</b>	<b>8,640.1</b>	<b>100.0</b>	<b>11,481.6</b>	<b>100.0</b>

The following table illustrates the Company's hire purchase receivables and loan receivables classified by type of loan:

Total receivables – net	As of 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Secured loans</b>	<b>7,920.3</b>	<b>95.7</b>	<b>8,574.2</b>	<b>93.4</b>	<b>11,549.1</b>	<b>96.1</b>
• Hire purchase	5,895.1	71.2	5,501.7	59.9	6,732.5	56.0
• Regulated personal loan with vehicle registration as collateral	1,988.4	24.0	2,917.5	31.8	4,634.5	38.6
• Mortgage loan	36.8	0.5	155.0	1.7	182.1	1.5
<b>Unsecured loans</b>	<b>356.5</b>	<b>4.3</b>	<b>606.3</b>	<b>6.6</b>	<b>471.0</b>	<b>3.9</b>
• Regulated personal loan <u>without</u> vehicle registration as collateral	74.7	0.9	118.1	1.3	83.2	0.7
• Nano financing	281.8	3.4	488.2	5.3	387.8	3.2
<b>Total receivables</b>	<b>8,276.8</b>	<b>100.0</b>	<b>9,180.5</b>	<b>100</b>	<b>12,020.1</b>	<b>100.0</b>
Less: Allowance for doubtful accounts / Allowance for expected credit losses	(543.5)	(6.6)	(540.4)	(5.9)	(538.5)	(4.5)
<b>Total receivables – net</b>	<b>7,733.3</b>	<b>93.4</b>	<b>8,640.1</b>	<b>94.1</b>	<b>11,481.6</b>	<b>95.5</b>

The following table presents receivables under hire purchase agreements and receivables from loan agreements of the Company classified by type of collateral.

Total receivables – net	As of 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
pickup truck	4,435.3	53.6	4,193.4	45.6	5,620.1	46.8
passenger car	2,219.8	26.8	2,845.9	31.0	3,933.1	32.7
agricultural vehicles	365.1	4.4	375.5	4.1	557.7	4.6
van	312.5	3.8	339.2	3.7	398.2	3.3
truck	279.8	3.4	310.0	3.4	461.4	3.8
motorcycle	268.4	3.3	355.1	3.9	396.2	3.3
Other cars <sup>(1)</sup>	2.6	0.0	0.1	0.0	0.3	0.1
house and land	36.8	0.4	155.0	1.7	182.1	1.5
unsecured	356.5	4.3	606.3	6.6	471.0	3.9
<b>Total receivables</b>	<b>8,276.8</b>	<b>100.0</b>	<b>9,180.5</b>	<b>100.0</b>	<b>12,020.1</b>	<b>100.0</b>
Less: Allowance for doubtful accounts / Allowance for expected credit losses	(543.5)	(6.6)	(540.4)	(5.9)	(538.5)	(4.5)
<b>Total receivables – net</b>	<b>7,733.3</b>	<b>93.4</b>	<b>8,640.1</b>	<b>94.1</b>	<b>11,481.6</b>	<b>95.5</b>

Most of the Company's receivables is a secured debtor which accounted for 96.1 of total debtors.

The following table shows the hire purchase receivables and loan receivables of the Company classified by aging of outstanding debts and allowance for doubtful accounts.

Total receivables – net		As of 31 December					
Financial reporting standards for the year 2019	Financial Reporting Standard No. 9 for the year 2020	2020 <sup>(1)</sup>		2021		2022	
		ล้านบาท	ร้อยละ	ล้านบาท	ร้อยละ	ล้านบาท	ร้อยละ
Not yet due	Stage 1	6,442.7	77.8	7,938.5	86.5	10,435.5	86.8
Overdue less than 30 days							
Overdue 31 - 90 days	Stage 2	1,530.0	18.5	927.5	10.1	1,222.4	10.2
Overdue 91 - 180 days	Stage 3	304.0	3.7	314.5	3.4	362.2	3.0
Overdue 181 - 365 days							
Overdue for more than 365 days							
Debtor transferred by laws							
<b>Total receivables</b>		<b>8,276.8</b>	<b>100.0</b>	<b>9,180.5</b>	<b>100.0</b>	<b>12,020.1</b>	<b>100.0</b>
Allowance for doubtful accounts / Allowance for expected credit losses		(543.5)	(6.6)	(540.4)	(5.9)	(538.5)	(4.5)
Allowance for Doubtful Accounts – An increase in the allowance for uncollectible debts.		-	-	-	-	-	-
Less: Allowance for doubtful accounts / Allowance for expected credit losses		(543.5)	(6.6)	(540.4)	(5.9)	(538.5)	(4.5)
<b>Total receivables – net</b>		<b>7,733.3</b>	<b>93.4</b>	<b>8,640.1</b>	<b>94.1</b>	<b>11,481.6</b>	<b>95.5</b>

**Note:** (1) The Company has adopted Financial Reporting Standard No. 9 Financial Instruments This is effective for financial statements with accounting periods beginning on or after 1 January 2020 for the first time.

As of December 31, 2020, 2021, and 2022, the Company has debtors overdue more than 90 days or debtors with credit impairment, non-performing loans or non-performing loans were Baht 304.0 million, Baht 314.5 million and Baht 362.2 million or accounted for 3.7%, 3.4% and 3.0% of total debtors respectively.

As of December 31, 2020 and 2021 and 2022 the company's an allowance for doubtful accounts or allowance for expected credit losses equal to Baht 543.5 million, Baht 540.4 million and Baht 538.5 million or accounted for 6.6%, 5.9% and 4.5% of total receivables respectively. In the year 2019 the company's allowance for doubtful accounts increased by Baht 236.3 million or 88.2% in line with the company's loan growth along with the company's increased an allowance for doubtful accounts in the allowance for uncollectible debt (General Reserve) to accommodate the changes in Financial Reporting Standard, No. 9 effective on January 1, 2020. However, the Company has been careful considering various factors that may affect the quality of credit in the future including the impact of the COVID-19 epidemic situation. that causes of the economy's slow down and may affect the debtor's ability to repayment after and/or the end of assistance measures for debtors affected by the COVID-19 epidemic situation according to the Bank of Thailand's guidelines. the will company review Management Overlay every quarter if it considers that such event still affects the trend of the Company's loan quality in the future.

Currently, the Expected Credit Loss Model that the Company uses to set aside allowance for doubtful accounts for all loan types is based on historical loss experience of secured loans which is hire purchase loans and loans with vehicle registration as collateral (loans that the Company provides services before receiving a letter of approval from the Bank of Thailand) that the company considers that there is sufficient information and is suitable for preparing the model. In addition, the Company considers other credit information that the Company has just started providing services and considers that there is still limited availability in such modeling. At present, the expected credit loss model of other loans It is based on similar historical loss experience data for hire purchase and vehicle-registered loans. In the future, when there is enough information, the company will review the Expected Credit Loss Model based on the information of each loan type.

**The following table lists the key receivable quality ratios.**

Significant receivable quality ratio	As of 31 December		
	2020	2021	2022
	%	%	%
Ratio of non-performing loans to total receivables	3.7	3.4	3.0
The ratio of allowance for doubtful accounts or allowance for expected credit losses to total receivables	6.6	5.9	4.5
Bad debt ratio to total receivables	2.4	2.0	1.8
The ratio of allowance for doubtful accounts or allowance for expected credit losses to non-performing loans (Coverage Ratio)	178.7	171.8	148.7
Bad debt and doubtful debt ratio or expected credit loss to total receivables (Credit Cost)	2.2	1.9	1.9

As of December 31, 2020, 2021 and 2022, the Company has amortized bad debt equal to Bath 202.5 million, 187.6 million and 214.6 million or accounted for 2.4%, 2.0% and 1.8% of total receivables, respectively under the policy to write off accounting receivables in accordance with the guidelines of the Ministerial Regulation No. 186 and No. 374 in the Revenue Code.

As of December 31, 2020, 2021 and 2022, the Company has allowance for doubtful accounts or allowance for expected credit losses of 178.7%, 171.8% and 148.7% of non-performing loans, respectively. Generate income according to the Company's accounting policy. In addition, as of December 31, 2022, the Company recorded a management overlay to accommodate the impact of the COVID-19 situation.

As of December 31, 2010, 2021 and 2022, the Company had bad debt expenses and doubtful accounts or expected credit losses of 2.2%, 1.9% and 1.9% of total receivables, respectively by reducing down due to the quality of the company's debtor management more efficient.

### Property foreclosed

The following table shows the value and amount of the Company's properties foreclosed.

Property foreclosed - net	As of 31 December					
	2020		2021		2022	
	Baht Million	Vehicles	Baht Million	Vehicles	Baht Million	Vehicles
pickup truck	10.5	114	6.7	83	30.8	330
passenger car	10.5	125	10.6	103	19.4	314
motorcycle	0.9	34	1.0	34	1.8	71
Other Vehicles <sup>(1)</sup>	1.3	7	1.6	13	2.8	20
<b>Property foreclosed - net</b>	<b>23.2</b>	<b>280</b>	<b>19.9</b>	<b>233</b>	<b>54.8</b>	<b>735</b>

**Note:** (1) Other vehicles such as vans, trucks, and agricultural vehicles, etc.

As of December 31, 2020, 2021 and 2022, the Company's assets foreclosed were Baht 23.2 million, Baht 19.9 million and Baht 54.8 million or equivalent to 0.3%, 0.2% and 0.4% of total assets.

### Land, buildings and equipment

As of December 31, 2020 and 2021, 2022, the Company has land, buildings and equipments equal to Baht 139.0 million, Baht 138.3 million and Baht 142.9 million or equivalent to 1.7%, 1.4% and 1.2% of total assets, respectively, mainly consisting of Leasehold buildings and improvements, furniture and office equipment, computers.

### Right-of-use assets

The Company has adopted Financial Reporting Standard No. 16 Re : Lease Agreement for the first time since January 1, 2020. However, the change in accounting policy has no effect on retained earnings as of January 1, 2020 of the Company. As of December 31, 2020, 2021 and 2022, the Company recorded rights-to-use assets equal to Baht 113.2 million, Baht 132.5 million and Baht 147.1 million or equal to 1.4%, 1.4% and 1.2% of total assets, respectively, which consisted of buildings, office equipment and vehicles that the Company rented for use as a head office and a branch including renting vehicles for use in the Company's business operations

## (2) Liabilities

The following table shows the Company's liabilities

Liabilities	As of 31 December					
	2020		2021		2022	
	Baht Million	%	Baht Million	%	Baht Million	%
long term loan	3,101.6	65.0	3,527.5	72.2	5,693.2	81.1
Short-term loans from financial institutions	1,402.3	29.4	1,028.6	21.1	910.1	13.0
<b>Total loans from financial institutions</b>	<b>4,503.9</b>	<b>94.4</b>	<b>4,556.1</b>	<b>93.3</b>	<b>6,603.3</b>	<b>94.1</b>
lease liabilities	100.4	2.1	122.7	2.5	140.6	2.0
other liabilities	166.8	3.5	207.6	4.2	275.4	3.9
<b>total liabilities</b>	<b>4,771.1</b>	<b>100.0</b>	<b>4,886.4</b>	<b>100.0</b>	<b>7,019.3</b>	<b>100.0</b>

As of December 31, 2010, 2021, and 2022, the Company has total liabilities of Baht 4,771.1 million, Baht 4,886.4 million and Baht 7,019.3 million, respectively. The main liabilities of the Company are loans from financial institutions.

### Loans from financial institutions

The following table shows the Company's loans from financial institutions.

Loans from financial institutions	As of 31 December					
	2020		2021		2022	
	Baht Million	%	Baht Million	%	Baht Million	%
short term loan	1,402.3	31.1	1,028.6	22.6	910.1	13.8
Long-term loans - due within one year	1,307.4	29.1	2,166.5	47.5	2,208.1	33.4
<b>Total</b>	<b>2,709.7</b>	<b>60.1</b>	<b>3,195.1</b>	<b>70.1</b>	<b>3,118.2</b>	<b>47.2</b>
Long-term loans - net of portion due within one year	1,794.2	39.9	1,361.0	29.9	3,485.1	52.8
<b>Total loans from financial institutions</b>	<b>4,503.9</b>	<b>100.0</b>	<b>4,556.1</b>	<b>100.0</b>	<b>6,603.3</b>	<b>100.0</b>

Most of the Company's loans are from various financial institutions divided into long-term loans, overdrafts and promissory notes from commercial banks. As of December 31, 2020, 2021 and 2022, the Company has short-term loans and long-term loans due within one year equal to Baht 2,709.7 million, Baht 3,195.1 million and Baht 3,118.2 million or equivalent to 60.1%, 70.1% and 47.2% of loans from financial institutions, respectively, and the Company's net long-term loans due within one year equal to Baht 1,794.2 million, Baht 1,361.0 million and Baht 3,485.1 million or equivalent to 39.9%, 29.9% and 52.8% of loans from financial institutions, respectively, which are in line with the contractual installments of the Company's debtors. The Company uses loans from financial institutions as aforementioned to support loan expansion according to the Company's business growth plan.



### Liabilities under lease agreements

The Company has adopted the Financial Reporting Standard No. 16 Lease Agreements for the first time since January 1, 2020. The Company recorded liabilities under lease agreements, as at December 31, 2020, 2021 and 2022 equal to Baht 100.4 million Baht 122.7 million and Baht 140.6 million or equivalent to 2.1%, 2.5% and 2.0% of total liabilities, respectively.

### (3) Shareholders' equity

Shareholders' equity	As of 31 December					
	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Issued and paid-up capital	3,009.2	91.2	3,810.0	79.1	3,810.0	72.7
Premium	-	-	715.4	14.9	715.3	13.6
Retained earnings	461.9	8.8	290.1	6.0	719.0	13.7
<b>Total shareholders' equity</b>	<b>3,471.1</b>	<b>100.0</b>	<b>4,815.5</b>	<b>100.0</b>	<b>5,244.3</b>	<b>100.0</b>

As of December 31, 2020, 2021, and 2022, the Company's shareholders' equity were Baht 3,471.1 million, Baht 4,815.5 million and Baht 5,244.3 million respectively.

### Analysis of liquidity and sources of funds

The following table shows the Company's cash flows.

cash flow	As of 31 December		
	2020	2021	2022
	Baht Million	Baht Million	Baht Million
Net cash provided by (used in) operating activities	347.3	(221.1)	(2,021.5)
Net cash provided by (used in) investing activities	(33.9)	(39.7)	(46.6)
Net cash provided by (used in) financing activities	(308.4)	736.0	1,717.2
<b>Cash and cash equivalents net increase (decrease)</b>	<b>5.0</b>	<b>475.2</b>	<b>(350.9)</b>

#### (1) Net cash received from (used in) operating activities

For the fiscal year ended December 31, 2020, the Company had net cash received from operating activities equal to Baht 347.3 million, mainly from cash received interest Baht 1,415.9 million and lease agreement debtors decreased by Baht 275.3 million, which some net with loan receivables increased by Baht 995.0 million.

For the fiscal year ended December 31, 2021, the Company had net cash used in operating activities equal to Baht 221.1 million, mainly due to cash received interest of Baht 1,392.8 million, partially net of increased loans to customers of Baht 1,301.4 million.

For the fiscal year ended December 31, 2022, the Company had net cash used in operating activities equal to Baht 2,021.5 million, mainly due to cash received interest, partially net of increased loans to customers.

## (2) Net cash received from (used in) investing activities

For the fiscal year ended December 31, 2020, the Company had net cash used in investing activities equal to Baht 33.9 million, mainly due to net cash paid for building improvements and equipment netting of Baht 29.9 million for supporting 106 branches expansion and cash paid for intangible assets of Baht 4.0 million to invest in computer software and network software to support branch expansion.

For the fiscal year ended December 31, 2021, the Company had net cash used in investing activities equal to Baht 89.7 million, mainly due to cash paid for purchases of building improvements and equipment, netting of Baht 36.5 million

For the fiscal year ended December 31, 2022, the Company had net cash used in investing activities equal to Baht 46.6 million, mainly due to cash paid for purchases of building improvements and equipment.

## (3) Net cash received from (used in) financing activities

For the fiscal year ended December 31, 2020, the Company had net cash used in financing activities equal to Baht 308.4 million, mainly due to cash payment of interest Baht 189.8 million and cash dividend payment of Baht 114.3 million, partially net of cash received from long-term borrowings of Baht 50.4 million.

For the fiscal year ended December 31, 2021, the Company had net cash used in financing activities equal to Baht 736.0 million, mainly due to capital increase in listing in the Stock Exchange of Thailand and repayment of advance loans.

For the fiscal year ended December 31, 2022, the Company had net cash used in financing activities equal to Baht 1,717.2 million, due to loans from financial institutions for portfolio expansion.

## 4.3 Presentation of information from the financial statements and key financial ratios that reflect the financial position and operating results of the Company's core business and its subsidiaries, with comparative data for the past 3 years.

### Significant financial ratios

The following table presents the Company's key financial ratios

significant financial ratios	As of 31 December		
	2020	2021	2022
	%	%	%
interest earned ratio	17.8	16.9	17.6
interest expense ratio	4.7	4.0	3.8
interest margin ratio	13.1	12.9	13.7
net profit margin	20.0	21.5	21.5
Return on Equity	9.4	8.5	8.5
Debt to Equity Ratio (times)	1.4	1.0	1.0

For the fiscal year ended December 31, 2020, 2021 and 2022, the Company has interest income equal to 17.8%, 16.9% and 17.6% of average net receivables since in the middle of 2019, the Company has received a letter of approval to operate a personal loan under supervision from the Ministry of Finance, the Company focuses on providing more loans with vehicle registration as collateral. The interest rate is charged as prescribed by the Bank of Thailand, and in the year 2020 onwards, the Company's interest rate has decreased compare to the year 2018 - 2019 due to supporting debtors who affected by the situation of COVID-19 in 2020 and 2021.

For the fiscal year ended December 31, 2020, 2021 and 2022, the Company has interest expenses equal to 4.7%, 4.0% and 3.8% of average interest-bearing debt, respectively. In 2020 onwards, the Company's interest expense has decreased compare to the year 2019 - 2021 due to the management of financial costs by the Company and the Company can procure a loan source with lower financial costs.

For the fiscal years ended December 31, 2020, 2021 and 2022, the Company's net profit margin were 20.0%, 21.5% and 21.7% respectively. In 2022, the Company's net profit margin has increased when compare to the years 2019 - 2020. This was mainly due to a decrease in expected credit losses in accordance with the Financial Reporting Standard No. 9. However, in the second quarter of 2021, the Company's net profit margin has decreased from 2020 mainly due to measures to help debtors who affected by the situation of COVID-19 in accordance with the Bank of Thailand's guidelines and the Company recorded a management overlay to support the impact of the aforementioned COVID-19 situation.

For the fiscal years ended December 31, 2020, 2021 and 2022, the Company's return on equity equals to 9.4%, 8.5% and 9.2% respectively. the Company's return on equity has increased compare to the year 2019. For the year 2020 and 2021 because of the Company's profitability has increased from the previous year based on net profit margins of 20.0% and 21.5%, respectively.

For the fiscal years ended December 31, 2020, 2021 and 2022, the Company's debt to equity ratios were 1.4 times, 1.0 times, and 1.3 times, respectively, reflecting the Company's strong capital structure which is lower than the debt to equity ratio that the Company's lender financial institutions determined at 3.50 times, causing the Company to believe that the debt to equity ratio will be reduced which can support borrowing from financial institutions including other debt instruments funding sources as well as expanding credits to the Company's debtors in the future.



## General Information and Other Important Information

### 5.1 Other Important Information

#### 1. Heng Leasing and Capital Public Company Limited

Company name	: Heng Leasing and Capital Public Company Limited
Type of business	: Non-bank financial institution which provides: (1) hire purchase; (2) regulated personal loan with motor vehicle registration collateral; (3) mortgage loan; (4) personal loan which is not loan with motor vehicle registration as collateral; (5) regulated retail loan for occupation; (6) non-life and life insurance brokers for retails customers under the service mark “Heng Leasing”
Company registration number	: 0107564000120
Head office address	: 69 Moo 7, San Sai Noi Sub-district, San Sai District, Chiangmai Province 50210
Website	: <a href="https://www.hengleasing.com/">https://www.hengleasing.com/</a>
Telephone	: 1361 or 02-153-9587
Fax	: 053-350-490
Par value	: 1.0 Baht
Registered capital As of December 31, 2022	: 3,810.0 Million Baht
Paid-up capital As of December 31, 2022	: 3,810.0 Million Baht

#### 2. Securities Registrar

Company name	: Thailand Securities Depository Co., Ltd.
Head office address	: The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400
Telephone	: 02-009-9999
Fax	: 02-009-9991

#### 3. Auditor

Company name	: EY Office Company Limited
Head office address	: 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	: 02-264-9090
Fax	: 02-264-0789

#### 4. Internal Auditor

**Company name** : KPMG Phoomchai Business Advisory co., Ltd.  
**Head office address** : 48<sup>th</sup> Floor, Empire Tower, No.1, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
**Telephone** : 02-677-2000  
**Fax** : 02-677-2222

#### 5. Law Firm

**Company name** : Charin & Associates co., Ltd.  
**Head office address** : 57 Park Ventures Ecoplex Building, floor 16,<sup>th</sup> Room No. 1609-1610, Wireless Road, Lumpini, Pathumwan, Bangkok 10330  
**Telephone** : 02-108-2344  
**Fax** : 02-108-2303

### 5.2 Other important information

#### 5.2.1 Other information that may have a significant impact on investors' decision-making

-None-

#### 5.2.2 Restriction on foreign shareholders in the event that the Company has a policy to ask for a resolution of the shareholders' meeting for offering of newly issued shares or transferable share subscription rights

-None-

### 5.3 Legal disputes

The Company is not a party to the following cases:

1. Cases that may have a negative impact on the Company's assets (cases under which the dispute amount is higher than 5% of the Company's shareholders' equity, as the case may be, as of the end of the latest financial year);
2. Cases that significantly affect business operations but unable to assess the impact in numbers;
3. Cases that are not arising from normal business operations.

### 5.4 Secondary market

-None-

#### 5.5 Financial institutions that are in regular contact (only if the Company has issued debt securities)

-None-

# 2

## Part 2 Corporate Governance



### Corporate Governance Policy

#### 6.1 Overview on Corporate Governance and Guidelines

##### 6.1.1 Policy and Guidelines for the Board

The Company has prepared a corporate governance policy in writing to propose to the Board of Directors' meeting for approval. The Corporate Governance Manual is intended to serve as guidelines for directors, executives, and employees to comply with such policy. The Company shall arrange to review such policy on a yearly basis. Details are shown in the management and governance policy as an efficient and socially responsible company and business ethics.

In 2022, the Board of Directors Meeting No. 5/2022 on August 10, 2022 has considered the appointment of the Corporate Governance and Sustainable Development Committee to formulate policies, strategies and operational plans in accordance with the policies. Including setting corporate governance and sustainable development goals of the company and determine the Company's regulations to meet the standards and rely with the Company's objectives that create sustainable development for all groups of stakeholders and present to the Board of Directors for approval.

##### 6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders

The Company has set important policies and guidelines concerning shareholders and stakeholders. for proper treatment of shareholders and stakeholders covering from the promotion of the exercise of shareholders' rights Equitable treatment of shareholders Responsibilities to Stakeholders Oversight of the Use of Insider Information, revention of conflicts of interest Anti-Corruption Reporting information, complaints, or clues, details of which appear in the management and governance policies as an efficient and socially responsible company.



## Rights of shareholders

The Company realizes and places importance on the rights of all groups of shareholders without taking any action that violates or deprives the rights of shareholders. The Company gives basic rights to shareholders equally, including receiving accurate and timely information, attending shareholders' meetings or providing proxy to exercise the right to vote in the appointment or removal of director, appointment of auditor, and matters affecting the Company.

The Company does not have a pyramid-shaped shareholding structure and no cross shareholding. The Company treats all groups of shareholders equally and conducts business with honesty, transparency, and responsibility towards shareholders, and does not seek benefits for oneself and related parties. It has a policy to facilitate and encourage all shareholders, including shareholders who are institutional investors, in attending the Company's shareholders' meetings with supervision and compliance with the policies to conduct the shareholders' meetings in accordance with the laws and guidelines on shareholders' meeting. In the year 2022, the rights granted to shareholders were as follows:

1. The Company gives shareholders the opportunity to propose agenda items and nominate any person for appointment as the Company's director and propose questions in advance for a period of 3 months from 5 November 2021 to 5 February 2022 and, at the end of the period, there were no shareholder proposing any agenda item or nominating any person.

2. In the year 2022, the Company held the annual general meeting of shareholders on 20 April 2022 at 2.00 p.m. through electronic means in accordance with the Emergency Decree on Electronic Conferencing B.E. 2563 (2020) and the Notification of the Ministry of Information and Communication Technology re: Standards for Electronic Conferencing B.E. 2557 (2014) and other related announcements. This is to provide the opportunity for all shareholders to attend the meeting and reduce the risk of the spread of Covid-19.

3. Thailand Securities Depository Co., Ltd., the Company's registrar, delivered the meeting invitation to the shareholders. The invitation letters were delivered and published on the Company's website in both Thai and English versions for acknowledgement by the shareholders on 18 March 2022, which was 31 days in advance and within the period specified by the laws. Each agenda item sets out principles and reasons, as well as opinions of the Board of Directors.

4. The Company published the resolutions of the meeting and voting results of each agenda item on the meeting date. The Company also published the minutes of the 2022 Annual General Meeting of Shareholders through the news system of the Stock Exchange of Thailand on 3 May 2022.

5. The Company received a score of 100 points for the quality assessment of the 2022 Annual General Meeting of Shareholders by the Thai Investors Association.

## Equitable Treatment of Shareholders

The Company adheres to the principle of equitable treatment of all shareholders, whether major shareholder, minority shareholder, institutional investor, or foreign shareholder without discrimination. We have established policies and guidelines for supervising the use of inside information, conflicts of interest, and reporting of directors' conflict of interest.

## Role of Stakeholders

The Company has given importance to the rights of all groups of stakeholders, whether internal stakeholders such as the Company's shareholders and employees or external stakeholders such as business partners and customers. The Company will identify and evaluate the importance of stakeholders. The Company understands the participation of stakeholders who have been or may be affected by the Company's operations will be beneficial to the operations and development of the Company's business. Therefore, the Company will comply with relevant laws and regulations, including establishing a policy to treat each group of stakeholders by taking into account the rights of such stakeholders according to the laws or agreements made with the Company. The Company shall not take any action that violates the rights of such stakeholders. The Company takes into account the rights of all stakeholders by working together to create synergy in accordance with the following guidelines.

**Shareholders:** The Company will conduct business with transparency and efficiency in order to create value for sustainable business by striving to create good performance and stable growth and maximize the long-term benefits to shareholders, including the disclosure of information with transparency and credibility to shareholders.

**Employees:** The Company will treat all employees equally and fairly and will provide appropriate compensation. The Company also places importance on the development of skills, knowledge, competency and capabilities of employees on a regular basis, including organizing training and seminars. Such opportunities are given to all employees and the Company motivates employees with knowledge and capabilities to remain with the Company to grow the organization. We have set guidelines for anti-corruption, including instructing and encouraging all employees to strictly comply with the relevant laws and regulations such as prohibiting the use of inside information etc.

**Trade partners:** The Company has a process for selecting trade partners by having trade partners bid for works based on similar information. The Company selects trade partners with fairness according to the Company's criteria for assessment and selection of trade partners. In addition, the Company has prepared appropriate and fair contract forms for all parties and has established a monitoring system to ensure that the terms and conditions of the contract have been fully complied with, preventing fraud and misconduct in every step of the procurement process. The Company purchases products from trade partners according to trade conditions, as well as strictly complying with the contracts made with trade partners, including promoting capabilities in conducting sustainable business with trade partners such as development of product, service, and innovation etc.

**Customers:** The Company is responsible for customers by maintaining the quality and standards of its products and services, including responding to customers' needs as completely and comprehensively as possible to achieve long-term customer satisfaction. In addition, the Company considers the speed and convenience of customers in accessing the Company's products and services and provides accurate and complete information on products and services to customers. The Company also provides a channel for customers to report problems with inappropriate products and services to prevent and

expeditiously solve problems with the Company's products and services. In addition, we maintain customer confidentiality and do not use such information for our own benefit or for those involved in a wrongful way.

**Creditors:** The Company will strictly comply with the terms and conditions of the contracts with its creditors, including guarantee conditions, capital management and measures to prevent default on repayment of principal and interest, collateral maintenance under relevant contracts, and strict compliance with conditions of the contracts. The Company also treats creditors with fairness, including timely repayment, maintenance of collaterals, and compliance with other conditions according to the contract accurately and completely and in accordance with the principles of good corporate governance.

**Competitors:** The Company's conducts are within a framework of good competition. The Company has ethics and acts within the framework of the laws. We support and promote the free and fair competition policy by not seeking competitors' confidential information by dishonest means and not making agreements with competitors or other business operators that are a monopoly or reduce competition in the market.

**Society and public:** The Company cares and gives importance to social safety, environment and quality. The lives of people involved in the operations of the Company, and we promote the awareness and responsibility of the Company's employees to the environment and society as well as to provide for strict compliance with relevant laws and regulations. In addition, the Company strives to participate in activities that create and maintain the environment and society as well as promote the local culture in which the Company operates.

Moreover, stakeholders can request for details, complaints or clues about illegal acts, inaccuracy of financial reports, defective internal control systems, or violations of the Company's business ethics through independent directors or Audit Committees. of the Company. However, complaints and clues reported to the Company will be kept confidential. The independent director or the Audit Committee will verify the information and find solutions (if any) and will report to the Board of Directors.

### Disclosure and Transparency

The Board of Directors oversees the disclosure of important information of the Company, both financial and non-financial information, with accuracy, completeness, timeliness, and transparency in accordance with the requirements of the Securities and Exchange Commission (SEC) and the regulations of the Stock Exchange of Thailand on rules, conditions and procedures relating to disclosure of information and any operations of listed companies, including guidelines for information disclosure of listed companies of the Stock Exchange of Thailand and other regulatory bodies so that investors and all stakeholders have reliable and sufficient information for making decisions through the information system of the Stock Exchange of Thailand and the Company's website.

## Board's Responsibilities

The Board of Directors plays an important role in corporate governance by requiring regular monitoring of compliance with various policies, including all employees are informed about management and governance policies as an efficient and socially responsible company and business ethics through information systems and publicly displayed through the Company's website.

From operating business in accordance with the corporate governance policy, the Company has been assessed on corporate governance of listed companies for the year 2022 at an "excellent" level, organized by the Thai Institute of Directors (IOD) in conjunction with the Stock Exchange of Thailand and the Office of the SEC.

In the past year, the Company has not been subjected to fines, accusations, or civil actions from regulators regarding unequal treatment of shareholders and preventing shareholders from communicating with each other and failing to disclose any agreements between shareholders that have a material effect on the Company or other shareholders.

## 6.2 Code of Conduct

The Company has the intention to operate the Company's business with transparency, ethics and responsibility to stakeholders. as well as society and the environment. The company has prepared a business ethics manual which has been approved by the Board of Directors and requiring directors, executives, and employees to strictly comply with as well as public relations to be understood throughout the organization in order to promote compliance with the Company's business ethics as follows:

- (1) Code of conduct relating to responsibilities to shareholders
- (2) Code of conduct relating to responsibilities to customers
- (3) Code of conduct relating to responsibilities to competitors
- (4) Code of conduct relating to responsibilities to trade partners and account payable
- (5) Code of conduct relating to responsibilities to employees
- (6) Code of conduct relating to responsibilities to social
- (7) Code of conduct relating to responsibilities to environment
- (8) Ethics on the exercise of social and political rights

## Statistics of misconduct relating to ethics and code of conduct of the organization

In the past year, the company has not violation of the code of conduct.

## **6.3 Significant changes and development in policies, practices and corporate governance system in the past year**

### **6.3.1 Information on significant changes and development relating to the review of policies, practices and corporate governance system or the charter of the Board of Directors in the past year**

- The Company has complied with the Corporate Governance Code 2017 and the Board of Directors has a process to review implementation of the Corporate Governance Code 2017 and apply them to suit the business context at least once a year. The company has management and governance policies as an efficient and socially responsible company, code of conduct and the charter of the Board and sub-committees.
- Certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC).
- The Company encourages shareholders to exercise their right to propose agenda or question for the annual general meeting of shareholders and nominate candidate for the position of director in advance.
- The 2022 corporate governance assessment results of listed companies are at “Excellent” level, organized by the Thai Institute of Directors Association (IOD) in collaboration with the Stock Exchange of Thailand (SET) and The Securities and Exchange Commission (SEC).
- The 2022 annual general meeting of shareholders quality assessment result by the Thai Investors Association with a score of 100 points.

### **6.3.2 In the case that the Company has not yet implemented any principles of Corporate Governance Code 2017, the reasons shall be recorded as part of the Board of Directors’ consideration and review without the need to disclose the review results under this report form.**

Voting for appointment of directors by cumulative voting

The Company appoints directors by majority vote and shareholders have votes equal to the number of shares held. In addition, the Company has set other methods in taking care of the rights of shareholders such as encouraging shareholders to use the right to propose meeting agenda or nominate a person to be appointed as director in advance.

#### **Preparation of integrated report by the Company**

The Company has prepared Form 56-1 One Report according to the regulations of the Stock Exchange of Thailand. Therefore, users can access detailed information, both financial and non-financial information through submission by the Company to shareholders prior to the date of the shareholders’ meeting and users can download the information from the Company’s website.

### **6.3.3 The Company may disclose information regarding practices on other matters in accordance with the principles of good corporate governance to support various assessments**

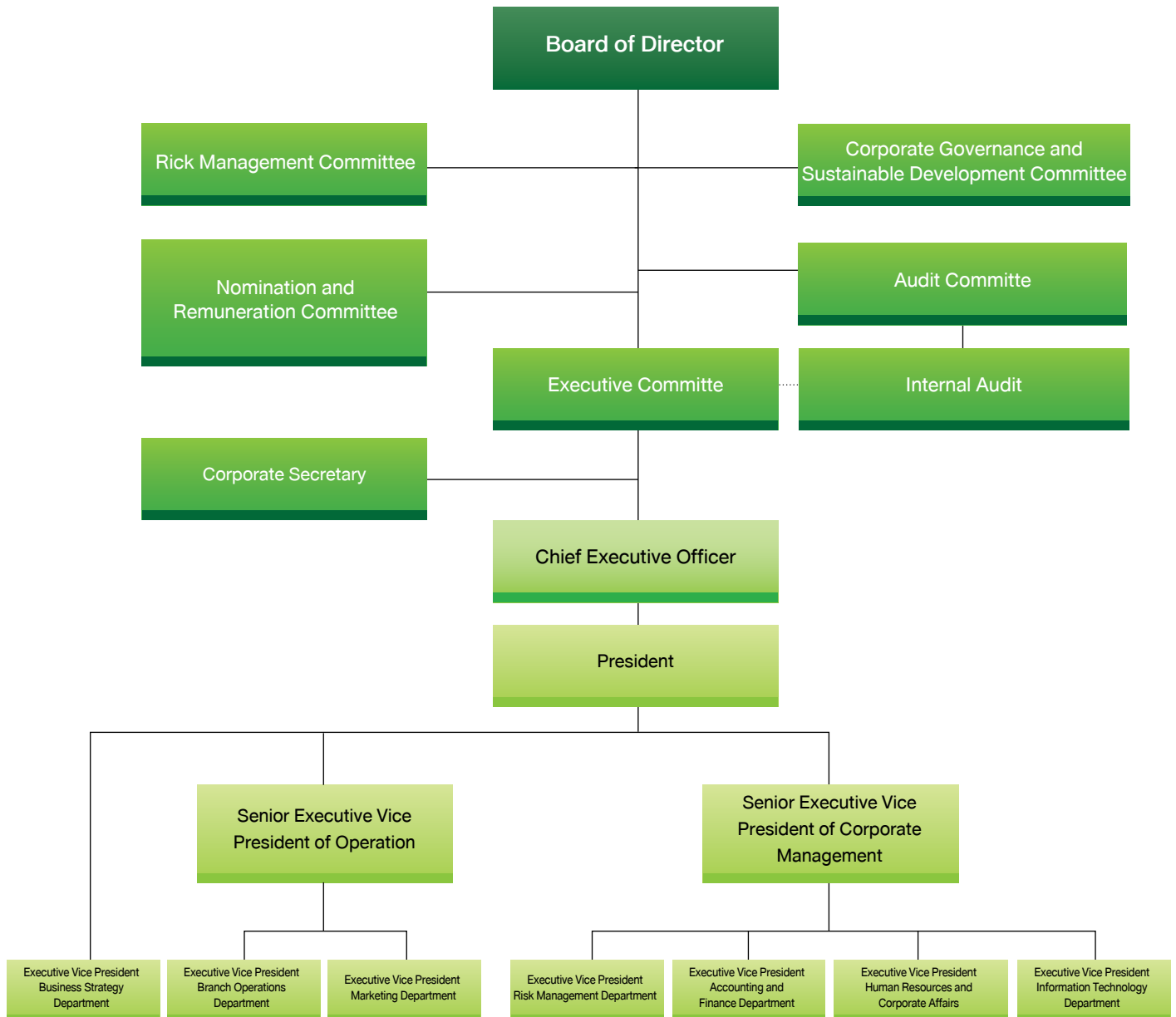
The Company has adopted the guidelines in accordance with the principles of good corporate governance to ensure that it has created sustainable values to the business.



# Corporate Governance Structure and Important Information Concerning Sub-Committee, Executives, Employees and Others

## 7.1 Governance Structure

Company management structure as approved by the Board of Directors Meeting No. 6/2022 held on November 9, 2022 with details as follows:





## 7.2 Information on the Board of Directors

### Structure of the Company's directors

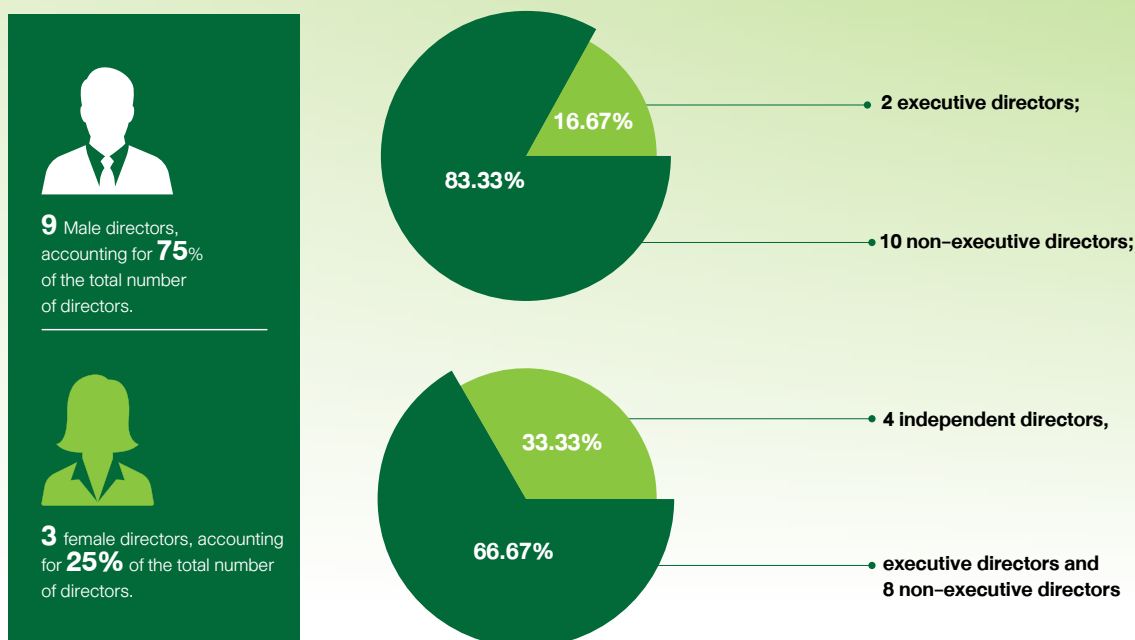
The structure of the Company's directors consists of the Board of Directors and 5 sub-committees, namely 1) the Audit Committee; 2) the Risk Management Committee; 3) the Nomination and Remuneration Committee; 4) the Corporate Governance and Sustainable Development Committee and 5) the Executive Committee.

#### 7.2.1 Composition of the Board of Directors

According to the Company's Articles of Association, the Board of Directors shall:

1. consist of at least 5 directors, but not more than 12 directors;
2. consist of at least 3 independent directors (good corporate governance principles of the Company require the number of independent directors to be at least one-third of the total number of directors);
3. have at least half of the total number of directors residing in Thailand.

The Company's Board of Directors consists of 12 members including:



The Company's Board of Directors has diversity and skills that are aligned with the Company's business strategy through the preparation of the Board Skills Matrix such as the proportion of independent directors and female directors (Gender Diversity), race and nationality diversity including a variety of skills, knowledge, competence, experience, and specific expertise, which are in line with business strategies and industries related to the Company's business.

No.	Name	Position	Required Knowledge Skill and Experience for director								
			Business	Legal and related rules	Duties and responsibilities of director	Strategic planning	Risk management	IT Governance	Accounting and finance	Financing and investing	Business code of conduct
1	Professor Dr. Surapon Nitikraipot	Independent Director / Chairman of The board of directors	✓	✓	✓	✓	✓	✗	✗	✓	✓
2	Mr. Nutchdhawattana Silpavittayakul	Independent Director /Director	✓	✓	✓	✓	✓	✗	✓	✓	✓
3	Assistant Professor Dr.Chaiwuth Tangsomchai	Independent Director /Director	✓	✓	✓	✓	✓	✗	✓	✓	✓
4	Mr. Natthirutt Wanwimonphong	Independent Director /Director	✓	✓	✓	✓	✓	✗	✓	✓	✓
5	Mrs. Sutharntip Phisitbuntoon	Director	✓	✓	✓	✓	✓	✗	✓	✓	✓
6	Mr. Wichai Suphasathitkul	Director	✓	✓	✓	✓	✓	✗	✓	✓	✓
7	Mr. Patpong Patong	Director	✓	✓	✓	✗	✓	✗	✓	✓	✓
8	Mr. Bunthid Supasatitkul	Director	✓	✓	✓	✗	✗	✓	✓	✓	✓
9	Mr. Parinya Supasatitkul	Director	✓	✓	✓	✓	✓	✓	✗	✗	✓
10	Ms. Thapanattsamon Paisanteerakorn	Director	✓	✓	✓	✗	✗	✓	✗	✗	✓
11	Mr. Thanassorn Ratanasirisap	Director	✓	✓	✓	✗	✓	✓	✗	✗	✓
12	Miss Varita Laothamatas	Director	✓	✓	✓	✓	✓	✗	✓	✓	✓

Remark :

✓ Refer to : Required Knowledge Skill and Experience for position refer to

✗ Refer to : Irrelevant

Note : The assessment results of knowledges, expertise has been considered by the Nomination and Remuneration Committee meeting No. 4/2022 held on November 8, 2022 and propose to the Board of Directors for acknowledgment in the Board of Directors meeting No. 4/2022 held on November 9, 2022

## 7.2.2 Information on the Board of Directors and each controlling person of the Company

As of December 31, 2022 the Board of Directors of the Company consists of 12 members, the details of which are as set out below.

Name	Position
1. Professor Dr. Surapon Nitikraipot	Independent Director / Chairman of The Board of Directors / Chairman of Corporate Governance and Sustainable Development Committee
2. Mr. Nutchdhawattana Silpavittayakul	Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee
3. Assistant Professor Dr.Chaiwuth Tangsomchai	Independent Director / Chairman of the Risk Management Committee / Member of the Audit Committee
4. Mr. Natthirutt Wanwimonphong	Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Member of the Risk Management Committee
5. Mrs. Sutharntip Phisitbuntoon	Director / Chairman of the Executive Committee (Chief Executive Officer)
6. Mr. Wichai Suphasathitkul	Director / Vice Chairman of Executive Director (President)
7. Mr. Patpong Patong	Director / Executive Director / Member of the Risk Management Committee
8. Mr. Bunthid Supasatitkul	Director / Executive Director / Member of the Nomination and Remuneration Committee
9. Mr. Parinya Supasatitkul	Director / Executive Director
10. Ms. Thapanattsamon Paisanteerakorn	Director / Executive Director / Member of Corporate Governance and Sustainable Development Committee
11. Mr. Thanassorn Ratanasirisap	Director / Executive Director/ Member of Corporate Governance and Sustainable Development Committee
12. Miss Varita Laothamatas	Director / Executive Director / Member of Corporate Governance and Sustainable Development Committee

### 7.2.3 Authorities, Duties and Responsibilities of the Board

Authorities, Duties and Responsibilities of the Board of Directors Set out by reference to the Public Limited Companies Act B.E. 2535, the Securities and Exchange Act B.E. 2535, the regulations of the Stock Exchange of Thailand and the Company's Articles of Association. The Board of Directors Meeting No. 1/2023 held on February 17, 2023 resolved to approve the scope, powers, duties and responsibilities of the Board of Directors as follows:

1. The Board of Directors has the authorities, duties, and responsibilities in managing and operating the Company's business in accordance with the laws, objectives, and Articles of Association of the Company as well as the resolutions of the shareholders' meeting with honesty, due care, and for the interests of the Company.
2. To determine or change the signing conditions to sign and bind the Company, including the names of authorized directors who have the authority to sign and bind the Company.
3. To consider and approve appointment and determination of roles and duties of various sub-committees as appropriate and necessary to support the operations of the Board of Directors.
4. To set organizational structure and determine the positions (Organization Chart) of the Company, including improvements as deem appropriate.
5. To appoint the Company Secretary to assist the Board of Directors in performing various tasks in order to comply with the relevant laws, announcements, and regulations.
6. To review, examine and approve directions, strategies, business plans, and major business policies of the Company proposed by the management.
7. To determine goals, guidelines, policies, business plans, and budgets of the Company, including monitoring and supervision and administration and management of the Company and its subsidiaries (if any) to be in accordance with policies, visions, missions, plans, budgets, and the relevant laws, including other relevant announcements, regulations, and rules of the Capital Market Supervisory Board, SEC Office, and SET, such as connected transactions, acquisition or disposal of important assets, to the extent that it is not contrary to or inconsistent with other laws, as well as establishing an internal control system and internal audit that is sufficient and appropriate.
8. To prepare balance sheets and income statements of the Company at the end of the accounting period which has been audited by the auditor and presented to the shareholders' meeting for consideration and approval.
9. To continuously monitor operations in accordance with plans and budgets.
10. To ensure that the Company has an appropriate and efficient accounting system and provides reliable financial reporting and auditing, as well as providing an internal control system and an internal audit system that is sufficient and appropriate.
11. To establish framework and policies for determination of salary, salary increase, determination of bonus, compensation, and rewards for the Company's employees.

12. To consider and approve acquisition or disposal of assets, investment in new business, and any other acts to be in accordance with the applicable laws, notifications, rules, and regulations.

13. To consider and/or provide opinion on connected transactions and/or entry into connected transactions (in case the transaction size does not need to be approved by the shareholders' meetings) of the Company and its subsidiaries (if any) to be in accordance with the relevant laws, notifications, rules, and regulations.

14. To consider and approve interim dividend payment to the Company's shareholders and report to the next shareholders' meeting for acknowledgment.

15. To ensure that there is no conflict of interest between stakeholders and the Company.

16. To review processes and policies for risk management and performance monitoring.

17. To establish a mechanism for receiving complaints and taking action in case of reasonable evidence.

18. To determine policies relating to corporate governance, social responsibility, anti-corruption, and effective implementation of such policies.

19. To consider and review policies relating to the management of market conduct to ensure fair treatment to customers at least once a year.

20. To arrange a shareholders' meeting as an annual general meeting within 4 months from the end of the Company's fiscal year.

21. To consider setting a risk management policy to cover the entire organization and supervise that there is a system or process for risk management with supporting measures and control methods to appropriately reduce the impact on the Company's business.

22. To prepare the annual report of the Board of Directors and be responsible for preparation and disclosure of financial statements to represent the financial positions and operating results in the past year and present to the shareholders' meeting for consideration and approval.

23. To consider and approve other important matters related to the Company or matters deemed appropriate for taking such action for optimal benefits to the Company and all groups of stakeholders are treated fairly.

24. To assign one or more directors or any other person to perform any act on behalf of the Board of Directors. However, the authorization of such power shall not be a delegate or sub-authorization that enables the director or the person who is authorized by the director, to approve transactions of his/hers or any person who may have conflicts of interest or have a stake; or there may be a conflict of interest in any other manner with the Company or its subsidiaries (if any).

25. To appoint a person to be a director or management of the subsidiary or associated company at least in the number proportionate to the shareholding in a subsidiary or associated company in order to control the management in accordance with the Company's policy and conduct transactions according to the laws, including complete and accurate disclosure of information on financial positions, operating performance, connected transactions, and acquisition or disposal of significant assets.

## Duties and Responsibilities of the Chairman of the Board of Directors

1 To act as the chairman of the Board of Directors' meetings and shareholders' meetings, as well as to determine the meeting agenda together with the directors, the management team and the Company Secretary by ensuring that issues related to such agendas shall be considered by the Board of Directors.

2 To support and encourage the Board of Directors to perform their duties efficiently according to the scope of duties and responsibilities with duty of cares in accordance with the applicable laws, rules and regulations and in accordance with the Good Corporate Governance Principle and the Company's business ethics as well as being responsible to shareholders and stakeholders, including those involved for the utmost benefit of the organization.

3 To supervise the implementation of policies and strategic guidelines of the management as well as to provide advice and support to the management's operations in accordance with the business plans and goals.

4 Being a leader and to act as a role model in accordance with the Company's business ethics as well as to promote, supervise the management based on sustainability principles, social responsibility and to comply with anti-corruption measures and practices.

5 To acknowledge necessary business's information which will be beneficial to the Company from top executives and to advise and support the Chief Executive Officer in developing the Company's strategy.

In addition, the Chairman of the Board of Directors is also responsible for promoting a good relationship between executive directors, non-executive directors, and the management.

## 7.3 Information on sub-committees

### 1) Audit Committee

As of December 31, 2022 the Company's Audit Committee consists of 3 independent directors who were appointed by the Board of Directors' Meeting No. 1/2021 held on April 24, 2021.

Name	Position
1. Mr. Nutchdhawattana Silpavittayakul	Chairman of the Audit Committee / Independent Director
2. Assistant Professor Dr.Chaiwuth Tangsomchai	Member of the Audit Committee / Independent Director
3. Mr. Natthirutt Wanwimonphong	Member of the Audit Committee / Independent Director

Mr. Nutchdhawattana Silpavittayakul and Mr. Nutthirutt Wanwimonphong are members of the Audit Committee with sufficient knowledge and experience to review the reliability of the Company's financial statements.

Miss Natthanan Kittiphonsombun was appointed as the Secretary of the Audit Committee by the Audit Committee's Meeting No. 4/2021 held on August 14, 2021.

## Authorities, Duties and Responsibilities of the Audit Committee

The Board of Directors Meeting No. 1/2023 held on February 17, 2023 resolved to approve the duties and responsibilities of the Audit Committee as follows:

1. Review and ensure that the Company has accurate financial reporting and sufficiency of disclosure, accurate, and complete information.
2. Review and ensure that the Company has an appropriate and efficient internal control system and an internal audit system.
3. Review the audit report on the internal control system and risk assessment on corruption as proposed by internal audit company to ensure that such system has the least risks of occurrence of corruptions that would affect the financial positions and the operating performance of the Company and is suitable for the Company's business model.
4. Consider the independence of the Internal Audit Department and approve appointment, transfer, and dismissal of the Head of the Internal Audit Department or any other agency responsible for internal audit.
5. Review the Company's compliance with the laws relating to securities and exchange, notifications, rules and regulations of the SEC Office and the SET, and the laws applicable to the Company's business.
6. Consider, select, nominate and dismissal an independent person to act as the Company's auditor and offer compensation for such person, including attending meetings with the auditor without the management being present at least once a year.
7. Review connected transactions or transactions that may have a conflict of interest to be in accordance with the laws and regulations of the SET and ensure that such transactions are reasonable and for the optimal benefits to the Company.
8. Prepare report of the Audit Committee for submission to the Board of Directors, which shall be disclosed under the Company's annual report. The report must be signed by the chairman of the Audit Committee and must contain at least the following information:
  - (a) Opinion on correctness, completeness, and reliability of the Company's financial reports;
  - (b) Opinion on the adequacy of the Company's risk management system and internal control system;
  - (c) Opinion on compliance with the laws on securities and exchange, SET regulations or other laws related to the Company's business;
  - (d) Opinion on the suitability of the auditor;
  - (e) Opinion on transactions that may have a conflict of interest;
  - (f) The number of Audit Committee's meetings and attendance of each member of the Audit Committee;
  - (g) Opinion or observation received by the Audit Committee during the performance of duties in accordance with the Charter of the Audit Committee;
  - (h) Other items that shareholders and investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.



9. Report activities performed on a regular basis to enable the Board of Directors to be aware of the activities of the Audit Committee:

- (a) Minutes of the Audit Committee's meeting which clearly states the opinion of the Audit Committee on various matters;
- (b) Report in relation to opinion on financial reports, internal audit, and internal audit process;
- (c) Any other reports that the Board of Directors should be aware of.

10. In the performance of duties by the Audit Committee, if any of the following items or actions are found or suspected, which may have a material impact on the financial positions and the operating performance of the Company, the Audit Committee shall report to the Board of Directors for improvement and rectification within the period of time as the Audit Committee deems appropriate.

- (a) Transaction with conflict of interest
- (b) Suspicion or presumption of fraud, abnormality, or significant deficit in the internal control system
- (c) Suspicion of a possible violation of the laws on securities and exchange, SET regulations, or laws relating to the Company's business. If the Audit Committee has reported to the Board of Directors matter that has a significant impact on the financial positions and the operating performance and has discussed with the Board of Directors and executives that improvements are required, at the end of the mutually specified period, if the Audit Committee finds that such remedial action has been neglected without justifiable reason, any member of the Audit Committee may report the findings to the SEC Office or the SET.

11. In the event that the auditor finds suspicious behavior where director, manager, or person responsible for the Company's operations has committed an offense as specified under the laws and has informed facts of such behavior to the Audit Committee to investigate the matter without delay, the Audit Committee shall report the preliminary results of the audit to the SEC Office, the SET, and the auditor within 30 days from the date of being notified by the auditor. Such suspicious behavior that should be reported and the methods in obtaining facts about the offense shall be in accordance with the notifications of the Capital Market Supervisory Board.

12. Consider and comments an annual budget, annual investment budget, manpower, and resources necessary performance of duties by the Internal Audit Department, approving annual audit plan. Including consider and approve a review of significant changes in the audit plan and supervise the operations of the Internal Audit Department to be in accordance with the approved annual audit plan and international standards for internal audit and assess the quality of performance by the internal audit on an annual basis. Attend meetings with the Head of the Internal Audit Department to discuss important issues at least once a year without the management being present.

13. Have the authority to invite the director, executive, head of department, or employee of the Company to discuss or answer the Audit Committee's questions.

14. The Audit Committee has the authority to seek an independent opinion from any other professional advisors as deemed necessary at the expense of the Company.

15. Participate in considering the results of the meeting of the Risk Management Committee prior to Presenting them to the Board of Directors on a quarterly basis.

16. Perform any other acts assigned by the Board of Directors and agreed by the Audit Committee such as reviewing financial and risk management policies, reviewing compliance with the Code of Conduct by the management, and jointly reviewing with the management important reports that must be presented to the public as required by the laws e.g. management discussion and analysis, etc.

17. Acknowledge complaints and whistleblowing of fraud or corruption, whether internally or externally, verify facts as informed by the investigation committee, and present the complaints to the Board of Directors to jointly consider penalties or solutions to such problems according to the anti-corruption policy.

## 2) Risk Management Committee

As of December 31, 2022 the Risk Management Committee of the Company consists of 3 directors appointed by the Board of Directors Meeting No. 1/2021, held on April 24, 2021 as follows:

Name	Position
1. Assistant Professor Dr.Chaiwuth Tangsomchai	Chairman of the Risk Management Committee / Independent Director
2. Mr. Natthirutt Wanwimonphong	Member of the Risk Management Committee / Independent Director
3. Mr. Patpong Patong <sup>(1)</sup>	Member of the Risk Management Committee

Remark : <sup>(1)</sup> Appointed by the Board of Directors Meeting No. 4/2021 held on August 14, 2021 to take the position of the Risk Management Committee Member in place of Mr. Somrit Puntharat, who passed away on 2 August 2021

Mr. Benjarong Khammanid as secretary of the Risk Management Committee Appointed by the Risk Management Committee Meeting No. 2/2021 on August 6, 2021

### Scope of Duties and Responsibilities of the Risk Management Committee

The Board of Directors Meeting No. 1/2023 held on February 17, 2023 resolved to approve the scope, powers, duties and responsibilities of the Risk Management Committee as follows:

1. Determine policy and framework for risk management, acceptable risk level (Risk Appetite), and the highest level of risk acceptable for the organization (Risk Tolerance) and propose the risk management policy to the Board of Directors for approval. This must cover important types of internal and external risks. It must cover at least 5 risks as follows:

- a) Financial Risk
- b) Operational Risk
- c) Strategic Risk
- d) Compliance Risk
- e) Risk from Business Environment

2. Establish risk management strategies and action plans in accordance with the risk management policy, including the risk of corruption, which can be used to assess, monitor and supervise the risk management system or procedures to manage overall risks to be at an appropriate and acceptable level.

3. Control, monitor, review, audit, assess risk management results, and supervise the Company to manage and operate in accordance with the risk management policy determined by the Company and comply with the prescribed regulations.

4. Review the risk management report and take steps to ensure that the Company is managing risks appropriately and there is adequate risk management policy and system, including the efficiency of the system and compliance with the policy.

5. Consider, improvement, rectification, and comments on policy, plans, and procedures for risk management and present them to the Board of Directors for approval.

6. Report the Company's risk status, guidelines for improvement, and results of operations to the Board of Directors on a quarterly basis.

7. Supervise, support, and promote cooperation in the Company's risk management. Review adequacy of the policy and continuity of the risk management system for effective risk management.

8. Having the authority to set up a working group to perform risk management duties and report to the Audit Committee.

9. Provide recommendations on risk management to the Board of Directors and the management.

10. Report to the Board of Directors' meeting important risk items, risk status assessment, risk management and impact of risk on operations, including methods of prevention and requisite improvement. Any important matter that significantly affects the Company must be reported to the Board of Directors soonest possible.

11. Perform any other tasks assigned by the Board of Directors.

### 3) The Nomination and Remuneration Committee

As of December 31, 2022 the Nomination and Remuneration Committee Consisting of 3 directors, appointed by the Board of Director meeting No.1/2021 held on April 24, 2022 details are as follows:

Name	Position
1. Mr. Natthirutt Wanwimonphong	Chairman of the Nomination and Remuneration Committee/ Independent Director
2. Mr. Nutchdhawattana Silpavittayakul	Member of the Nomination and Remuneration Committee/ Independent Director
3. Mr. Bunthid Supasatitkul <sup>(1)</sup>	Member of the Nomination and Remuneration Committee

**Remark :** <sup>(1)</sup> Appointed by the Board of Directors Meeting No. 4/2021 held on August 14, 2021 to take the position of the Nomination and Remuneration Committee Member in place of Mr. Somrit Puntharat, who passed away on 2 August 2021

Miss Sarinya Krissanakupata as the secretary of the Nomination and Remuneration Committee. Appointed by the Nomination and Remuneration Committee Meeting No. 2/2022 on May 11, 2022

### Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

The Board of Directors Meeting No. 1/2023 held on February 17, 2023 resolved to approve the scope, powers, duties and responsibilities of the Nomination and Remuneration Committee as follows:

## Recruitment

1. Prescribe rules and procedures for nominating a person to take the position of the Company's director, member of subcommittees, and the Chief Executive Officer that are suitable to the specific nature of the Company, such as criteria for considering whether former director shall continue to hold the position for another term, criteria for recruitment announcement relating to the position of the Company's director, criteria for giving an opportunity to shareholders to nominate the Company's director, criteria for engaging recruitment companies, criteria for considering persons from the list of professional directors or criteria for nomination of a suitable candidate by each of the Company's directors, etc., and disclose such policies, criteria, and methods for transparency.

2. Determine qualifications of the Company's director, member of sub-committees, and the Chief Executive Officer to be recruited in accordance with the structure, size, type, and suitability of the Company in terms of skills, experience, and capabilities relating to the core business or industry in which the Company operates.

3. Select and nominate persons with suitable qualifications and in accordance with the criteria and procedures prescribed for holding the positions of the Company's director, member of sub-committees, and the Chief Executive Officer and propose such persons to the Board of Directors' meeting and/or the shareholders' meeting for the appointment.

4. Prepare, review, and summarize the results of preparation of succession plan and continuity of management suitable for the positions of the Chief Executive Officer and senior management on an annual basis and report such results to the Board of Directors for acknowledgement.

## Remuneration

1. Consider the structure, amount, form, and criteria for payment of remuneration and all types of benefits, whether monetary or non-monetary, as appropriate for the chairman of the Board of Directors, members of the Board of Directors and sub-committees, and the Chief Executive Officer with fairness and reasonableness in accordance with their responsibilities and the Company's operating performance. Such remuneration shall be comparable to payment of remuneration of other companies in the same industry and the Nomination and Remuneration Committee shall propose such remuneration to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval.

2. Be responsible for the Board of Directors with a duty to provide an explanation, answer questions regarding the remuneration of directors, members of sub-committees, and the Chief Executive Officer at the shareholders' meeting.

3. Review the appropriateness of rules and procedures for nomination and remuneration of the Company's directors, members of sub-committees, and the Chief Executive Officer according to the changing environment and circumstances of the Company.

4. Determine guidelines for performance assessment of the Board of Directors and sub-committees.

5. Be responsible for considering and approving guidelines for the assessment of the Chief Executive Officer's performance and the managing director on an annual basis, taking into consideration their duties and responsibilities and risks incurred.

6. Be responsible for providing an opinion on performance assessment results of the Chief Executive Officer and the managing director and report such assessment results to the Board of Directors for consideration.

7. Supervise the disclosure of principles and rationale for determination of remuneration for the Company's directors and the Chief Executive Officer according to the SET regulations under the Company's annual report.

8. Determine remuneration of the Company's directors, members of sub-committees, executive directors, and the Chief Executive Officer. The management and departments must report or present relevant information and documents to the Nomination and Remuneration Committee to support the performance of assigned duties by the Nomination and Remuneration Committee.

9. Perform any other tasks relating to nomination and remuneration of the Company's directors, members of sub-committees, and the Chief Executive Officer as assigned by the Board of Directors and/or the shareholders' meeting.

10. Perform any other tasks assigned by the Board of Directors.

#### **4) The Corporate Governance and Sustainable Development Committee**

As of December 31, 2022 Corporate Governance and Sustainable Development Committee Consisting of 4 directors. Appointed by the Board of Directors Meeting No. 5/2022 on August 10, 2022 details are as follows:

Name	Position
1. Professor Dr. Surapon Nitikraipot	Chairman of Corporate Governance and Sustainable Development Committee / Independent Director
2. Mr. Thanassorn Ratanasirisap	Member of Corporate Governance and Sustainable Development Committee
3. Ms. Thapanattsamon Paisanteerakorn	Member of Corporate Governance and Sustainable Development Committee
4. Miss Varita Laothamatas	Member of Corporate Governance and Sustainable Development Committee

Miss Natthanan Kittiphonsombun as the secretary of the Corporate Governance and Sustainable Development Committee. Appointed by the Board of Directors Meeting No. 5/2022 on August 10, 2022

#### **Scope of Duties and Responsibilities of the Corporate Governance and Sustainable Development Committee**

The Board of Directors Meeting No.1/2023 held on February 17, 2023 resolved to approve the scope, powers, duties and Responsibilities of the Corporate Governance and Sustainable Development Committee as follows:

1. To determine policies, strategies, and operational plans in line with the policies, including to determine corporate governance and sustainable development goals of the Company, and to determine the Company's regulations to meet standards and in accordance with the Company's objectives and the creation of sustainable development for all groups of stakeholders.

2 To consult, supervise and review corporate governance and sustainable development operations in order to lead to implementation and creation of participation in various projects under corporate governance and sustainable development of related agencies both internally and externally to meet the international standards.

3 To promote and support resources and personnel to disseminate strategies and guidelines for corporate governance and sustainable development in order to be understood by executives and employees at all levels and effective throughout the company in the same direction.

4 To report on the status of the Company's corporate governance and sustainable development operations, including guidelines for improvement and results of actions to the Board of Directors at least twice a year.

5 To consider improving, revising and giving opinions on the business ethics policy, charter of the Board of Directors and sub-committees, plans and processes for corporate governance and sustainable development in various areas in order to propose to the Board of Directors for approval.

6 To coordinate with sub-committees, management and various working groups to consider issues related to corporate governance, anti-corruption, social and environmental responsibility, sustainability management and to make recommendations as necessary and appropriate.

## 5) The Executive Committee

As of December 31, 2022 Executive Committee Consisting of 10 directors appointed by the Board of Director meeting No.1/2021 held on April 24, 2022, details are as follows:

Name	Position
1. Mrs. Sutharntip Phisitbuntoon	Chairman of the Executive Committee
2. Mr. Wichai Suphasathitkul	Vice Chairman of Executive Director
3. Mr. Patpong Patong	Executive Director
4. Mr. Bunthid Supasatitkul	Executive Director
5. Mr. Parinya Supasatitkul	Executive Director
6. Mr. Thanassorn Ratanasirisap	Executive Director
7. Ms. Thapanattsamon Paisanteerakorn	Executive Director
8. Ms. Chonchissa Ratanasirisap	Executive Director
9. Mr. Punsongpol Paisanterakorn	Executive Director
10. Miss Varita Laothamatas	Executive Director

Miss Natthanan Kittiphonsombun as the secretary of the Executive Committee appointed by the Executive Committee Meeting No. 8/2021 on August 18, 2021



## Scope of Duties and Responsibilities of the Executive Committee

The Board of Directors Meeting No. 1/2023 held on February 17, 2023 resolved to approve the scope, powers, duties and responsibilities of the Executive Committee as follows:

The Executive Committee has the authorities and duties to manage the Company's business in accordance with its objectives, Articles of Association, policies, rules, regulations, orders, and laws, including the laws on securities and exchange, notifications of the Securities and Exchange Commission, notifications of the Capital Market Supervisory Board, notifications of the Board of Governors of the Stock Exchange of Thailand, any other relevant notifications, rules, and/or regulations, and the resolutions of the Board of Directors' meeting and/or shareholders' meeting. In addition, the Executive Committee has duties to consider and scrutinize various considerations that will be presented to the Board of Directors for approval and/or consideration as stipulated in the Articles of Association or the orders of the Board of Directors and carry out orders of the Board of Directors from time to time. In addition, it shall have duties to carry out as follows:

1. Plan, prepare and present policies, directions, goals, business strategies, and annual plan of the Company to be in line with economic conditions and competition in the market, including other important policies such as anti-corruption policy for approval to the Board of Directors and operate and manage the Company's business in accordance with the objectives, articles of association, policies, regulations and resolutions of the Board of Directors' meetings and/or the resolutions of the shareholders' meetings.
2. Determine a business plan, annual budget, management structure, and authorizations of the Company for approval by the Board of Directors.
3. Control, supervise and monitor the Company's performance in accordance with policies, goals, business plans, business strategies, and appropriation budget and management powers as approved by the Board of Directors.
4. Have the authority to consider and approve expenditures for investment, procurement, borrowing from financial institutions, and other operations which are for the benefits of operating the Company according to its objectives within limits or authorization determined by the Board of Directors. Have the authority to provide recommendations or opinions on matters that exceed its limits or authorization determined by the Board of Directors regarding investment, procurement, and borrowing from financial institutions, and other operations for the benefits of operating the Company according to its objectives. Such actions must be subject to the notifications of the Board of Governors of the Stock Exchange of Thailand, the SEC Office, the Capital Market Supervisory Board, or any other applicable laws.
5. Consider and approve changes in work regulations, orders, requirements, criteria relating to operations, control, and management in all lines so that operations can be carried out efficiently and in accordance with the situation. In this regard, the Managing Director is authorized to consider and approve on his behalf by presenting such actions to the Executive Committee for acknowledgment every quarter.
6. Consider and scrutinize the management's proposals and present goals, policies, business plans, and annual budgets of the Company to the Board of Directors for consideration and approval. This includes considering and approve changes in the annual budget expense during the absence of the Board of Directors' meeting and present it to the next Board of Directors' meeting for acknowledgement.

7. Consider and approve normal business operations of the Company according to investment budget or budget approved by the Board of Directors. The limit for each transaction shall be in accordance with the authorization manual approved by the Board of Directors.

8. Consider and report various matters to the Board of Directors within the specified period as follows:

a) Quarterly and annual operating performance of the Company within the timeframe stipulated by relevant laws;

b) In respect of fraud, violation of the laws, and other unusual actions, the Executive Committee will immediately report to the Board of Directors when detected or suspected;

c) Other reports as the Executive Committee or the Board of Directors deems appropriate.

9. Review authorization matrix annually to propose to the Board of Directors for consideration and approval of amendments (if any).

10. Establish guidelines for annual performance assessment of the Chief Executive Officer and the President on an annual basis, taking into account duties and responsibilities and risks incurred, and present such guidelines to the Nomination and Remuneration Committee for approval.

11. Be responsible for performance assessment of the Chief Executive Officer and the President and report the assessment results to the Nomination and Remuneration Committee for approval.

12. Be responsible for considering and approving guidelines for annual performance assessment of the President and Vice president of departments on an annual basis, taking into account duties and responsibilities and risks incurred.

13. Be responsible for considering and approving the performance assessment results of the Vice President and Assistant President of departments.

14. Perform any other duties as assigned by the Board of Directors.

15. Delegate authorities and duties to the Chairman of the Executive Committee and/or senior management of the Company according to the scope of authorities, duties, responsibilities as prescribed by the Executive Committee under the supervision of the Executive Committee.

16. Have the authority to authorize one or more persons to perform any particular action under the supervision of the Executive Committee or may authorize such person to have authorities as the Executive Committee deems appropriate and within the time period as the Executive Committee deems appropriate. The Executive Committee may cancel, revoke, change or amend the authorized person or the authorization as deemed appropriate.

17. Assist the Audit Committee in finding facts or tasks assigned by the Audit Committee regarding fraud and corruption investigation, including review of the appropriateness of various systems and measures to be consistent with changes in business, rules, regulations and legal requirements.

In this regard, granting of authorities, duties, and responsibilities of the Executive Committee does not constitute an authorization or sub-authorization which allows delegate of the Executive Committee to approve items that he/she or person who may have a conflict of interest (according to the definition under the notifications of the Capital Market Supervisory Board and/or the SET and/or the relevant agencies), having interest or may have any other conflict of interest with the Company or its subsidiaries and/or related companies. The Executive Committee has no authority to approve such actions. Such matters must be proposed to the Board of Directors' meeting and/or the shareholders' meeting (as the case may be) for further approval, except for approval of transactions in the normal business operations and with normal trading conditions according to the notifications of the Capital Market Supervisory Board and/or the SET and/or relevant agencies

## 7.4 Management

### 7.4.1 Name and Position of the Executives

As of December 31, 2022 the Executive Consisting of 9 members, details are as follows:

Name	ตำแหน่ง
1. Mrs. Sutharntip Phisitbuntoon	Chief Executive Officer
2. Mr. Wichai Suphasathitkul	President / Acting Senior Executive Vice President of Corporate Management
3. Mr. Rapee Pruenglampoo	Executive Vice President – Operation / Acting Senior Executive Vice President - Operation
4. Mr. Benjarong Kammanid	Executive Vice President Risk Management
5. Dr. Theerawat Thawanratphokin	Executive Vice President Accounting & Financial
6. Ms. Sarinya Krissanakupata	Executive Vice President Human Resources & Corporate Service
7. Mr. Suphot Phuthong	Executive Vice President Information Technology
8. Mr. Sompop Pundrikabha	Executive Vice President Marketing
9. Ms. Natthanant Kittiphonsombun	Corporate Secretary / Executive Vice President Head of Governance and Investor Relations

## Scope Of Duties And Responsibilities Of The Chief Executive Officer

The Board of Directors Meeting No. 1/2023 held on February 17, 2023 resolved to approve the scope, powers, duties and responsibilities of the Chief Executive Officer as follows:

1. Manage the Company's business includes supervising and controlling overall operations to ensure compliance with objectives, regulations, policies, regulations, requirements, orders, business strategies, goals and action plans, financial goals, budgets and resolutions of the Board of Directors' meeting and/or the resolutions of the shareholders' meeting of the Company
2. Acting Representative of the Company in business negotiations
3. Negotiate funding sources with financial institutions or various fund managers
4. Create a good image for the company and accepted in the stock exchange
5. Seek business opportunities to create growth and sustainability for the company
6. Carry out the preparation and delivery of the Company's business policy. Including business plans and budgets to submit to the Board of Directors for approval, and to report progress according to the approved plans and budget to the Company's directors and sub-committees regularly.
7. Follow up and assess the performance of the management and report on the management performance. Progress of operations to the Board of Directors and sub-committees regularly.
8. Operate or assign management powers in order to effectively and efficiently perform operations in accordance with the policies, plans and budgets approved by the Board of Directors, based on the principle of systematic internal control and has regular risk management.
9. Follow up and report on the condition of the company's position and suggest options and strategies that are in line with the policy and market conditions.
10. Ensuring that there is good corporate governance
11. Be a leader and act according to the ethics and business ethics of the Company, including promoting, directing and monitoring management based on sustainability principles, social responsibility and comply with anti-corruption measures and practices
12. Have any powers, duties and responsibilities as assigned or according to the policy assigned by the Board of Directors and/or sub-committees
13. Chief Executive Officer can hold directorship in other companies, but must not be an obstacle to the performance of the Company's duties and that business must not be the same type of business or is it competing with the company's business and must receive approved by the Board of Directors before taking a director position in other companies

#### **7.4.2 Policy and method for determining remuneration of directors and executives**

The Nomination and Remuneration Committee's Meeting No. 1/2022 and the Board of Directors' Meeting No. 2/2022 held on February 10, 2022 considered the remuneration and welfare of the Company's directors, sub-committees, and executives for the year 2022 which consisted of meeting allowance, monthly compensation, salary and other benefits. The meetings thoroughly considered appropriateness of the remuneration to duties and responsibilities of each director, operating results of the Company, and compared the remuneration with the rates of remuneration of directors, sub-committees, and other executives in the same industry and other listed companies in the same industry and was of the view that the remuneration of the Company's directors, sub-committees, and executives was at a competitive rate in order to attract qualified candidates to become the Company's directors in the future.

In addition, the Company has determined remuneration of the Chief Executive Officer and executives in accordance with performance of individual executives, which is also linked to the Company's performance, both short-term and long-term, reflecting good practices and guidelines and adherence to the standards of leading companies. Such remuneration must be competitive compared to other organizations in order to attract and retain executives, who are important to short-term and long-term success of the Company. The Board of Directors has a duty to consider and approve such remuneration.

#### **7.4.3 Management compensation**

##### **(1) Monetary compensation**

In 2022, executives at the first of 4 level of executives (according to the SEC definition) has received from their performance of duties, a total of 9 people received compensation for performing their duties in the forms of salary, living expense, special pension, and bonus in the aggregate amount of Baht 30,011,183. The management compensation has already complied with the terms of the Company's employment contracts.

##### **(2) Other compensations**

In 2022, executives at the first of 4 level of executives (according to the SEC definition) has received from their performance of duties, a total of 9 people received contributions to the Company's provident fund with the total amount of Baht 829,203 by the remuneration of the management has performed according to the conditions of the Company's employment contract. (which such compensation is included in the executives at the level of Assistant Managing Director or equivalent or higher who retired from being an employee in 2022).

In addition, the Company's executives receive other benefits and welfare according to the Company's regulations with the same as employees, such as healthcare benefits, health check-up benefits or other benefits related to medical treatment and health check of which the total amount is Baht 987,528 (which includes the remuneration for executives at the level of Assistant Managing Director or equivalent or higher who retired from being an employee in 2022).

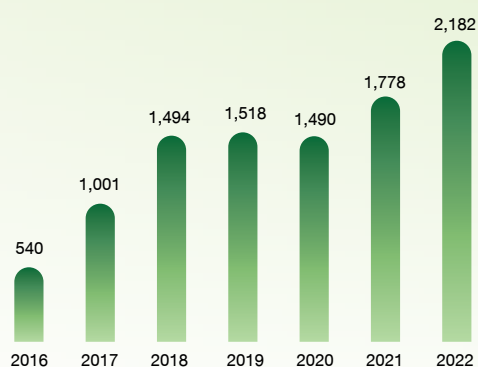
## 7.5 Employees

### Employees

As of December 31, 2022, the Company has a total of 2,182 employees, which can be classified into different lines of work as follows:

Line of Work	Number of employees classified by line of work (persons)				
	As of December 31,				
	2018	2019	2020	2021	2022
1. Credit Operations Department and Storage Operations Department	1,216	1,251	1,206	1,475	1,835
2. Branch Operations Department (Headquarters)	-	-	13	15	18
3. Credit Control and Approval Department	27	29	29	39	52
4. Property Auction Department	12	24	24	20	22
5. Information Technology Department	52	52	53	53	65
6. Marketing Department	50	27	27	27	28
7. Accounting and Finance Department	35	37	39	42	46
8. Risk Management Department and registration and agreement	35	30	30	35	40
9. Administration and Purchasing	34	39	30	27	28
10. Human Resources Department	16	13	17	22	25
11. Legal Department	11	12	15	15	14
12. Company Secretary Office	2	3	4	6	7
13. Management	3	1	1	2	2
<b>Total</b>	<b>1,493</b>	<b>1,518</b>	<b>1,488</b>	<b>1,778</b>	<b>2,182</b>

### Number of Employees (2022)

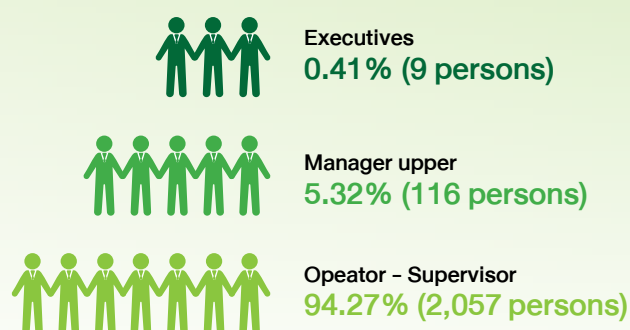


**HQ : 16%**  
(347 persons)

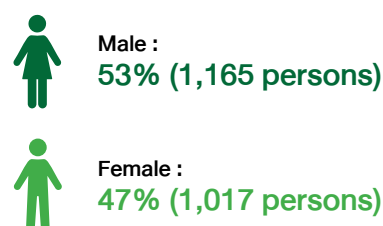


**Branch : 84%**  
(1,835 persons)

### Classified by level



### Classified by gender





The number of employees has increased in the year 2022 due to the business expansion, the Company expanded 149 branches in the year 2022 and hired additional employees during October - December 2022 to prepare for branch expansion in the year 2023.

The Company has a policy to pay fair remuneration which can compete with companies in the same industry, including creating career stability, and fair career advancement opportunities. The Company provides employee compensation (excluding executives) in the forms of salaries, wages, bonuses, contributions to the provident fund, and contributions to the social security fund etc. The details of which are as follows:

Unit: Thai Baht

Type of Employee Compensation	Year 2020	Year 2021	Year 2022
1. Salary	305,464,593	326,604,891	392,917,240
2. Bonus	32,220,911	27,322,481	34,553,117
3. Other types of compensation	82,537,169	89,514,955	131,975,933

**Remark:**

Other types of compensation include other income, Incentive, provident fund contributions, social security contributions, and accident insurance (group).

The Company paid out the remuneration for the employees totaling Bath 443.44 million and Bath 559.45 million for the year 2021 and 2022 respectively in terms of salary, bonus, overtime pay, contributions to provident funds and other compensation which includes gratuities and provident funds for employees as follow:

	Number of Employees Classified by Department			
	As December 31, 2022			
	Unit	Female	Male	Total
Women in workforce	% of total employees	46.61	53.39	100
	Person	1,017	1,165	2,182
Women in Middle Management and Top Management	% of total employees	47.36	52.64	100
	Person	959	1,066	2,025
Women in Middle Management	% of total employees	33.62	66.38	100
	Person	39	77	116
Women in Top Management	% of total employees	33.33	66.67	100
	Person	3	6	9
Women in management positions in revenue generating functions e.g. Sales, Marketing, Production Business Development (operation)	% of total employees	44.31	55.69	100
	Person	813	1,022	1,854
Ratio of basic salary and remuneration of women to men	% of total employees	43	57	100
<b>Total</b>		1,017	1,165	2,182

## Human Resource Development Policy

The Company recognizes the importance of human resources as the most important asset in business operations and it is a successful part that will make the company achieve its goals. The company has sets a policy to focus on skill and potential development of employees to increase progress continuing to increase productivity in every aspect of employees at all levels. That will result in creative ideas to add innovative value to the company which one of the important strategies of the company. The company has established policies and guidelines as follows :

### Recruiting/Employment

The company gives importance to the recruiting process. Based on the principle that the recruitment and selection process of employees must be transparent, operate with equality and fairness, equality without limitation or discrimination in terms of gender, race, religion and culture. The characteristics of employees determined by job characteristics along with specifying educational qualifications, experience, expertise and other requirements of each position clearly. By selecting the qualified persons according to the specified methods in order to acquire employees who are suitable for the positions.

### Human Resource Development

The Company has a policy of developing personnel on a regular basis. The objective is to increase knowledge, skills, and expertise as well as efficiency in the performance of employees at all levels. In this regard, the Company has established policies and guidelines as set out below.

1. The Company encourages personnel to develop knowledge and expertise from actual operations by providing a supervisor for each line who performs coaching duties in such line.
2. The Company continuously encourages and conducts seminars and training from both internal and external the company. To personnel of the Company at all levels from the executive level to the operational level to develop competency and work potential along with bringing the knowledge gained from the training to improve the operations in the Company.

**Internal Training** means the Company's training by the human resource development department as necessary in the business operation of the Company by setting up a development plan and annual curriculum to develop employees to have knowledge and skills which are necessary for working both now and in the future. It may be held in a place within the Company or a place outside the Company.

**External Training** means the training of the Company by the human resource development department and arranged according to the internal departments of the company notifying the Company as necessary for the operation of that line in order to develop the knowledge of employees and the skills necessary for current and future jobs. External Training is a training course organized by a government or private agency.

3. The Company arranges for an assessment of the needs and necessity of personnel development of the Company at all levels, from the executive level to the operational level, and formulates the Company's human resource development plan in accordance with the Company's development plan and prepares personnel for increased responsibilities, career advancement and the ability to fill vacancies.

The Company has 2 categories of personnel development methods as follows:

- The development provided by the company is the case where the Company or the head of the department plays an important role in providing development in all aspects for employees as deemed appropriate and in accordance with the goals, development plan of the department and of the Company

- Self-development is where the employee plays a key role in managing self-development in order to achieve the Company's goals and/or the employee's career advancement plan.

4) The Company will arrange various activities to create intimacy, familiarity, and good relationship between executives and employees in all positions in order to increase work quality to reflect professional work resulting in customer satisfaction.

### Development plan and annual curriculum

In 2022, due to the outbreak of COVID-19, the Company has a policy of continuous employee development by setting up On-Site Online (Conference) Training and in the e-Learning System to ensure that employees of the Company will still be filled with knowledge and fully develop their potential. In the year 2022, there are a total of employees who have undergone training 1,655 employees out of 2,182 employees (employee information as of December 2022), representing 75.84 % of the total number of employees.

The Company determines an annual personnel development plan and personnel development course. In 2022, the Company organized employee training courses to increase work skills and potential for employees with an average number of training hours or knowledge development activities for employees of up to 24.66 hours per person per year, including organizing training for employees to have knowledge and understanding of the environment from executive level to general employees as follows:

#### 1. Mandatory Program

- (1) New employee orientation course
- (2) Corporate value driving Course
- (3) Basic firefighting course and fire evacuation drills

#### 2. Management & Leadership Program

- (1) C-H-A-M-P Program
- (2) Management Development Program (MDP.)

#### 3. Operation Program

- (1) Credit knowledge review course
- (2) Vehicle condition assessment and registration book course
- (3) Knowledge and expertise in storage course
- (4) Knowledge on the Debt Collection Act course
- (5) Finance and branch accounting course
- (6) Life insurance and non-life insurance broker preparation course
- (7) NCB knowledge course



In addition, the Company has formulated a personnel development plan with the objective of developing the potential of personnel, which is considered an important part in driving the company to grow, divided into levels as follows:

#### 4. Executive personnel (L.7 - L.8)

The Company has established personnel development in the management level to be in line with the competence for executives (Leadership Competency), consisting of:



1. **C: Create Vision (broad-minded, far-sighted, visionary)**

A person who has principles and concepts farther than others, and is aware of problems, obstacles, and opportunities in various dimensions of concepts, and can formulate and adjust his vision for the future accordingly.



2. **H: Harmonize Stakeholder (Build relationships, build alliances, support the organization)**

A person who has the skills and attitude to build positive relationships both within and outside the organization and can use those relationships to create opportunities and strengthen teams and organizations.



3. **A: Accountability (dedicated, sense of responsibility, commitment to success)**

A person who is responsible for himself, the company, society and is committed to devoting himself to the organization in order to make the organization successful and mature.



4. **M: Managerial Excellent (skilled in management, precise in principle, put into practice)**

A person who is skilled, knowledgeable, has a good attitude in management and has the skills and knowledge to analyze problems and make decisions in a variety of dimensions clearly and to apply the concepts into practice with the goal of sustainable success in mind.



5. **P: People Power (good at motivating, being accepted, developing a team)**

A person who is capable of influencing others and being thought leaders including being accepted in society as well as building and developing a team to be effective.



## 5. Management personnel (L.3 - L.6)

The Company has set up personnel development at the management level to be in line with the competencies for managers (Managerial Competency), consisting of:

### (1) Planning

systematically setting plans and activities and prioritizing them under existing environmental conditions, as well as determining the time period to be carried out resources to be used as well as designating responsible persons effectively and must be able to actually implement the plan

### (2) Organization (Organizing)

Organizing the organizational structure, organizing the work system, allocating personnel, allocating various resources to be ready to follow the action plan.

### (3) Leading the team (Leading / Directing)

Expression of understanding of different abilities by trying to bring the potential or operational level personnel, the ability of subordinates to use for maximum benefit.

### (4) Controlling and monitoring work (Controlling)

Awareness of the status, problems and obstacles that occur in the work assigned to others by using various tools or methods to monitor the progress of the work, including finding ways to motivate others to complete the work accordingly

## 6. Operational personnel (L.1 - L.2)

The Company has developed personnel at the operational level by focusing on the operation according to the operational process so that the employees have a standard in performance enough to deliver work to for both internal and external customers, as well as develop the knowledge necessary to operate.

## 7. All personnel

The Company has determined personnel development at all levels by emphasizing on understanding and behaving in the same direction throughout the organization as follows:

- (1) Core Values
- (2) Work Rules
- (3) Company's policies

## Employee Compensation and Welfare Policy

The company determines the compensation of employees. consistent with the Company's performance It is assured that such compensation can be an incentive for employees to stay with the Company in a highly competitive labor environment. Employees will be offered reasonable compensation. To create continuous results and make the company sustainable growth. It also provides various welfare benefits for employees of the company as required by law, such as social security and other than those required by law, such as employee group accident insurance, annual health check-ups, as well as various types of allowances such as travel expenses, accommodation expenses, fuel expenses and financial assistance in case of death of parents or employees, etc.

The company has regulations to manage the performance of personnel. By defining corporate KPIs, which consider a comprehensive perspective on operational dimensions from all parts of the organization. and summarized by the management. The indicators have been set from the Chief Executive Officer level. President, Assistant President, Director of department, Manager of department and all employees respectively, each employee has own indicators which are consistent with the department and organization's indicators. The supervisor or supervisor provides advice and recommendations to the subordinates to improve their performance as well as to encourage, support and encourage. For dedication to work in connection with compensation and rewards from performance to employees

The Company has adjusted the rate of compensation to be close to other companies in the same industry fairly. The Board of Directors attaches great importance to employment taking into account the ability of employees in various positions without discrimination and equal opportunities which takes into account the principles of fairness, equality, suitable qualifications. To promote career advancement and grow together with the Company in a sustainable manner by setting a policy for both short-term and long-term employee compensation that is consistent with the performance of the organization and linking the performance of employees according to the Balanced Scorecard as follows:

1. Short-term compensation: The Company has determined compensation that is comparable to the general pay rate of other organizations in the same business to enhance human resource competitiveness. In addition, the Company has set annual bonus payments based on performance based on the evaluation of the Company's performance and individual KPI.
2. Long-term compensation: The Company has determined the performance and potential of the employees and the Company will pay appropriate compensation to employees with high competence including providing career growth to be in line with the succession plan of the Company. In addition to paying compensation, the company has regularly reviewed various compensation to be in line with economic conditions, such as travel expenses to work, etc.

## Fair labor treatment

The Company is committed to conducting business in accordance with human rights principles and strictly complying with labor laws. The Company recognizes and gives importance to its personnel and provides employment processes and fair employment conditions. Including determining compensation and welfare for employees according to the rules and conditions set by the Company fairly and equally. In order to comply with the current economic situation as well as encouraging employees to develop their knowledge and abilities in order to raise the level of professionalism in an appropriate working environment.

The Company has established a welfare committee in the workplace to jointly negotiate with employers to provide welfare and benefits to employees, including monitoring, controlling, and supervising the welfare arrangements that employers provide to employees, as well as giving advice and suggestions including opinions to employer on welfare arrangements for employees.



## Promoting disadvantaged groups

The Company gives an importance to and encourages underprivileged groups to have the opportunity to show their abilities which generates income, self-reliance, reduces the burden of family and society that needs to be taken care as well as strengthens important forces in driving the economy. According to the Empowerment Of Persons With Disabilities Act B.E. 2550 which contains provisions to prescribe important measures related to occupational promotion and employment protection of persons with disabilities.

In 2022, the Company has complied with the Empowerment Of Persons With Disabilities Act B.E. 2550, Section 33 and Section 35, a total of 12 persons with disabilities, 7 males and 5 females, with disabilities being accepted to work more than the ratio between normal people and disabled people at 1 disabled person per 100 normal persons as required by law.

## Safety, Health and Environment

The Company places an importance on the safety and health of employees working at the head office and various branches of the Company throughout Thailand and surrounding communities. In addition, the Company encourages the efficient use of resources and reduces the use of unnecessary resources that cause environmental impacts, promoting a good working environment that is safe and free from harm to life and health along with an appropriate environment in the workplace. Including training in such matters, such as fire drill training, etc.

Statistics of occupational illness/disease in the year 2022 are calculated as a ratio to the total number of employees in the following scenarios:

Description	Unit	Period from Jan – Dec 2022				
		By Gender		By Area		Total
		Male	Female	Head Office	Provincial Branch	
Occupational disease rate (ODR)	persons	0	0	0	0	0
Number of days of sick leave	days	6,863	6,057	1,513	11,407	12,920
Number of hours of cessation of work due to illness that is not related to work	days* (8 hours)	54,904	48,456	12,104	91,256	103,360
Injuries/accidents from work	persons	0	0	0	0	0

### Remarks:

- 1) The calculated numerical values referred to International Labor Organization Standards (ILO-OSH 2001).
- 2) Lost time injury is an injury that causes absence from work for more than 1 day (start counting the absence from the date of the accident).
- 3) Injury severity rate, formerly known as loss day rate.
- 4) The calculation of working hours is data from the employee self-service system of regular employees and contract employees from January to December 2022. Working time information includes data of overtime working and data of employees resigned during the year. It will take only the actual working time during the employment period for calculation.

## Human Rights Policy

The Company places importance on respecting human rights with a desire to create equality and equality both within and outside the organization. The Company regularly monitors and ensures that its business is not involved in direct and indirect violations of rights and liberties of individuals, such as not supporting forced labor, anti-child labor, respecting and treat all stakeholders with fairness based on human dignity and non-discrimination, which includes treating all Company's personnel equally. There is no discrimination or discrimination on the basis of race, gender, language or religion. The Company has established a process for identifying human rights risks and a mechanism for complaints about human rights violations.

In 2022, the Company has not been complained about human rights violations.

## Welfare arrangements for employees

The company promotes the welfare and well-being of its employees by covering the employees' families. to be healthy strong health Welfare can be divided into 3 types as follows:

1. Employee welfare benefits such as merit-making benefits welfare to make merit for the new house Marriage subsidy benefits Welfare for receiving maternity gifts Welfare for the funeral of direct relatives Welfare in the event of employee death
2. Funds such as provident funds Social Security Compensation Fund
3. Health and life insurance such as group accident insurance, Annual health check-up

In addition, the Company promotes and has created values to employees such as eagerness to learn and self-development. This is consistent with the organizational values that adhere to the general practice (HENG) in relation to G-Growth or passion to continuously learn and develop with an intention to produce results in a better way in order to expand and grow the business rapidly and has increasing and sustainable profits every year.

## CORE VALUE



The important courses include corporate governance, environmental management, orientation for new employees, being an anti-corruption organization, provision of fair services to customers (Market Conduct), Personal Data Protection Act (PDPA), and risk management etc.

Due to the year 2022 of Covid-19 pandemic, the Company's policy is to provide ongoing development of personnel, including on-site training, online conference, and e-learning system to ensure that the Company's employees will gain knowledge and develop their potential to the fullest. In the year 2022, there were 1,655 employees out of 2,182 employees enrolled for trainings (employee information as of December 2022), accounting for 75.84% of the total number of employees.

### **Provident Fund**

The Company established a provident fund under the management of Kasikorn Asset Management Company Limited. In the year 2022, the Company paid compensation for such personnel (excluding executives) in the total amount of Baht 11.37 million.

As of 31 December 2022, the proportion of employees participating in the provident fund there were 2,095 employees out of 2,182 employees was 96.10 percent of the total employees.

### **Labour Disputes**

During the past 1 year, the Company did not have any major labor dispute which had a significant impact on the Company's business, financial positions, and operating performance.

## **7.6 Other important information**

### **7.6.1 Person assigned to be directly responsible for supervision of accounts preparation, company secretary, outsourced internal auditor, head of compliance**

#### **1) Person responsible for supervision of accounts preparation**

Mr.Thakoon Wuttipornpong, Director of Accounting, is the person who is directly responsible for supervision of accounts preparation and overseeing the Company's transactions and payments to be efficient and in accordance with the Company's rules and regulations and accounting standards. Profile of the person assigned to be directly responsible for supervision of accounts preparation are as set out under Attachment 1.

#### **2) Company Secretary**

Miss Natthanan Kittiphonsombun, Corporate Secretary / Executive Vice President Head of Governance and Investor Relations was appointed by the Board of Directors' Meeting No. 1/2021 held on April 24, 2021 as the Company Secretary. The duties and responsibilities of the Company Secretary are as prescribed under the Securities and Exchange Act B.E. 2535 (1992). Profile of the Company Secretary are as set out under Attachment 1.

#### **3) Head of Internal Audit**

The Company has engaged KPMG Phoomchai Business Advisory Ltd. ("KPMG") as internal auditor whereby Mr. Supachate Kunaluckkul acts as head of internal audit who reports to the Company's Audit Committee. Profile of the head of internal audit are as set out under Attachment 3.

#### 4) Head of Compliance

Miss Natthanan Kittiphonsombun, Corporate Secretary / Executive Vice President Head of Governance and Investor Relations acts as the head of compliance. Profile of the head of compliance are as set out under Attachment 1.

#### 7.6.2 Information on head of investor relations and contact details

To ensure that the disclosure of important information is accurate, timely, transparent and verifiable, the Company has established the Investor Relations Department and Miss Natthanan Kittiphonsombun, Assistant Managing Director - Corporate Governance and Investor Relations Department, as a center for disclosure of important information to local and foreign shareholders and investors. Such information includes financial information such as operating performance and quarterly financial statements, quarterly management discussion and analysis (MD&A), and the Company's strategy and future trends. The Company's shareholders and investors shall be kept informed equally and on a regularly basis and the disclosure shall be complete and accurate.

Shareholder and investors may contact the Company for information via telephone, email, and by mail or access the information via the Company's website at <https://investor.hengleasing.com/th/home> which contains important information for shareholders and investors in Thai and English languages or contact the Investor Relations Department.

Telephone number	02-153-9587 Ext. 9 or 1361 Ext 9
Fax	053-350-490
Email	IR_Heng@hengleasing.co.th
Letter	Heng Leasing and Capital Public Company Limited Investor Relations No. 69, Moo 7, San Sai Noi Sub-district, San Sai District, Chiang Mai Province 50210
Office hours	Monday through Friday at 8 a.m. - 6 p.m.

#### Investor Relations Activities

The management of rights and interests of shareholders to be in accordance with the laws, as well as strengthening good relationship with shareholders, will enhance the Company's good image and credibility to sustainably create higher values for its shareholders in a long term. Therefore, the Company has assigned the Office of the Company Secretary and the Investor Relations Department to disclose the organization's information, particularly financial and general information to shareholders, investors, analysts, investment rating agency, and regulators through various channels, including reporting to the Stock Exchange of Thailand, the Securities and Exchange Commission, and the Company's website under the subject "Investor Relations" so that any person who is of interest can study the information conveniently. In addition, the Company also organizes various activities to disclose, clarify information and provide participants with an opportunity to ask questions. The Company also requires its high-level executives to participate in clarifying information. Such activities include providing information to investors and analysts and preparing press release which presents the Company's operating performance, the details of which can be summarized as follows:

1. Participating once in SET Opportunity Day organized by the Stock Exchange of Thailand 4 Times. There were an approximate of 20 analysts and investors attending the event.

2. Providing information to analysts. Due to the Covid-19 outbreak, the Company implemented social distancing measures. There was a total of 4 events organized by securities company with an approximate of 20 participants per event.

3. Preparing 8 press releases presenting the Company's operating performance.

### 7.6.3 Audit fee

The Company pays the audit fee to EY Office Company Limited, which is the audit firm of the auditors for the year 2022, including any person or business related to the auditor and the audit firm, in the total amount Baht 3,300,000.

The audit firm and the auditors do not have any relation or interest with the Company, its executives, major shareholders or related persons of executives and major shareholders. The auditors are independent and qualified as the Company's auditors. The auditors are in the approved list of the Securities and Exchange Commission. The 2022 Annual General Meeting of Shareholders resolved to approve the appointment of auditors and fix the audit fee for the year 2022 with details as set out below.

#### • Auditors

- |                 |            |  |
|-----------------|------------|--|
| 1. Ms. Ratana   | Jala       | Certified Public Accountant (Thailand) No. 3734 and/or |
| 2. Ms. Somjai   | Khunapasut | Certified Public Accountant (Thailand) No. 4499 and/or |
| 3. Ms. Wanwilai | Phetsang   | Certified Public Accountant (Thailand) No. 5315 and/or |
| 4. Ms. Saranya  | Pludsri    | Certified Public Accountant (Thailand) No. 6768        |

#### • Audit fee for the year 2022

1. Annual and quarterly audit fee of Baht 3,300,000

#### • Service fees other than audit fee

- None -





## Report on key performance in respect of corporate governance

### 8.1 Report on performance of duties by the Board of Directors in the past year

In the year 2022, the Board of Directors reviewed the Company's policies and directions and supervised management and operations of the Company to be in accordance with goals, objectives, visions, strategies and directions of business operations. The management reported the operating results to the Board of Directors every quarter and the Board of Directors carefully reviewed such results for benefits of the shareholders under the framework of laws and Code of Conduct.

#### 8.1.1 Nomination, Development and Performance Assessment of the Board

##### Nomination Directors

The Board of Directors has considered and appointed the Nomination and Remuneration Committee to nominate and select persons with knowledge, abilities and experiences that are beneficial to the long-term business operations, and in line with business directions and strategies and sustainable development to hold the position of the Company's director

##### (1) Qualifications of independent directors

(a) Holding no more than 1% of the total number of shares with voting rights in the Company, parent company, subsidiary, associated company, major shareholder, or controlling person of the Company, including shares held by related persons of such independent director.

(b) Not being or used to be a director who participates in management, employee, staff, advisor who receives a regular salary or controlling person of the Company, parent company, subsidiary, associated company, subsidiary of the same level, major shareholder, or controlling person of the Company, unless having been discharged from the aforementioned characteristics for at least 2 years before taking office as an independent director. Such prohibited characteristics do not include having been a government employee or advisor of a government agency, which is a major shareholder or a controlling person of the Company.

(c) Not having a business relationship with the Company, parent company, subsidiary, associated company, major shareholder, or controlling person of the Company in a manner that may impede the exercise of one's independent judgment, including not being or having been a significant shareholder or a controlling person of a person having a business relationship with the Company, parent company, subsidiary, associated company, major shareholder or controlling person of the company, unless having been discharged from the aforementioned nature for at least 2 years and having no direct or indirect benefit or conflict of interest in terms of finance and management of the Company, its affiliates, associated companies, or individuals who may have a conflict of interest in a manner that would deprive them of their independence.



Such business relationship includes making transactions in the normal business operations, including renting or renting out property, items related to assets or services or providing or receiving financial assistance by accepting or lending, guaranteeing, and placing assets as collateral for liabilities and any other similar behavior in the same manner, which results in the Company or the contracting party having an obligation to pay the other party in the value of 3% of the Company's net tangible assets or from twenty million baht and above, whichever is lower. Calculation of such indebtedness shall be in accordance with the method for calculating the value of connected transactions under the notification of the Capital Market Supervisory Board regarding rules on connected transactions *mutatis mutandis*. Such consideration shall include debt incurred during a period of 1 year prior to the date of business relationship with the same person.

(d) Having no blood relationship or by legal registration in the form of parent, spouse, sibling and child, including spouse of child of other director, executive, major shareholder or controlling person who will be nominated as director, executive or controlling person of the Company or its subsidiary.

(e) Not being a director who has been appointed to represent and protect the interests of the Company's director, major shareholder, or shareholder who is related to a major shareholder. Independent directors must also be able to express their opinion or report independently in accordance with the tasks assigned without consideration of any interests and not being under influence of any person or group of persons, including not being under any circumstance that may coerce them into not being able to express a straightforward opinion.

(f) Not being or having been an auditor of the Company, parent company, subsidiary, associated company, major shareholder or controlling person of the Company and is not a significant shareholder, controlling person, or partner of audit firm ("partner" means a person designated by the audit firm to sign audit reports on behalf of such juristic person) which has the auditor of the Company, parent company, subsidiary, associated company, major shareholder or controlling person, unless such nature has been terminated for at least 2 years before taking the position as an independent director.

(g) Not being or having been a professional service provider of any kind, including legal or financial advisory services who receive service fees of more than 2 millions baht per year from the Company, parent company, subsidiary, associated company, major shareholder, or controlling person and is not a significant shareholder, controlling person or a partner of that professional service provider ("partner" means a person designated by the professional service provider to sign professional service reports on behalf of such juristic person), unless such nature has been terminated for at least 2 years before taking the position as an independent director.

(h) Do not conduct similar business and is not in significant competition with the business of the Company or its subsidiaries. Not being a significant partner in a partnership or being a director who takes part in the management, employee, staff, or an advisor who receives a regular salary or holding more than 1% of the total number of shares with voting rights of other companies which conduct similar business and being in significant competition with the business of the Company or its subsidiaries.

(i) There is no other characteristic that prevents a person from expressing an independent opinion on the Company's operations. However, after being appointed as an independent director with the characteristics as specified above, independent directors may be assigned by the Board of Directors to make decisions about the business operations of the Company, parent company, subsidiary, associated company, same level subsidiary by having a decision in the form of a collective decision.

## (2) Nomination of Directors and senior management

The Board of Directors selects directors by considering persons with various qualifications. both in terms of knowledge, ability and experience that can benefit the company which takes into account the elements of Board Diversity Policy including the proportion of independent directors and female directors (gender diversity) Racial and national diversity. including a variety of skills Knowledge, competence, experience and expertise in accordance with the Company's business strategy and related industries according to the Board Skills Matrix, without limitation or discrimination by gender, race, nationality, color, ethnicity or religion.

For the selection of executives, the Company considers those who have skills, knowledge, abilities, experience necessary and beneficial to the Company's business operations. and the performance of those who qualify Including having outstanding vision that can lead the organization to success.

## (3) Directorship

The Board of Directors has a term of office of not more than 3 years per relevant law. Independent directors will hold office for a continuous term of not more than 9 years unless there are reasons and necessities as the Board of Directors deems appropriate. In 2022, the Company does not have an independent director who holds the position of director for more than 9 years. In addition, the Company's directors and executives can take the position of directors or executives of affiliated companies or other companies, but must comply with the regulations of the SEC, the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand, including other relevant rules, regulations and laws. This must be notified to the meeting of the Board of Directors for acknowledgment. However, each director can hold the position of director in no more than 5 listed companies.

## Development of the Board of Directors

The Board of Directors and senior management attach importance to regularly attending trainings, seminars, and courses relating to improvement of knowledge and capabilities in performing the duties as a director (please refer to details of trainings of each director under Attachment 1). Most of the Company's directors (more than 75%) have a history of attending training with the Thai Institute of Directors (IOD) and other leading organizations/institutions. They have attended various seminars on related topics. The Company provides support to all directors as a channel to receive news and increase knowledge that can be applied in the position of director. In the year 2022, directors attended the following trainings/seminars.

Item	First Name – Lastname	Training Courses/Seminars in the Year 2022
1	Assistant Prof. Dr. Chaiwuth Tangsomchai	<ul style="list-style-type: none"> <li>- Risk Management Program for Corporate Leader (RCL), Thai Institute of Directors (IOD), Class of 26/2022</li> <li>- Financial Statements for Directors (FSD), Thai Institute of Directors (IOD), Class of 45/2022</li> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>
2	Mr. Nutthirutt Wanwimonphong	<ul style="list-style-type: none"> <li>- Role of the Chairman Program (RCP), Thai Institute of Directors (IOD), Class of 26/2022</li> <li>- Security Management and Leadership for Executives Program (SML), The Association of National Defence College of Thailand Under The Royal Patronage of His Majesty The King (ANDCT), Class of 4</li> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>
3	Mrs. Sutharntip Phisitbuntoon	<ul style="list-style-type: none"> <li>- Training course on the landscape of the Bank of Thailand in the future and the formulation of financial plans for the future of financial institutions.</li> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>
4	Mr. Wichai Suphasathikul	<ul style="list-style-type: none"> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>
5	Mr. Bunthid Supasatitkul	<ul style="list-style-type: none"> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>
6	Mr. Parinya Supasatitkul	<ul style="list-style-type: none"> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>
7	Mr. Patpong Patong	<ul style="list-style-type: none"> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>
8	Mr. Thanassorn Ratanasirisap	<ul style="list-style-type: none"> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>
9	Miss Thapanattsamon Paisanteerakorn	<ul style="list-style-type: none"> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>
10	Miss Varita Laothamatas	<ul style="list-style-type: none"> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>
11	Mr. Punsongpol Paisanterakorn	<ul style="list-style-type: none"> <li>- Directors Certification Program (DCP), Thai Institute of Directors (IOD), Class of 319/2022</li> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>
12	Miss Chonchissa Ratanasirisap	<ul style="list-style-type: none"> <li>- Introduction to corporate sustainability, Sustainable Business Development Institute (SBDi)</li> </ul>

As of December 31, 2022 Directors participated in training course related to director function as Director Certification Program (DCP) 13 person (93%) and Director Accreditation Program (DAP) 1 person (7%) from 14 directors as in attachment 1.

## The Self-Assessment of the Board of Directors

In order to comply with the good corporate governance principles, the Company has a policy for the Board of Directors to conduct self-assessment at least once a year to assist the Board of Directors to review the performance, issues and obstacles during the past year and to increase work efficiency of the Board of Directors.

The Company has assessed the performance of the Board of Directors for the year 2022 at the Board of Directors Meeting No. 1/2023 held on 17 February 2023. The evaluation criteria will be calculated as a percentage of the full score in each item. If the score is greater than 85% = excellent, the range of 75-85% = good, the range of 65-75% = fairly good, the range of 50-65% = fair, and less than 50% = should be improved in summary as follows:

**1. Performance assessment form for the whole committee assessed in various fields as follows:**

- 1.1 Structure and Qualifications of the Board of Directors
- 1.2 Board of Directors' meeting
- 1.3 Roles, duties and responsibilities of the Board of Directors
- 1.4 Other matters such as relationship with management, director's self-development and executive's development

In summary, the results of the assessment of the entire committee in the picture, including 4 items, were of the opinion that most of the actions were excellent and appropriate with an excellent average score equal to 93.76%

**2. The individual director performance assessment form (self-assessment) by assessing various aspects as follows:**

- 2.1 Structure and Qualifications of the Board of Directors
- 2.2 Board of Directors' meeting
- 2.3 Roles, duties and responsibilities of the Board of Directors
- 2.4 Responsibilities of the Board of Directors for the implementation of anti-corruption or corruption policies in the Company's supervision

In summary, the evaluation results of individual directors (self-assessment) in the 4 items, it found that most of the operations were excellent, appropriate, with an excellent average score of 95.99%.

**3. Sub-committee Assessment form (assessment as the committee),** this is a self-assessment with the same assessment criteria as the Board of Directors' assessment, to be used as a framework for reviewing the performance during the past year by presenting the results of the assessment to the meeting. The sub-committees consisted of 4 committees, totaling 4 topics, which were considered effective and strongly agreed with the following details:

- 3.1 The Nomination and Remuneration Committee has an excellent average score equal to 94.64%
- 3.2 The Risk Management Committee has an excellent average score equal to 98.33%
- 3.3 The Audit Committee has an excellent average score equal to 98.28%
- 3.4 The Executive Committee has an excellent average score equal to 93.20%
- 3.5 The Executive Committee has an excellent average score equal to 91.78%.

**4. Sub-committee Assessment Form (Self-assessment) details are as follows.**

4.1 The Nomination and Remuneration Committee has an excellent average score. equal to 98.06%

4.2 The Risk Management Committee has an excellent average score of 98.89%.

4.3 The Audit Committee has an excellent average score of 98.75%.

4.4 The Corporate Governance and Sustainable Development Committee has an excellent average score equal to 97.50%

4.5 The Executive Committee with an excellent average score of 90.83%

**5. Chief Executive Officer's Assessment Form**

She has an excellent average score equal to 94.52%

**6. The Managing Director's Assessment Form**

He has an excellent average score equal to 93.77%

**Performance Assessment of the Board of Directors**

The performance assessment of the Board of Directors shall be held at least once a year. The performance assessment shall be conducted on the Board of Directors and each individual director as follows:

1. Evaluation of the performance of the Board of Directors by covering issues in various fields according to the assessment form of the Stock Exchange of Thailand, as follows:

(1) The structure and qualifications of the Board of Directors in the following matters are appropriate. make the work of the board efficient

(2) Roles, duties and responsibilities of the Board of Directors has given importance take time to consider Review and follow adequately the following matters.

(3) Board meetings on the following matters: in order for the Board of Directors to perform their duties in meetings effectively.

(4) Other matters such as the relationship between the Board of Directors and the management and self-development of directors and executive's development.

2. Assessment of individual directors' performance (self-assessment) covering various issues according to the assessment form of the Stock Exchange of Thailand, as follows:

(1) Structure and qualifications of the Board of Directors

(2) Meeting of the Board of Directors

(3) Roles, duties and responsibilities of the Company's directors

(4) Responsibilities of the Board of Directors for implementing anti-corruption or corruption policies in dealing with with business care

The scores and opinions of the Company Directors will be used to improve the performance of the Board of Directors each year. and to make the work of the Board of Directors more effective. Including the use of the assessment results as information to support the opinions of the Board of Directors in proposing to shareholders to consider the election of company directors to replace directors who retire by rotation

In addition, the Board of Directors is responsible for considering the results of the performance appraisal of the Audit Committee. Nomination and Remuneration Committee Board of Directors Risk Management Committee and Chief Executive Officer

## Succession plans for senior management positions

Nomination and Remuneration Committee has considered the succession plan of senior executives such as the Chief Executive Officer Managing Director and senior management In order for the organization to have successors in senior management or important leaders to maintain competitiveness to drive the organization today and sustain business growth in the future which is to manage human resource risks and retain high potential personnel to co-create success with the organization. Including the development of personnel who have potential within the organization to grow and advance to be higher-level executives through a systematic and continuous development process to propose to the Board of Directors for consideration and approval on an annual basis.

**The Board of Directors prepares a succession plan for the organization's top executive (CEO) and is ready to present the action plan.**



**The Company discloses:**

- 1. Succession plan and policy or development of personnel for top executive position (CEO)**
- 2. Specify details (such as selection criteria and individual development approach etc.)**
- 3. Periodically reporting the progress of the succession plan to the Board of Directors and at least once a year.**

### 8.1.2 Meeting attendance and individual directors' compensation

The Board of Directors has predetermined the meeting schedule of the Board of Directors and sub-committees each year. The Company Secretary will inform the meeting schedule so that the directors are aware of the date and time of the meeting and can attend the meeting. In case there is a special agenda, there may be additional meetings of the Board of Directors as appropriate. The Board of Directors has assigned the Company Secretary to be responsible for organizing the meeting and delivering the meeting invitation letter together with the agenda and supporting documents specifying the date, time, place and business to be held to the Board of Directors at least 7 days prior to the date of the meeting so that the directors have sufficient time to study the information except in urgent cases To protect the rights or benefits of the Company, the Chairman of the Board of Directors or a person assigned by him may notify the meeting by other means or set an earlier meeting date.

In the Board of Directors meeting There must be no less than half of the total number of directors present at the meeting to constitute a quorum. In case the Chairman of the Board of Directors is absent from the meeting or unable to perform duties. If there is a Vice Chairman of the Board of Directors, the Vice Chairman of the Board of Directors shall preside over the meeting. If there is no Vice Chairman of the Board of Directors or they are unable to perform their duties The directors present at the meeting shall elect one director to be the chairman of the meeting, while voting at the Board of Directors' meeting must be at least two-thirds of the total number of directors attending the meeting.



## (1) Board of Directors meetings

Attendance of the Board of Directors Meeting are as follows:

Name	Total Meetings attended / Total of meetings			
	1 Jan 2021 – 31 Dec 2021 (8 meetings in total)			1 Jan 2022 – 31 Dec 2022 (Total number of meeting are 7 times)
	Before transformation	After transformation	Total	
(1) Professor Dr. Surapon Nitikraipot <sup>(1)</sup>	2/2 100%	6/6 100%	100%	7/7 100%
(2) Mr. Nutchdhawattana Silpavittayakul <sup>(1)</sup>	2/2 100%	6/6 100%	100%	7/7 100%
(3) Assistant Professor Dr.Chaiwuth Tangsomchai <sup>(1)</sup>	2/2 100%	6/6 100%	100%	7/7 100%
(4) Mr. Natthirutt Wanwimonphong <sup>(1)</sup>	2/2 100%	6/6 100%	100%	7/7 100%
(5) Mrs. Sutharntip Phisitbuntoon <sup>(1)</sup>	2/2 100%	6/6 100%	100%	7/7 100%
(6) Mr. Wichai Suphasathitkul <sup>(1)</sup>	2/2 100%	6/6 100%	100%	7/7 100%
(7) Mr. Patpong Patong <sup>(1)</sup>	2/2 100%	6/6 100%	100%	7/7 100%
(8) Mr. Bunthid Supasatitkul <sup>(1)</sup>	2/2 100%	6/6 100%	100%	7/7 100%
(9) Mr. Parinya Supasatitkul <sup>(1)</sup>	2/2 100%	6/6 100%	100%	7/7 100%
(10) Ms. Thapanattsamon Paisanteerakorn <sup>(1)</sup>	2/2 100%	6/6 100%	100%	7/7 100%
(11) Mr. Thanassorn Ratanasirisap <sup>(1)</sup>	2/2 100%	6/6 100%	100%	7/7 100%
(12) Miss Varita Laothamatas <sup>(2)</sup>	-	2/2 100%	100%	7/7 100%
(13) Mr. Somrit Puntharat <sup>(3)</sup>	2/2 100%	2/3 66.6%	80%	-
<b>Total Attendances (percentage)</b>		<b>98.9%</b>		<b>100%</b>

### Remark:

- (1) Appointed by the Annual General Meeting of Shareholders of the Company No. 1/2021 held on April, 2021 to be the Company's director.
- (2) Appointed by the Board of Directors Meeting No. 4/21, dated August 14, 2021 to take the position of the Company's director in place of Mr. Somrit Puntharat, who passed away on August 2, 2021.
- (3) Passed away on August 2, 2021.

## (2) Sub-committees Meetings

Attendance of sub-committees Meetings are as follows:

Name	1 Jan 2021 – 31 Dec 2021			1 Jan 2022 – 31 Dec 2022
	Before transformation	After transformation	Total	
<b>Audit Committee</b>	<b>(Total number of meeting are 6 times)</b>			<b>(Total number of meeting are 4 times)</b>
(1) Mr. Nutchdhawattana Silpavittayakul	1/1 100%	5/5 100%	100%	4/4 100%
(2) Assistant Professor Dr.Chaiwuth Tangsomchai	1/1 100%	5/5 100%	100%	4/4 100%
(3) Mr. Natthirutt Wanwimonphong	1/1 100%	5/5 100%	100%	4/4 100%
<b>Total</b>		<b>100%</b>		<b>100%</b>
<b>Nomination and Remuneration Committee</b>	<b>(Total number of meeting are 4 times)</b>			<b>(Total number of meeting are 4 times)</b>
(1) Mr. Natthirutt Wanwimonphong	1/1 100%	4/4 100%	3/3 100%	4/4 100%
(2) Mr. Nutchdhawattana Silpavittayakul	1/1 100%	4/4 100%	3/3 100%	4/4 100%
(3) Mr. Bunthid Supasatitkul <sup>(2)</sup>	-	1/1 100%	1/1 100%	4/4 100%
(4) Mr. Somrit Puntharat <sup>(1)</sup>	1/1 100%	1/2 50%	2/3 66.6%	-
<b>Total</b>		<b>91.6%</b>		<b>100%</b>
<b>Risk Management Committee</b>	<b>(Total number of meeting are 4 times)</b>			<b>(Total number of meeting are 4 times)</b>
(1) Assistant Professor Dr.Chaiwuth Tangsomchai	1/1 100%	3/3 100%	4/4 100%	4/4 100%
(2) Mr. Natthirutt Wanwimonphong	1/1 100%	3/3 100%	4/4 100%	4/4 100%
(3) Mr. Patpong Patong <sup>(3)</sup>	-	1/1 100%	1/1 100%	4/4 100%
(4) Mr. Somrit Puntharat <sup>(1)</sup>	0/1 0%	0/2 0%	0/3 0%	-
<b>Total</b>		<b>75%</b>		<b>100%</b>

### Remark:

- (1) Passed away on August 2, 2021.
- (2) Appointed by the Executive Committee Meeting No. 4/21, dated August 14, 2021 to take the position of the Nomination and Remuneration Committee in place of Mr. Somrit Puntharat, who passed away on August 2, 2021
- (3) Appointed by the Executive Committee Meeting No. 4/21, dated August 14, 2021 to take the position of the Risk Management Committee in place of Mr. Somrit Puntharat, who passed away on August 2, 2021.

Name	1 Jan 2021 – 31 Dec 2021			1 Jan 2022 – 31 Dec 2022
	Before transformation	After transformation	Total	
<b>The Corporate Governance and Sustainable Development Committee</b>	<b>(Total number of meeting are - time)</b>			<b>(Total number of meeting are 1 time)</b>
(1) Professor Dr. Surapon Nitikraipot		-		1/1 100%
(2) Mr. Thanassorn Ratanasirisap		-		1/1 100%
(3) Ms. Thapanattsamon Paisanteerakorn		-		1/1 100%
(4) Miss Varita Laothamatas		-		1/1 100%
<b>Total</b>				<b>100%</b>
<b>Executive Committee</b>	<b>(Total number of meeting are 21 times)</b>			<b>(Total number of meeting are 20 times)</b>
(1) Mrs. Sutharntip Phisitbuntoon	6/6 100%	15/15 100%	100%	19/20 95%
(2) Mr. Wichai Suphasathitkul	6/6 100%	15/15 100%	100%	20/20 100%
(3) Mr. Patpong Patong	5/6 83.3%	15/15 100%	95.2%	18/20 90%
(4) Mr. Bunthid Supasatitkul	6/6 100%	15/15 100%	100%	20/20 100%
(5) Mr. Parinya Supasatitkul	6/6 100%	15/15 100%	100%	20/20 100%
(6) Ms. Thapanattsamon Paisanteerakorn	6/6 100%	14/15 93.33%	95.2%	20/20 100%
(7) Mr. Thanassorn Ratanasirisap	6/6 100%	15/15 100%	100%	20/20 100%
(8) Ms. Chonchissa Ratanasirisap	6/6 100%	15/15 100%	100%	20/20 100%
(9) Mr. Punsongpol Paisanterakorn	6/6 100%	15/15 100%	100%	20/20 100%
(10) Miss Varita Laothamatas	6/6 100%	15/15 100%	100%	20/20 100%
<b>Total</b>		<b>95.7%</b>		<b>98.5%</b>

### (3) Meetings of the non-executive members of the Board of Directors

The Board of Directors requires non-executive directors to hold meeting among themselves as appropriate without any executive directors or executives participating in the meeting to provide an opportunity to discuss any issues relating to the Company's business or other matters of interest. In this year 2022 the non-executive had a meeting on December 9, 2022. Details of the meeting attendance of the non-executive members of the Board of Directors are summarized as set out below.

Name	Total Meetings attended / Total of meetings	
	1 Jan 2021 – 31 Dec 2021	1 Jan 2022 – 31 Dec 2022
(1) Professor Dr. Surapon Nitikraipot	1/1 100%	1/1 100%
(2) Mr. Nutchdhawattana Silpavittayakul	1/1 100%	1/1 100%
(3) Assistant Professor Dr.Chaiwuth Tangsomchai	1/1 100%	1/1 100%
(4) Mr. Natthirutt Wanwimonphong	1/1 100%	1/1 100%
(5) Mr. Patpong Patong	1/1 100%	1/1 100%
(6) Mr. Bunthid Supasatitkul	1/1 100%	1/1 100%
(7) Mr. Parinya Supasatitkul	1/1 100%	1/1 100%
(8) Mr. Thanassorn Ratanasirisap	1/1 100%	1/1 100%
(9) Ms. Thapanattsamon Paisanteerakorn	1/1 100%	1/1 100%
(10) Miss Varita Laothamatas	1/1 100%	1/1 100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Directors' remuneration

### (1) Monetary remuneration

The 2022 Annual General Meeting of Shareholders held on April 20, 2022 resolved to approve the directors' remuneration for the year 2022 with details as set out below.

Board of Directors and Sub-committees	Monthly Remuneration (Baht/person)	Meeting Fee (Baht/time/person) <sup>(3)</sup>
<b>Board of Directors<sup>(1)</sup></b>		
• Chairman of the Board of Directors	-	60,000
• Member of the Board of Directors	-	40,000
<b>Sub-committees</b>		
1. Audit Committee <sup>(1)</sup>		
• Chairman of the Audit Committee	-	35,000
• Member of the Audit Committee	-	25,000
2. Risk Management Committee <sup>(1)</sup>		
• Chairman of the Risk Management Committee	-	35,000
• Member of the Risk Management Committee	-	25,000
3. Nomination and Remuneration Committee <sup>(1)</sup>		
• Chairman of the Nomination and Remuneration Committee	-	35,000
• Member of the Nomination and Remuneration Committee	-	25,000
4. Corporate Governance and Sustainable Development Committee <sup>(1)</sup>		
• Chairman of Corporate Governance and Sustainable Development Committee	-	35,000
• Member of Corporate Governance and Sustainable Development Committee	-	25,000
5. Executive Committee <sup>(2)(3)</sup>		
• Chairman of the Executive Committee	165,000	-
• Member of the Executive Committee who holds a position as the Company's director and/or member of the sub-committee	125,000	-
• Member of the Executive Committee who does not hold a position as the Company's director and/or member of the sub-committee	105,000	-
6. Non-executive directors <sup>(1)</sup>		
• Chairman of the Board of Directors	-	60,000
• Member of the Board of Directors	-	40,000

#### Remarks:

(1) Only directors attending the meeting will receive meeting allowance.

(2) Member of the Executive Committee who holds a position as the Company's director and/or member of the sub-committee will receive only monthly remuneration as the Member of the Executive Committee.

(3) Member of the Executive Committee who holds an executive position will not receive meeting allowance and monthly remuneration as a Member of the Executive Committee.

## Remuneration during the period from 1 January – 31 December 2022

Name	Remuneration from 1 January – 31 December 2022								
	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Corporate Governance and Sustainable Development Committee	Executive Committee	Non-executive Directors	The Annual General Meeting of Shareholders	Total
1. Prof. Dr. Surapon Nitikraipot	420,000	-	-	-	35,000	-	60,000	60,000	575,000
2. Mr. Nutchdhawattana Silpavittayakul	280,000	140,000	-	100,000	-	-	40,000	40,000	600,000
3. Prof. Dr. Chaiwuth Tangsomchai	280,000	100,000	140,000	-	-	-	40,000	40,000	600,000
4. Mr. Nutthirutt Wanwimonphong	280,000	100,000	100,000	140,000	-	-	40,000	40,000	700,000
5. Mrs. Sutharntip Phisitbuntoon <sup>(1)</sup>	-	-	-	-	-	-	-	-	-
6. Mr. Wichai Suphasathikul <sup>(1)</sup>	-	-	-	-	-	-	-	-	-
7. Mr. Patpong Patong	-	-	-	-	-	1,500,000	-	-	1,500,000
8. Mr. Bunthid Supasatitkul	-	-	-	-	-	1,500,000	-	-	1,500,000
9. Mr. Parinya Supasatitkul	-	-	-	-	-	1,500,000	-	-	1,500,000
10. Miss Thapanattsamon Paisanteerakorn	-	-	-	-	-	1,500,000	-	-	1,500,000
11. Mr. Thanassorn Ratanasirisap	-	-	-	-	-	1,500,000	-	-	1,500,000
12. Miss Varita Laothamatas <sup>(6)</sup>	-	-	-	-	-	1,500,000	-	-	1,500,000
13. Miss Chonchissa Ratanasirisap	-	-	-	-	-	1,260,000	-	-	1,260,000
14. Mr. Punsongpol Paisanterakorn	-	-	-	-	-	1,260,000	-	-	1,260,000
Total									13,995,000

### Remarks:

- (1) Not receiving remuneration as member of the Executive Committee as they hold a position as the Company's executive and have received remuneration as an executive.



## (2) Other remuneration

At December 31, 2022, the Company has paid other remunerations to Non-Executive member of Board of Directors and sub-committees including bonuses totaling approximately Baht 7,875,000 and health insurance premiums in the total amount of Baht 1,199,230.

### 8.1.3 Supervision of subsidiaries and associated companies

The Company does not have any subsidiary or associated company.

### 8.1.4 Monitoring on compliance with good corporate governance policies and guidelines

In the past, the Board has complied with the laws, objectives, Articles of Association, and shareholders' resolutions of the Company. The Company also complied with the Principles of Good Corporate Governance of Listed Companies 2012 as prescribed by the Stock Exchange of Thailand ("SET") and Corporate Governance Code for Listed Companies 2017 as prescribed by the Securities and Exchange Commission ("SEC") as guidelines for its business operations to create work efficiency and transparency to investors, which shall create confidence in the Company's business operations from third party.

The Company has provided the Company's corporate governance policy and guidelines in writing for submission to the Board of Directors' meeting for approval of the corporate governance policy and the corporate governance handbook, with the objective of being guidelines for compliance with the corporate governance policy for directors, executives and employees. The Company will arrange to review the corporate governance policy annually in order to create transparency to investors, shareholders and stakeholders, which will create confidence in the company's business operations.

#### (1) Prevention of conflicts of interest

The Company, by the Board of Directors has established a policy in relation to the prevention of conflicts of interest on the principles that any decision in conducting business activities must be made only in the best interests of the Company and acts that cause conflicts of interest must be avoided by requiring those who are involved or have a conflict of interest in the transactions being considered must inform the Company of their relationships or interests in such transactions. The main principles are as follows:

(1) The Company's directors and executives shall notify the Company of their relationship or stake in such transactions and shall not participate in decision-making including having no authority to approve such transactions.

(2) To avoid making connected transactions with connected persons or juristic persons or persons or juristic persons that may have conflicts of interest or have interests in the event that such transactions need to be presented to the Audit Committee for consideration and opinion before proposing to the Executive Committee or the Board of Directors or the Shareholders' Meeting (as the case may be) in accordance with the Good Corporate Governance Principles for listed companies and other relevant laws including ensuring the compliance with the rules determined by the SET and the SEC.

(3) The executives and employees shall comply with the Company's regulations and the Company's business ethics, which are important matters that shall be strictly adhered to in order for the Company to be reliable and trustworthy among all stakeholders including disseminating understanding information for employees to adhere to throughout the Company.

The Company adheres to the conflicts of interest policy as an important policy and regularly reviews it in order to set up a standardized control system with transparency in management in accordance with the Good Corporate Governance Principles.

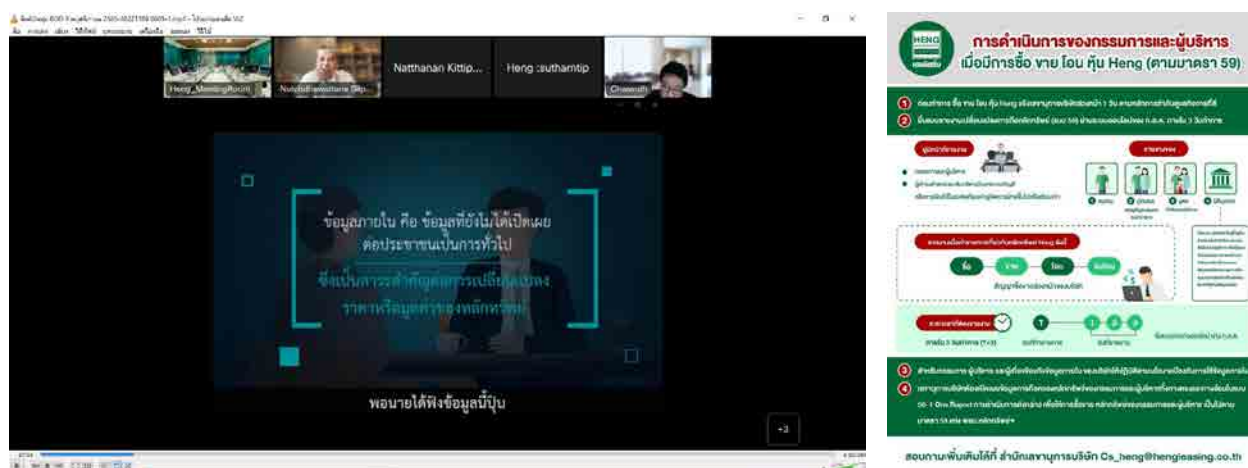
In the past year, the Company did not find any actions that violate the conflicts of interest policy and did not enter into any connected transactions that required the approval from the shareholders' meeting and it also did not violate the rules and regulations on connected transactions and acquisition of assets.

## (2) Seek benefits

After the Company has listed its securities on the Stock Exchange of Thailand, directors, executives, employees and employees of the Company, including those who are presumed to know or possess inside information under the Securities and Exchange Act B.E. 2535 (as amended) (the "Securities Act") who know material inside information that may affect the change in the price of securities, trade securities or enter into derivatives contracts related to securities of the Company for at least 1 month before the disclosure of such financial statements or information to the public and it shall wait at least 24 hours after the disclosure of such information to the public. In case the disclosure of such information is not yet widespread, or the information is very complex, it is advisable to wait up to 48 hours after the disclosure of such information to the public before buying or selling securities or entering into obligations under futures contracts related to the Company's securities, including prohibiting such persons and persons related to inside information from disclosing such information to other persons as well.

Stipulated that directors and executives including those holding a management position in the accounting or finance line at the level equivalent to a department manager or higher (According to the definition of the SEC and SET) notify the company secretary at least 1 day in advance before buying, selling, transferring or accepting the transfer of the company's securities and/or derivatives according to good corporate governance. Including the disclosure of the report on holding of securities and derivatives issued by the company, both for themselves, their spouses, or those who live together as husband and wife. and of underage children including the juristic person who Spouse or those who live together as husband and wife and minor children holding shares more than 30 percent of the total voting rights of such juristic person and the aggregate shareholding is the largest proportion in that juristic person within 7 business days from the date of the first change of holding of securities and/or derivatives of the Company and report the change in holding of securities and derivatives of the company within 3 business days from the date of purchase, sale, transfer or acceptance of transfer of such company's securities and/or derivatives, in accordance with the rules and procedures prescribed by the Market Supervisory Board. Capital and the SEC Office determine and deliver a copy of the report to the Company Secretary on the same day the report is submitted to the SEC Office.

In the past year, the directors and executives performed correctly and completely in accordance with the Company's policy. There was no insider trading offense.



In this regard, the Company communicates and promotes knowledge and understanding of management policies and governance as an efficient and socially responsible Company, the Company's business ethics to directors, executives and employees at all levels in electronic formats by summarizing the contents of best practices of the business ethics which are published through the Company's public relations media, such as e-mail and intranet systems in regards to reporting conflicts of interest and preventing the use of inside information.

#### Reporting of Securities Holding of Directors as of December 31, 2022

No.	Name	Shares			Remark
		As of January 1, 2022	Increase (decrease) during the year (shares)	As of December 31, 2022	
1	Professor Dr. Surapon Nitikraipot	5,000,000.00		5,000,000.00	
	Spouse and underage children	650,000.00		650,000.00	
2	Mr. Nutchdhwattana Silpavittayakul	-		-	
	Spouse and underage children	-		-	
3	Mrs. Suthartip Phisitbuntoon	3,025,000.00		3,025,000.00	
	Spouse and underage children	-		-	
4	Mr. Natthirutt Wanwimonphong	2,000,000.00	(2,000,000.00)	-	
	Spouse and underage children	-		-	
5	Assistant Professor Dr. Chaiwuth Tansomchai	600,000.00		600,000.00	
	Spouse and underage children	50,000.00		50,000.00	
6	Mr. Wichai Suphasathitkul	331,883,525.00		331,883,525.00	
	Spouse and underage children	-		-	
7	Mr. Patpong Patong	125,893,145.00		125,893,145.00	
	Spouse and underage children	500,000.00		500,000.00	

No.	Name	Shares			Remark
		As of January 1, 2022	Increase (decrease) during the year (shares)	As of December 31, 2022	
8	Mr. Bunthid Supasatitkul	148,344,820.00		148,344,820.00	
	Spouse and underage children	-		-	
9	Mr. Parinya Supasatitkul	197,790,430.00		197,790,430.00	
	Spouse and underage children	-		-	
10	Mr. Thanassorn Ratanasirisap	144,440,000.00	(84,440,000.00)	60,000,000.00	
	Spouse and underage children	500,000.00		500,000.00	
11	Miss. Thapanattsamon Paisanteerakorn	44,776,200.00		44,776,200.00	
	Spouse and underage children	-		-	
12	Miss. Chonchissa Ratanasirisap	146,130,000.00	(72,220,000.00)	73,910,000	
	Spouse and underage children	-		-	
13	Mr. Punsongpol Paisanterakorn	44,776,200.00		44,776,200.00	
	Spouse and underage children	-		-	
14	Miss Varita Laothamatas	10,000,000.00		10,000,000.00	
	Spouse and underage children	-		-	

#### Reporting of Management's Securities Holding as of December 31, 2022

No.	Name	Shares			Remark
		As of January 1, 2022	Increase (decrease) during the year (shares)	As of December 31, 2022	
1	Mr. Rapee Pruenglampoo	660,000.00		660,000.00	
	Spouse and underage children	-		-	
2	Mr. Benjarong Kammanid	360,000.00		360,000.00	
	Spouse and underage children	-		-	
3	Dr. Theerawat Thawanratphokin	660,000.00	(560,000.00)	100,000.00	
	Spouse and underage children	-		-	
4	Miss Sarinya Krissanakupata	-		-	
	Spouse and underage children	-		-	
5	Mr. Suphot Phuthong	660,000.00		660,000.00	
	Spouse and underage children	-		-	
6	Mr. Sompop Pundrikabha	80,000.00		80,000.00	
	Spouse and underage children	-		-	
7	Miss Natthanant Kittiphonsombun	550,000.00		550,000.00	
	Spouse and underage children	-		-	

### (3) Anti-corruption

#### Anti-corruption policy

The Company has an anti-corruption policy that recognizes the importance of anti-corruption and adheres to morals and ethics and management with transparency and responsibilities to all stakeholders. In this regard, the Company has established guidelines for proper conduct of the Board of Directors, the management and employees in the good corporate governance policy. and business ethics which is part of “Corporate Governance” of the Company. The Board of Directors, executives, staff, and employees of the Company must not demand, accept or act in connection with any form of corruption, either directly or indirectly for the benefit of oneself, family, friends, and acquaintances, whether they are giver, receiver or offerer of bribe and whether monetary or non-monetary, to government agencies or private agencies of which the Company has conducted business or dealt with. The Company will strictly comply with the anti-corruption policy as well as arrange to crosscheck and regularly review the implementation of this anti-corruption policy in compliance with changes in business, rules, regulations, and relevant laws.

#### Guidelines for Disclosure of Information on Anti-Corruption Performance

The company has established a risk management policy on fraud and corruption for the Board of Directors, executives and employees to use as a guideline for monitoring and assessing the risks of fraud and corruption in their operations and establishing an appropriate internal control process.

In addition, the Company provides communication of guidelines in by disseminating to the board of directors, executives and employees through the company’s intranet channel and posting such guidelines at the company’s office By specifying guidelines for monitoring and evaluating compliance with anti-corruption guidelines as follows:

1. Set the Board of Directors, executives and employees Self-assessment of the Company’s compliance with the Anti-Corruption Policy.
2. Set up an internal audit department. Serves to audit the internal control system. risk management corporate governance and provide continuous feedback The audit is carried out in accordance with the annual audit plan that has been reviewed by the Audit Committee. and report significant audit results and recommendations to the Audit Committee.
3. Set the risk management department Responsible for continually testing and assessing the risks of corruption. to ensure effective implementation of anti-corruption measures, as well as to regularly monitor, review and improve anti-corruption measures The assessment results are presented to the Risk Management Committee and reported to the Board of Directors.
4. When the facts were investigated, it turned out that information from the audit There is evidence that there are reasonable grounds to believe that there are items. or actions that may have a significant impact on the financial position and the Company’s performance including the violation Illegal acts or the company’s anti-corruption policy or doubts about financial reports or internal control system The investigation committee will make corrections according to the results of the consideration within the period approved by the Audit Committee.

In 2022, the Board of Directors did not commit any fraud offenses which caused the Board of Directors to be fined or accused by regulators.

#### (4) whistleblowing

##### **whistleblowing, complaints, or witnessing actions that cause suspicion that it is corruption**

The Company provides opportunities for its directors, executives, employees, and stakeholders, both inside and outside the Company, who witness an act that leads to suspicion of corruption to the Company, whether directly or indirectly through the whistleblowing channels as specified in this policy. The whistleblower must specify details of the matter to be reported, clues or complaints, together with evidence or information sufficient for investigation, and name, address, and reachable telephone number and clearly specify that it is a confidential document, through the following channels:

1. Comment box
2. Post : Audit Committee or Company Secretary  
Heng Leasing and Capital Public Company Limited  
No. 69, Moo 7, San Sai Noi Sub-district, San Sai District  
Chiang Mai Province 50210
3. E-mail : whistleblower@hengleasing.co.th
4. Telephone : 02-153-9582 ext. 8010
5. Website : www.hengleasing.com

The Company has a preliminary screening process to categorize the type of complaint. This process is to collect evidence and make decisions on that matter.

In respect of complaints or whistleblowing by employees, the Company has a procedure for dealing with complaints to build confidence in the protection and confidentiality measures of the whistleblowers.

##### **Measures to protect and maintain the confidentiality of whistleblowers**

To protect and maintain the confidentiality of whistleblowers and informants who act in good faith, the Company will conceal the name, address or any information that can be used to identify the whistleblowers or the informants and keep the information of the whistleblowers and the informants confidential. Only those responsible for investigating complaints will have access to such information. The responsible persons shall have the duty to keep information confidential and shall not disclose information to other people who do not have relevant responsibilities, unless disclosure of such information is required by the laws.



In 2022, the Company found that there were whistleblowing complaints through complaint channels as follow :

Reports and whistle blowing	Quantity	Required Actions
Fraud/Corruption	45*	According to the Company's regulations
conflict of interest	None	-
Human Rights/Operational Safety	None	-
Disclosure of information within the organization	None	-
Security of information technology systems and personal information	None	-
Inaccurate financial reports/ Defective internal control system/ Preparation of false financial documents	None	-
Other misconducts such as violating rules and regulations or the Company's Articles of Association, violation of duty, policy, and code of conduct etc.	12**	According to the Company's regulations

\* Fraud Report

\*\* Violating rules and regulations Report

## 8.2 Report of the Audit Committee

### 8.2.1 Audit Committee Meeting

Details of the topic are reported under section 8.1.2 Meeting attendance and individual directors' compensation

### 8.2.2 The performance of The Audit Committee

The Audit Committee Performance are reported under section attachement No. 6 Report of the Audit Committee

## 8.3 Summary of the performance of other sub-committees

### 8.3.1 Sub-committee meeting

Summary of the performance of other sub-committees are reported under section attachement No. 6 - The Audit Committee Report

### 8.3.2 The performance of the sub-committees

Performance of the Risk Management Committee is reported under section attachement No. 6 – The Risk Management Committee Report

Performance of the Nomination and Remuneration Committee is reported under section attachement No 6 The Nomination and Remuneration Committee Report

Performance of the Executive Committee Shown in Attachment 6 Executive Committee Report



# Internal Control and Connected Transactions

## 9.1 Internal control

The Company manages its internal control according to an international standard, namely The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in order to achieve objectives of internal control in all three aspects, including operation, reporting, and compliance with applicable laws and regulations (Compliance Unit). In the Board of Directors' Meeting No. 1/2023 held on February 17, 2023 which was attended by independent directors and the Audit Committee, the Board of Directors assessed sufficiency of the Company's internal control system according to Internal Control Sufficiency Evaluation Form of the SEC prepared by KPMG Phoomchai Business Advisory Limited ("KPMG") through enquiries from the management of KPMG and the Company's relevant departments to compare the internal control approach under the concept of COSO. The Company has improved the procedures and systems to promote internal control and assist the audit process in identifying problems or risks faster and more efficiently. The management of the Company's internal control system can be summarized by components of internal control according to the international COSO standard, with details as follows:

### (1) Control Environment

The Board of Directors and the management give importance to control environment and organizational cultures by determining policies, internal control, risk management, good corporate governance and anti-corruption policy, supervision, compliance with the laws and the Company's regulations relating to accepting and giving gift, asset or other benefit and such policies have been announced to all employees for acknowledgement and compliance. The Company also organizes trainings, internal/external public relations, and monitoring and assessment on a regular basis.

### (2) Risk Assessment

The Company has identified and analyzed risks that may have an impact on achieving its objectives, covering organizational risks of the Company, departments, and responsibilities. The Company has established a unit which is responsible for risk management and has clearly determined the risk management policy.

### (3) Control Activities

The Company defines control activities as part of the operating procedures and arranges an appropriate control structure in all departments by separating duties between operators and those who monitor and make assessment in order to create an appropriate check and balance. Any activities that may cause conflicts of interest will be identified and handled to meet the Company's applicable rules and regulations.

### (4) Information and Communication

The Company's information systems including financial information system, operating system, and compliance with rules and regulations used to support internal control, has continuously been developed to operate as required and to ensure that useful information is accurate, complete and up-to-date to support decision-making by the Board of Directors and the management. In addition, the Company has

arranged effective communication to ensure that all executives and employees understand policies and procedures that are truly relevant to their responsibilities and external stakeholders such as customers, trade partners and supervisory agencies have channels for communicating recommendations and information that are useful to the Company's business operations.

## **(5) Monitoring Activities**

The Company requires that internal control be monitored and evaluated. This ensures that the internal control system continues to operate in its entirety and appropriate as designed and is able to deal with changing risks over time. The Company requires monitoring and evaluation during performance of duties and monitoring and evaluation on a case by case basis. Any defect in the internal control will be reported to the responsible person and the significant defect will be reported to the Board of Directors, the Audit Committee and/or the senior management within a reasonable time period.

The Board of Directors is of the view that the Company has an internal control system and a risk management system that are appropriate and sufficient for the business size. The systems can prevent loss or unauthorized use of the Company's assets and assist in preparing accurate and reliable financial reports of the Company.

## **Internal Control System**

The Company has appointed KPMG Phoomchai Business Advisory Limited ("KPMG") as the Company's internal auditor. The internal auditor's duties include reviewing and assessing efficiency and effectiveness of the Company's internal control system. The internal audit office (KPMG) is an independent agency, which reports directly to the Audit Committee. KPMG's responsibilities include to create assurance and provide advice so that there are good corporate governance over the Company's internal procedures, risk management, internal control and compliance with regulations in order to achieve the Company's objectives. The internal audit office prepares an internal audit plan on a yearly basis. The internal audit plan is prepared in line with business strategic directions and key risks that affect the Company's operations are identified (Risk-Based Approach). The internal audit plan cover the Company's work procedures and the audit results are reported to the Audit Committee for consideration. The audit results are also reported to the Board of Directors and supervisory agency on a quarterly basis. There is a regular monitoring on implementation of recommendations from review and audit. The internal audit office (KPMG) does not have any limitation on expressing opinion nor conflict of interest with the review unit.

## **Head of Internal Audit Department**

According to the resolution of the meeting of the Audit Committee No. 5/2021 held on 5 November 2021, the Audit Committee has assigned KPMG Phoomchai Business Advisory Limited ("KPMG") by Mr. Supachate Kunaluckkul as Head of Internal Audit who shall be mainly responsible for performance of duties by the Company's internal auditor for the year 2022 according to the internal audit plan agreed between the internal auditor and the Company. The internal auditor shall prepare a report with recommendations for improvement according to the Company's internal audit plan and policy.

(Please refer to additional details regarding the Company's Head of Internal Audit under Attachment 3 (Details on head of internal audit)).

The Audit Committee has reviewed the qualifications of KPMG by Mr. Supachate Kunaluckkul as Head of Internal Audit and is of the view that he is suitable to perform such duties due to qualifications, educational background, work experience and has received suitable and adequate trainings to be a supervisor of such operations. In this regard, the appointment, removal and transfer of the Company's internal auditor must be approved by the Audit Committee.

### **Compliance Unit**

The Company understands the importance and is aware of the aforementioned risks. Therefore, the Company has established the Compliance Unit with specialized knowledge to supervise and control that operations of departments within the Company comply with the laws. The Compliance Unit is assigned to analyze impacts, plan and assess key risks associated with compliance with the applicable laws, including setting guidelines for control measures, recommendations and prevention methods to reduce risks to an acceptable level, and to continuously develop the organization's risk management system to be effective. In addition, the Compliance Unit has a duty to keep up-to-date with amendments to the laws, regulations and announcements relating to the Company's business operations. If necessary, the Company may engage an external legal advisor to provide legal advice and opinion which would allow the Company to continue its business operations as required by law on an ongoing basis.

### **Roles, Duties and Responsibilities of the Company's Compliance Unit**

1. To provide advice to directors, executives and employees in order to control the Company's operations in accordance with various laws.
2. To provide assistance as a consultant and to provide guidelines for legal compliance to directors, executives and employees.
3. To propose improvements in any procedures to the agency for compliance with the laws.
4. To supervise the operations of various departments to be in compliance with the laws and to immediately report to the directors or executives if there is an important issue.
5. To coordinate with organizations that supervise the Company, namely the Bank of Thailand, the Consumer Protection Office, the Office of Insurance Commission (OIC) and other related organizations including having roles and responsibilities as specified by the specific laws, such as the law on money laundering, etc.
6. To analyze impacts, plan and to propose policies along with setting guidelines for prevention and remediation in order to supervise operations in accordance with rules, regulations, criteria, and other relevant laws.
7. To manage risks related to rules, regulations, criteria, and other laws to ensure business continuity of the Company.
8. To review the compliance with laws, rules and regulations according to the Company's operations and to regularly update them by reviewing the Company's operations at least once a year.
9. To define a process in case of a change in the laws and rules and regulations that the Company will be required to comply with it.
10. To communicate to relevant employees about changes in laws and regulations.

## 9.2 Related Party Transaction

### Persons who may have the conflict of interest with the Company

The Company has transactions between each other and persons who may have conflicts that can summarize the relationship as follows:

Persons who may have conflicts	Relationship Style
1. Tawee Heng Leasing Limited Partnership (“Tawee Heng LLP”)	<ul style="list-style-type: none"> <li>• Mr. Wichai Suphasathitkul, the director, executive and major shareholder of the Company holds shares in Tawee Heng LLP of 18.0% as of the date of the transaction.</li> <li>• Mr. Parinya Supasathitkul, the director holds shares in Tawee Heng LLP is 9.0% and he is a managing partner of Tawee Heng LLP.</li> <li>• Mr. Wichai Suphasathitkul, the director, executive and major shareholder has brothers and sisters, including Mr. Wichian Suphasathitkul, who holds shares in Tawee Heng LLP of 17.3%.</li> </ul>
2. Tawee Heng Automotive Limited Partnership (“Tawee Heng Automotive LLP”)	<ul style="list-style-type: none"> <li>• Mr. Wichai Suphasathitkul, the director, executive and major shareholder holds 20.2% shares in Tawee Heng Automotive LLP as of the date of the transaction, and he is a managing partner of Tawee Heng Automotive LLP.</li> <li>• (1) Mr. Bunthid Supasathitkul, the director of the Company and he is a managing partner of Tawee Heng Automotive LLP and (2) Mr. Parinya Supasathitkul, the directors hold 10.1% shares in Tawee Heng Automotive LLP.</li> <li>• Mr. Wichai Suphasathitkul, the director, executive and major shareholder has brothers and sisters, including Mr. Wichian Suphasathitkul, who holds 19.4% of the shares in Tawee Heng Automotive LLP</li> </ul>
3. Bandu Leasing Limited Partnership (“Ban Do Leasing LLP”)	<ul style="list-style-type: none"> <li>• Mr. Wichai Suphasathitkul, the director, executive and major shareholder of the Company Holding 20.2% shares in Ban Do Leasing LLP as of the date of the transaction.</li> <li>• (1) Mr. Bunthid Supasathitkul, the director of the Company and he is a managing partner of Ban Do Leasing LLP and (2) Mr. Parinya Supasathitkul, the Company’s directors hold shares in Ban Do Leasing LLP of 10.1%</li> <li>• Mr. Wichai Suphasathitkul, the directors, executives and major shareholders has brothers and sisters, including Mr. Wichian Suphasathitkul, who holds 19.4% of the shares in Ban Do LLP.</li> </ul>
4. Chiang Saen Leasing Limited Partnership (“Chiang Saen Leasing LLP”)	<ul style="list-style-type: none"> <li>• Mr. Wichai Suphasathitkul, the director and major shareholder of the Company has brothers and sisters, including (1) Wichian Suphasathitkul and (2) Ms. Suwanna Suphasathitkul holds shares in Chiang Saen Lease Limited Partnership. Racing, 40.0% and 35.0%, respectively.</li> </ul>

Persons who may have conflicts	Relationship Style
5. Thawee Heng Co., Ltd. ("Thawee Heng Co., Ltd.")	<ul style="list-style-type: none"> <li>• (1) Mr. Wichai Suphasathitkul, the director, executive and major shareholder of the Company Holds 20.2% shares in Thawee Heng Co., Ltd. and he is a director of Thawee Heng Co., Ltd. on the date of the transaction.</li> <li>• (1) Mr. Bundit Supasatitkul, the director of the Company and (2) Mr. Parinya Supasatitkul, a director of the Company Each of them holds 10.1 percent of the shares in Thawee Heng Co., Ltd. Mr. Parinya Supasatitkul is a director of Thawee Heng Co., Ltd.</li> <li>• Mr. Wichai Suphasathitkul, the director, executive and major shareholder of the Company, has siblings namely Mr. Wichian Suphasathitkul, holding 19.4% in Thawee Heng Co., Ltd.</li> </ul>
6. Tawee Heng Limited Auto Center Lees Co., Ltd. ("Taweeheng Auto Center Lees Co., Ltd.")	<ul style="list-style-type: none"> <li>• (1) Mr. Wichai Suphasathitkul, the director, executive and major shareholders of the Company holds 20.2% shares in Taweeheng Auto Center Lees Co., Ltd. and he is a director of Taweeheng Auto Center Lees Co., Ltd. on the date of the transaction.</li> <li>• (1) Mr. Bunthid Supasatitkul, director of the Company and (2) Mr. Parinya Supasatitkul Each of the Company's directors holds shares in Taweeheng Auto Center Lees Co., Ltd. 10.1%</li> <li>• Mr. Wichai Suphasathitkul, director The Company's executives and major shareholders have brothers and sisters, including Mr. Wichain Suphasathitkul, who holds shares in Taweeheng Auto Center Lees Co., Ltd. 19.4%</li> </ul>
7. Thawee Heng Auto Leasing Co., Ltd. ("Thawee Heng Auto leasing Co., Ltd.")	<ul style="list-style-type: none"> <li>• Mr. Bundit Supasatitkul, the Company's directors hold shares in Thawee Heng Auto Leasing Co., Ltd. of 91.6% on the date of the transaction and he is a director of Thawee Heng Auto Leasing Co., Ltd.</li> <li>• Mr. Wichai Suphasathitkul, the director, executive and major shareholders of the Company holds shares in Tawee Heng Auto leasing Co., Ltd. 1.80% and he is a director of Thawee Heng Auto leasing Co., Ltd.</li> </ul>
8. Thawee Heng Motor Co., Ltd. ("Thawee Heng Co., Ltd. Motor")	<ul style="list-style-type: none"> <li>• Mr. Wichai Suphasathitkul the director, executive and major shareholders of the Company holds shares in Thawee Heng Co., Ltd. Motor 9.0 as of the date of the transaction and he is a director of Thawee Heng Co., Ltd. motor</li> <li>• Mr. Bunthid Supasatitkul, the Company's directors hold shares in Thawee Heng Co., Ltd. Motor 51.0% and he is a director of Taweeheng Co., Ltd. Motor.</li> </ul>
9. Thawee Heng Motor Lees Co., Ltd. ("Thawee Heng Co., Ltd. Motor Lees")	<ul style="list-style-type: none"> <li>• Mr. Wichai Suphasathitkul the director, executive and major shareholders of the Company holds shares in Thawee Heng Co., Ltd. Motor Lees 18.0% as of the date of the transaction.</li> <li>• Mr. Bunthid Supasatitkul, The Company's directors hold shares in Thawee Heng Co., Ltd. Motor Lees 6.7% and he is a director of Thawee Heng Co., Ltd. Motor Lees.</li> <li>• Mr. Wichai Suphasathitkul the director, executive and major shareholders has brothers and sisters, including Mr. Wichain Suphasathitkul, who holds shares in Thawee Heng Co., Ltd. Motor Lees 17.3%</li> </ul>
10. Tawee Heng (2015) Co., Ltd. ("Taweeheng Co., Ltd. 2015")	<ul style="list-style-type: none"> <li>• Mr. Wichai Suphasathitkul the director, executive and major shareholders of the Company holds shares in Taweeheng Co., Ltd. 2015 of 9.0 % as of the date of the transaction and he is a director of Taweeheng Co., Ltd. 2015</li> <li>• Mr. Bunthid Supasatitkul, the Company's directors hold shares in Taweeheng Co., Ltd. 2015 of 51.0% and he is a director of Taweeheng Co., Ltd. 2015</li> </ul>



Persons who may have conflicts	Relationship Style
11. Tawee Heng Quick Money Co., Ltd. ("Taweeheng Express Money Co., Ltd.")	<ul style="list-style-type: none"> <li>Mr. Wichai Suphasathitkul the director, executive and major shareholders of the Company holds shares in Taweeheng Express Money Co., Ltd of 9.0% as of the date of the transaction and he is a director of Taweeheng Express Money Co., Ltd.</li> <li>Mr. Parinya Supasatitkul The Company's directors hold shares in Taweeheng Express Money Co., Ltd of 51.0% and he is a director of Taweeheng Express Money Co., Ltd.</li> </ul>
12. Choice Carentol Co., Ltd. ("Choice Co., Ltd.")	<ul style="list-style-type: none"> <li>Mr. Patpong Patong, the Company's directors hold 24.8% of the shares in Choice Co., Ltd. and serve as directors of Choice Co., Ltd.</li> <li>Mr. Patpong Patong, the Company's directors have brothers and sisters, including (1) Ms. Nantida Patong (2), Mr. Thanarat Patong and (3) Mr. Alonkorn Patong, each of them holding 24.8% of the shares in Choice Co., Ltd.</li> </ul>
13. Thepwong Co., Ltd. ("Thewpwoong Co., Ltd.")	<ul style="list-style-type: none"> <li>Mr. Patpong Patong, the Company's directors have brothers and sisters, including Mr. Alonkorn Patong, who holds 4.3% of the shares in Thepwong Co., Ltd. and serves as a director of Thepwong Co., Ltd.</li> </ul>
14. Pattanasin Leasing Co., Ltd. (CPL) ("Pattanasin Leasing Co., Ltd. (CPL)")	<ul style="list-style-type: none"> <li>Mr. Patpong Patong, the Company's directors hold 25.0% of the shares in Pattanasin Leasing Co., Ltd. (CPL) and serve as directors of Pattanasin Leasing Co., Ltd. (CPL).</li> <li>Mr. Patpong Patong The Company's directors have brothers and sisters, including (1) Ms. Nantida Patong (2), Mr. Thanarat Patong and (3) Mr. Alonkorn Patong, each of them holding 25.0% of pattanasin leasing co., Ltd. (CPL). Ms. Nantida Patong and Mr. Alonkorn Patong are a director of Pattanasin Leasing Co., Ltd. (CPL).</li> </ul>
15. Mitt Euari Leasing Co., Ltd. ("Mitr euari leasing Co., Ltd.")	<ul style="list-style-type: none"> <li>Ms. Thapanattamon Paisanteerakorn, the Company's directors have parents including (1) Mr. Banyong Paisanteerakorn (2), Mrs. Indusmi Paisanteerakorn, who holds 29.0% and 42.6% of the shares in Mitt euari leasing Co., Ltd., respectively, and each of them serves as a director of Mitt euari leasing Co., Ltd.</li> <li>Ms. Thapanattamon Paisanteerakorn, the Company's directors have brothers and sisters, including (1) Mr. Punsongpol Paisanteerakorn and (2) Ms. Supakam Paisanteerakorn holding shares in Mitt euari leasing Co., Ltd. 14.2% and 14.0%, respectively.</li> </ul>
16. Mr. Anan and his ordinary partnership ("Mr. Anan and his associates").	<ul style="list-style-type: none"> <li>Ms. Varita Laothamatas, the Company's directors have fathers, including Mr. Anan Laothamatas, who hold shares in Mr. Anan and his associates who holds 25%.</li> </ul>
17. Mr. Somrit Pantharat	<ul style="list-style-type: none"> <li>To hold a position Directors of the Company as of the date of the transaction</li> </ul>
18. Mr. Vichai Suphasathitkul	<ul style="list-style-type: none"> <li>To hold a position Directors and Executives of the Company</li> </ul>
19. Mr. Bunthid Supasatitkul	<ul style="list-style-type: none"> <li>To hold a position Directors of the Company</li> </ul>
20. Mr. Parinya Supasatitkul	<ul style="list-style-type: none"> <li>To hold a position Directors of the Company</li> </ul>
21. Mr. Patpong Patong	<ul style="list-style-type: none"> <li>To hold a position Directors of the Company</li> </ul>
22. Mrs. Nattinan Patong	<ul style="list-style-type: none"> <li>Mrs. Nattinan Patong is the spouse of Mr. Patpong Patong, who is a director of the Company.</li> </ul>
23. Mr. Patpoom Patong	<ul style="list-style-type: none"> <li>Mr. Patpoom Patong is a son of Mr. Patpong Patong, who is a director of the Company.</li> </ul>
24. Mr. Nattaphat Patong	<ul style="list-style-type: none"> <li>Mr. Nattaphat Patong is a son of Mr. Patpong Patong, who is a director of the Company.</li> </ul>

Persons who may have conflicts	Relationship Style
25. Mr. Patcharpol Patong	<ul style="list-style-type: none"> <li>• Mr. Patcharpol Patong is a son of Mr. Patpong Patong, who is a director of the Company.</li> </ul>
26. Mr. Banyong Paisanteerakorn	<ul style="list-style-type: none"> <li>• Mr. Banyong Paisanteerakorn is the father of Ms. Thapanattsamon Paisanteerakorn, a director of the Company.</li> </ul>
27. Mrs. Inthurat Paisanteerakorn	<ul style="list-style-type: none"> <li>• Mrs. Inthurat Paisanteerakorn is the mother of Ms. Thapanattsamon Paisanteerakorn, a director of the Company.</li> </ul>
28. Ms. Thapanattsamon Paisanteerakorn	<ul style="list-style-type: none"> <li>• To hold a position Directors of the Company</li> </ul>
29. Ms. Supakarn Paisanteerakorn	<ul style="list-style-type: none"> <li>• Ms. Supakarn Paisanteerakorn is a siblings of Ms. Thapanattsamon Paisanteerakorn, who is a director of the Company.</li> </ul>
30. Ms. Varita Laothamatas	<ul style="list-style-type: none"> <li>• To hold a position Directors of the Company</li> </ul>
31. Mr. Anan Laothamatas	<ul style="list-style-type: none"> <li>• Mr. Anan Laothamatas I is a father of Ms. Varita Laothamatas, who is a director of the Company.</li> </ul>
32. Mr. Thanassorn Ratanasirisap	<ul style="list-style-type: none"> <li>• To hold a position Directors of the Company</li> </ul>
33. Mr. Rapee Pruenglampoo	<ul style="list-style-type: none"> <li>• To hold a position Executives of the Company</li> </ul>
34. Mr. Kittipan Phuenglampoo	<ul style="list-style-type: none"> <li>• Mr. Kittipan Phuenglampoo is a son of Mr. Rapee Pruenglampoo, who is the company's executive.</li> </ul>
35. Mr. Sompop Pundharikapa	<ul style="list-style-type: none"> <li>• To hold a position Executives of the Company</li> </ul>
36. Mr. Danupol Noppasuwan	<ul style="list-style-type: none"> <li>• To hold a position Executives of the Company</li> </ul>
37. Mr. Danop Noppasuwan	<ul style="list-style-type: none"> <li>• The son of Mr. Donupol Noppasuwan, who is the company's executive director.</li> </ul>
38. Ms. Thanaporn Sittisakchaikul	<ul style="list-style-type: none"> <li>• Ms. Thanaporn Sittisakchaikul is the spouse of Supoj Phuthong, who is the company's executive director.</li> </ul>
39. Ms. Natthanan Kittiphonsombun	<ul style="list-style-type: none"> <li>• To hold a position Executives of the Company</li> </ul>
40. Mr. Theerawat Thawanratphokin	<ul style="list-style-type: none"> <li>• To hold a position Executives of the Company</li> </ul>
41. Ms. Tanyanan Thawanratphokin	<ul style="list-style-type: none"> <li>• Ms. Tanyanan Thawanratphokin is the spouse of Mr. Theerawat Thawanratphokin, who is a director of the Company.</li> </ul>

### 9.3 Details of Related Party Transaction

#### (1) Office Building Rental Vehicles and billboards from persons who may have conflicts

Persons who may have conflicts	Type of Transaction	Transaction Value (Million Baht)		Necessity and reasonableness of the transaction	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2021	Fiscal year ended 31 Dec 2022		
1. Tawee Heng Leasing Co., Ltd. 2. Tawee Heng Automotive Co., Ltd. 3. Thawee Heng Co., Ltd. 4. Tawee Heng Auto Center Lees Co., Ltd. 5. Thawee Heng Auto Leasing Co., Ltd. 6. Thawee Heng Motor Co., Ltd. 7. Thepwong Co., Ltd. 8. Pattanasin Leasing Co., Ltd. (CPL) 9. Mr. Anan and his associates 10. Mr. Wichai Suphasathitkul 11. Mr. Bunthid Supasathitkul 12. Mr. Parinya Supasathitkul 13. Mr. Patpong Patong 14. Mrs. Nattinan Patong 15. Mr. Banyong Paisanteerakorn 16. Mrs. Indurat Paisanteerakorn	(1) Land and Building Rent (Head Office) • Rent paid	2.04	0.19	The Company rents land and buildings from persons who may have conflicts for use as a head office located in SanSai District, Chiang Mai Province. 10 years at a time and can be renewed 2 times. 10 years at a time, with rent rates and 10% rental rate adjustment every 3 years, according to the appraisal price by an independent appraiser approved by the office. SEC  In the first quarter of 2022, several persons who may have conflicts cease operations and liquidated by transferring ownership of land and buildings to other persons who are not related or have no conflict with the Company. The Company has entered into a land and building lease agreement with such person for further use.	The list supports the Company's normal business, with rental rates and rental conditions in accordance with the price and general trading conditions, which is based on the appraisal price by an independent appraiser approved by the office. SEC The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.
	(2) Rent (Branch Office) • Rent paid	4.65	2.21	The Company leases the building space to serve as a branch office for the company's business operations, totaling 38 of the contracts have a lease term of 3 years and can be renewed 2 times. 3 years at a time, according to the appraisal price by an independent appraiser approved by the office. SEC	The list supports the Company's normal business, with rental rates and rental conditions in accordance with the price and general trading conditions, which is based on the appraisal price by an independent appraiser approved by the office. SEC The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.

Persons who may have conflicts	Type of Transaction	Transaction Value (Million Baht)		Necessity and reasonableness of the transaction	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2021	Fiscal year ended 31 Dec 2022		
	(3) Rent for a parking building <ul style="list-style-type: none"> <li>Rent paid</li> </ul>	1.03	0.75	<p>The Company rents the building space to be used as a foreclosed parking space for the company's business operations with the following details:</p> <ul style="list-style-type: none"> <li>2 parking lots in Chiang Mai (head office parking lot) have a 10-year contract lease period and can be renewed 2 times. 10 years at a time</li> <li>1 parking lot in Phayao Province There is a 3-year contract lease period that can be renewed twice more time. 3 years at a time</li> <li>1 parking lot in Phrae Province There is a 3-year contract lease period that can be renewed 2 times. 3 years at a time</li> </ul> <p>The rental rate and 10% rental rate adjustment every three years are based on the appraisal price by an independent appraiser approved by the office. SEC In the first quarter of 2022, several persons who may have conflicts cease operations and liquidated by transferring ownership of land and buildings to other persons who are not related or have no conflict with the Company. The Company has entered into a land and building lease agreement with such person for further use.</p>	<p>The list supports the Company's normal business, with rental rates and rental conditions in accordance with the price and general trading conditions, which is based on the appraisal price by an independent appraiser approved by the office. SEC The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.</p>

Persons who may have conflicts	Type of Transaction	Transaction Value (Million Baht)		Necessity and reasonableness of the transaction	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2021	Fiscal year ended 31 Dec 2022		
	(4) Car Auction Yard Rental • Rent paid	1.12	1.21	The Company rents a car auctionground for the business operations of 1 company in Chiang Mai, the contract has a lease period of 3 years, can be renewed 2 times. 3 years at a time, with 10% rental rate and rental rate adjustment every 3 years, according to the appraisal price by an independent appraiser approved by the office. SEC	The list supports the Company's normal business, with rental rates and rental conditions in accordance with the price and general trading conditions, which is based on the appraisal price by an independent appraiser approved by the office. SEC The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.
17. Mitt Euari Leasing Co., Ltd.	(5) Rent (Branch Office) • Rent paid	0.11	-	The Company leases some of the building area to be used as a branch office for the business operations of 1 place in Chiang Mai. (1) The first contract has an 11-month lease period from August 1, 2019 to June 30, 2020, and (2) the second contract has a lease term of 2 years and 4 months starting on July 1, 2020 and can be renewed once more time. 3 years at a time such rental rates are the same rental rates rented by Mitt Euari Leasing Co., Ltd. from third parties. The company has ceased to sublease the building area with this person who may have conflicts. Since August 1, 2021 onwards and the Company rents that area directly from third parties. which the Company has entered into an agreement with such person to use for further operations.	The program supports the Company's normal business with rental rates and general conditions as if it were with a transaction with a third party. The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.

Persons who may have conflicts	Type of Transaction	Transaction Value (Million Baht)		Necessity and reasonableness of the transaction	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2021	Fiscal year ended 31 Dec 2022		
18. Choice Co., Ltd.	(6) Car rental • Rent paid	1.26	1.26	The company rents a pickup truck for the company's business operation of 7 cars. (1) The first contract has a total lease period of 12 months from December 31, 2019 to December 31, 2020, (2) The second contract has a 3-year contract lease period from January 1, 2021 to December 31, 2023, with rental rates and general conditions as if transactions with third parties.	The program supports the Company's normal business with rental rates and general conditions as if it were with a transaction with a third party compared to other service providers. The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.
19. Mrs. Nattinan Patong 20. Ms. Supakarn Paisanteerakorn	(7) Billboard Rental • Rent paid • Accrued expense	0.64 -	0.66 0.08	The Company rents billboards for publicity for the company's business operations in 2 signs in Chiang Mai. The first contract has an 3-year lease period starting on November 7, 2019 to November 6, 2022, the second contract has a lease term of 3 years starting on November 7, 2022 to November 6, 2025. The rental rate is based on the appraisal price by an independent appraiser approved by the office. SEC	The list supports the Company's normal business, with rental rates and rental conditions in accordance with the price and general trading conditions, which is based on the appraisal price by an independent appraiser approved by the office. SEC The Audit Committee determined that such items were necessary. Reasonable and beneficial to the Company's business operations.



## (2) Payment services, debt collection services and accounting and financial services to persons who may have conflicts

Persons who may have conflicts	List Style	Transaction Value (Million Baht)		Necessity and reasonableness of the item.	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2021	Fiscal year ended 31 Dec 2022		
1. Thawee Heng Leasing Co., Ltd.	(1) Service revenue			<p>The Audit Committee Meeting No. 4/2020 on November 5, 2020 and the Board of Directors' Meeting No. 6/2020 on November 6, 2020 approved and/or approved the Company to enter into service contracts with individuals who may have three forms of conflict: (1) payment service contracts, (2) debt collection service contracts, and (3) accounting and financial services contracts. The Company charges according to the actual employee expenses of the Company (at cost).</p> <p>Later, the Audit Committee Meeting No. 3/2021 and the Board of Directors' Meeting No. 3/2021 on July 5, 2021 approved the adjustment of service rates under the debt collection service contract. By the Company Configure services for debt collection service contracts at the same rate as the Company thinks of third-party receivables.</p> <p>And for (3) accounting and financial services contracts, the Company configures the service according to the actual employee expenses of the Company (at cost). Each contract type has a contract life of 1 year. effective on January 1, 2021.</p> <p>In the year 2022, The company has ceased service contracts since the business of persons who may have conflicts has ceased operations and liquidations.</p>	Such transactions are related to the Company's assets or services, with service rates and general conditions as if transactions with third parties and/or service rates and conditions that do not cause the Company's benefit. The Audit Committee determined that the items were appropriate and reasonable.
2. Tawee Heng Automotive Co., Ltd.	• Service Income				
3. Ban Du Leasing Co., Ltd.	• Accrued revenue	0.20	-		
4. Chiang Saen Leasing Co., Ltd.		0.04	-		
5. Thawee Heng Co., Ltd.					
6. Tawee Heng Auto Center Lees Co., Ltd.					
7. Thawee Heng Auto Leasing Co., Ltd.					
8. Thawee Heng Motor Co., Ltd.					
9. Thawee Heng Motor Lees Co., Ltd.					
10. Tawee Heng 2015 Co., Ltd.					
11. Tawee Heng Quick Money Co., Ltd.					
12. Pattanasin Leasing Co., Ltd. (CPL)					

### (3) Guarantee of loans of the Company by persons who may have conflicts

Persons who may have conflicts	List Style	Transaction Value (Million Baht)		Necessity and reasonableness of the item.	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2021	Fiscal year ended 31 Dec 2022		
1. Mr. Wichai Suphasathitkul	(1) Credit limit guarantee			The persons who may have conflicts, guarantors for loan agreements and/or car leasing agreements with 3 financial institutions to be used as funds for business operations and/or as vehicles for the Company's business without remuneration of such guarantors, as personal guarantors and/or the use of personal assets as collateral. The guarantee is in accordance with the conditions of the financial institution.	The transaction is a list of financial assistance of the Company, and the Audit Committee has determined that the transaction occurred as necessary and beneficial to the Company. However, the Company is in the process of obtaining consent to relieve the guarantee and the financial institution is expected to agree to dismiss the terms of the guarantee when the Company is listed as a listed company on the SET.
2. Mr. Buntid Supasatitkul	• Credit limit				
3. Mr. Parinya Supasatitku	• Drawn credit	2,318.00	1,905.00		
4. Mr. Patpong Patong	(2) Leasing guarantee	1,496.66	1,127.12		
5. Ms. Thapanattamon Paisanteerakorn	• Outstanding credit amount				
6. Mr. Thanassorn Ratanasirisap		0.80	-		

### (4) Sale of non-life insurance and life insurance to persons who may have conflicts

Persons who may have conflicts	List Style	Transaction Value (Million Baht)		Necessity and reasonableness of the item.	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2021	Fiscal year ended 31 Dec 2022		
1. Mr. Somrit Pantharat	(1) Premium charged			The Company operates the business of providing non-life insurance brokerage and life insurance brokerage through its branch network. The Company sells compulsory car insurance, voluntary car insurance and COVID-19 insurance to persons who may have conflicts, with premium rates and transaction conditions as if transactions were made to third parties.  In addition, the company provides loan services to persons who may have conflicts for purchase the insurance with 0% interest rate.	The transaction is a regular business transaction of the Company, with premium rates and general conditions as if it were with a transaction with a third party. The Audit Committee determined that the items were appropriate and reasonable.
2. Mr. Parinya Supasatitkul	• Premium charged	0.01	0.04		
3. Mr. Banyong Paisanteerakorn					
4. Mr. Patpong Patong	(2) Insurance contract 0%				
5. Mr. Patpoom Patong	• Loan disbursement	-	0.09		
6. Mr. Nattaphat Patong	• outstanding accounts receivable	-	0.03		
7. Mrs. Nattinan Patong					
8. Mr. Patchapol Patong					
9. Mr. Rapee Pruenglampoo					
10. Mr. Kittipan Phuenglampoo					
11. Mr. Sompop Pundharikapa					
12. Mr. Danupol Noppasuwat					
13. Mr. Danop Noppasuwat					
14. Mr. Theerawat Thawanratphokin					
15. Ms. Tanyanan Thawanratphokin					
16. Mr. Anan Laothamatas					

#### (5) Use of advisory services to potential conflicts

Persons who may have conflicts	List Style	Transaction Value (Million Baht)		Necessity and reasonableness of the item.	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2021	Fiscal year ended 31 Dec 2022		
1. Ms. Thanaporn Sittisakchaikul	(1) Consulting Fees • Consulting Fees	0.34	-	The Company uses information technology consulting services to persons who may have conflicts. The service period is from January 2021 to May 2021.	The program supports the Company's normal business with service rates and general conditions as if it were with a transaction with a third party. Such items are appropriate and reasonable.

#### (6) Clearing cash advances to pay for purchases

Persons who may have conflicts	List Style	Transaction Value (Million Baht)		Necessity and reasonableness of the item.	Audit Committee's Opinion
		Fiscal year ended 31 Dec 2021	Fiscal year ended 31 Dec 2022		
1. Ms. Natthanan Kittiphonsombun	(1) Clearing cash advances to pay for purchases • Accrue	0.01	-	The Company has provided persons who may have conflicts to withdraw funds to purchase items urgently for normal business operations.	The transaction is a support item for the Company's normal business as an urgent purchase of items, with persons who may have conflicts to withdraw funds to proceed. The list is appropriate and reasonable.

#### **9.4 Necessity and reasonableness of the related party transaction**

The related party transaction of the Company is a necessary and beneficial item for the business operations of the Company and/or for the normal business operations of the Company and/or in accordance with the general trading conditions in the same way that the Vigneault shall act with the general parties in the same situation with the power of trade negotiations without influence in that the other party has the status of a person who may have conflicts. (Arm's Length Basis)

#### **9.5 Related transaction approval measures and procedures**

The Company sets out connected transaction policies for the Company to make transactions correctly, appropriately, in accordance with the securities and exchange laws and regulations, announcements, orders or requirements of the Capital Market Supervisory Board and the SET, as well as compliance with the requirements regarding the disclosure of connected transactions and other relevant guidelines. However, this is Stakeholders will not be able to participate in the approval of such items.

#### **9.6 Making transactions that are trade agreements with general terms of trade**

Connected transactions that are trade agreements with general terms of trade Between the Company and its subsidiaries and directors Executives or related persons Upon approval as a principle by the Board of Directors, management can approve such transactions. If those transactions have trade agreements in the same way that the vigneaults would be subject to the common parties in the same situation, they will be subject to trade agreements. With the power to negotiate trade without influence in order for their status as directors, executives or related persons (as the case may be), Under reasonable conditions, can be audited and not produced for the transfer of benefits, for the need for the company's business operations and in the best interests of the Company, the Company will prepare a summary report of all transactions. To report on audit committee meetings and quarterly meetings of the Board of Directors. To consider and comment on the need for entry and the reasonableness of the program.

#### **9.7 Non-trade-related transactions with general terms of trade**

In general, the Company will arrange for the Audit Committee to review and comment on the conditions. Reasonableness and transfer of benefits in such transactions Before the Company requests approval for the entry to the Board of Directors and/or the Shareholders' Meeting (as the case may be), comply with the securities and exchange laws, regulations, announcements, orders. Terms or criteria of the Capital Market Supervisory Board The SEC and SET include compliance with the requirements regarding the disclosure of connected transactions and other relevant guidelines.

In the event that the Audit Committee does not have the expertise to determine potential connected transactions. The Company will provide individuals with special knowledge such as auditors, property appraisers, law firms, etc. who are independent of the Company and connected parties to comment on such connected transactions. To be used for the decisions of the Audit Committee and/or the Board of Directors and/or shareholders as the case may be, to ensure that the entry of such transactions is necessary and reasonable, taking into account the interests of the Company.

In addition, the Company has imposed measures not to allow executives or stakeholders to participate in the approval of items in which they have a stake, and the Board of Directors will take care of the Company. Comply with securities and exchange laws and regulations, announcements, orders or requirements of the Capital Market Supervisory Board. The SEC and SET include compliance with the requirements regarding the disclosure of connected transactions and in accordance with the requirements regarding the acquisition or disposition of important assets of the Company and its subsidiaries, and will comply with the accounting standards set by the Federation of Accounting Professions and Certified Auditors of Thailand, and the disclosure of connected transactions will be disclosed in the Annual Statement (Form 56-1) and notes to the financial statements reviewed or reviewed by the Company's auditors.

### **9.8 Related Party Transaction in the Future Policy**

The Board of Directors must comply with securities and exchange laws and regulations. Notification, orders or requirements of the Capital Market Supervisory Board and the SET, including compliance with the requirements regarding the disclosure of connected transactions of the Company or its subsidiaries in accordance with accounting standards set by the Association of Accountants and Certified Auditors of Thailand, and other relevant guidelines

In addition, if connected transactions have been made or there are changes to the terms and conditions regarding transactions connected to the major shareholders, directors, executives, or persons associated with the Company's stakeholders will not attend the Board of Directors' meetings in relation to the consideration of the entry of such transactions.

# 3

## Section 3 Report and Financial Statements

**Heng Leasing and Capital Public Company Limited**  
**(Formerly known as “Heng Leasing Company Limited”)**

Report and financial statements

31 December 2022







## **Independent Auditor's Report**

### **To the Shareholders of Heng Leasing and Capital Public Company Limited**

#### **Opinion**

I have audited the accompanying financial statements of Heng Leasing and Capital Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2022, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

#### **Basis for Opinion**

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

## Key Audit Matters

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

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

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

### Allowance for expected credit losses for hire purchase and loan receivables

As discussed in Note 7 and 8 to the financial statements, as at 31 December 2022, the Company had net hire purchase and loan receivables of Baht 11,482 million (accounting for 94% of total assets) and allowances for expected credit losses amounting to Baht 539 million, which are amounts material to the financial statements. In determining an allowance for expected credit losses on hire purchase and loan receivables, the Company has developed a model for calculating allowance for expected credit losses for hire purchase and loan receivables. The model is complex and its development involves the use of significant management judgements and estimates, the identification of criteria for assessment of a significant increase in credit risk since initial recognition, the probability of default, the loss given default, the exposure at default, the selection of the future economic variables to be incorporated in the models and the management overlay used to adjust of the allowance for expected credit losses due to the limitations of the model.

Because of the materiality and the use of management's significant judgement and estimates, I addressed the adequacy of allowances for expected credit losses of hire purchase and loan receivables as a key audit matter.

I gained an understanding of, assessed and tested the effectiveness of internal controls relating to loan origination, loan repayment, the assessment of probability of default and loss given default, exposure at default and the calculation of allowance for expected credit losses of hire purchase and loan receivables and tested the relevant controls over the information technology systems. Moreover, I assessed and tested the reasonableness of the expected credit loss model, the rules and criterias applied by the Company in the assessment of significant increase in credit risk, including data used in the model design, the effectiveness of model for significant group of receivables, the governance process over the model development, reviewed the model development documentation and tested, on a sampling basis, the accuracy of the data used in model development. I also assessed the methods and assumptions applied by the Company in the calculation, ways to further improve adjustments after the calculation due to limitations of the model. In addition, I assessed the reasonableness of macroeconomic factors and probability-weighted in each scenario. I also compared the accounting policies of the Company with financial reporting standards.

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

#### Recognition of interest income on hire purchase and loan receivables

For the year 2022, the Company recognised hire purchase and loan interest income amounting to Baht 1,861 million (accounting for 88% of total income), which is considered main income of the Company. The Company recognised interest income using the effective interest rate method, which was generated from loans provided to a large number of customers and high volume of

transactions, the recognition of interest income relies primarily on data processed by the information technology systems. I therefore addressed the measurement of interest income in accordance with financial reporting standards as a key audit matter.

I gained an understanding of, assessed and tested, the effectiveness of internal controls relating to loan origination and interest income recognition and cash receipts, including related computer-based controls, by inquiring of management to gain an understanding, assessing the methods applied by the management including testing, on a sampling basis, the accuracy of the data and the calculation. In addition, I applied a sampling method in selecting hire purchase and loan receivable agreements to consider whether the recording of hire purchase and loan receivables transactions and the recognition of income was consistent with the conditions of the relevant agreement and that adjustments had been made to reflect effective interest rate according to the income recognition policy. I also performed analytical procedures on interest income and examined, on a sampling basis, significant adjustments made through journal vouchers.

#### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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

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



Saranya Pludsri

Certified Public Accountant (Thailand) No. 6768

EY Office Limited

Bangkok: 17 February 2023



# Statements of financial position

As at 31 December 2022

(Unit: Baht)

	Note	31 December 2022	31 December 2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	160,295,935	511,114,295
Deposits at banks with restrictions	6	52,154,108	32,808,928
Current portion of hire purchase receivables	7	1,848,409,595	1,567,356,140
Current portion of loan receivables	8	1,620,591,697	1,322,195,942
Other receivables	10	33,125,046	26,235,469
Assets foreclosed - net	11	54,762,847	19,947,599
Other current assets		6,559,243	6,301,235
<b>Total current assets</b>		<b>3,775,898,471</b>	<b>3,485,959,608</b>
<b>Non-current assets</b>			
Deposits at bank with collateral obligation	12	50,000,000	50,000,000
Hire purchase receivables - net of current portion	7	4,586,322,783	3,601,578,125
Loan receivables - net of current portion	8	3,426,240,949	2,148,993,728
Land, building and equipment - net	13	142,904,676	138,348,115
Right-of-use assets - net	14	147,115,394	132,525,603
Intangible assets - net	15	9,250,418	9,093,786
Deferred tax assets	16	114,680,630	127,239,666
Other non-current assets		11,232,679	8,154,439
<b>Total non-current assets</b>		<b>8,487,747,529</b>	<b>6,215,933,462</b>
<b>Total assets</b>		<b>12,263,646,000</b>	<b>9,701,893,070</b>

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



# Statements of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Note	31 December 2022	31 December 2021
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	17	910,041,000	1,028,588,500
Other payables	18	169,332,317	143,466,908
Current portion of lease liabilities	19	72,714,924	56,066,819
Current portion of long-term loans	20	2,208,117,981	2,166,480,412
Income tax payable		57,691,328	19,161,833
Other current liabilities	21	9,158,635	6,692,619
<b>Total current liabilities</b>		<b>3,427,056,185</b>	<b>3,420,457,091</b>
<b>Non-current liabilities</b>			
Lease liabilities - net of current portion	19	67,926,243	66,569,947
Long-term loans - net of current portion	20	3,485,115,311	1,361,039,595
Provision for long-term employee benefits	22	39,206,513	38,351,082
<b>Total non-current liabilities</b>		<b>3,592,248,067</b>	<b>1,465,960,624</b>
<b>Total liabilities</b>		<b>7,019,304,252</b>	<b>4,886,417,715</b>

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



# Statements of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Note	31 December 2022	31 December 2021
<b>Shareholders' equity</b>			
Share capital			
Registered	24		
3,810,000,000 ordinary shares of Baht 1 each		3,810,000,000	3,810,000,000
Issued and fully paid-up	24		
3,810,000,000 ordinary shares of Baht 1 each		3,810,000,000	3,810,000,000
Share premium		715,342,189	715,342,189
Retained earnings			
Appropriated - statutory reserve	25	73,674,426	50,618,196
Unappropriated		645,325,133	239,514,970
<b>Total shareholders' equity</b>		<b>5,244,341,748</b>	<b>4,815,475,355</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,263,646,000</b>	<b>9,701,893,070</b>
		-	-

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

Directors



# Statements of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

	Note	2022	2021
<b>Profit or loss:</b>			
<b>Revenues</b>			
Hire purchase interest income		924,012,655	825,930,684
Loan interest income		937,385,321	645,404,502
Fee and service income		197,587,950	105,022,264
Other income		65,377,487	68,067,223
<b>Total revenues</b>		<b>2,124,363,413</b>	<b>1,644,424,673</b>
<b>Expenses</b>			
Service and administrative expenses		1,000,536,764	790,818,719
Expected credit losses		230,115,482	177,640,857
Loss on impairment and disposal of assets		99,848,289	50,778,560
<b>Total expenses</b>		<b>1,330,500,535</b>	<b>1,019,238,136</b>
<b>Profit before finance cost and income tax expenses</b>		<b>793,862,878</b>	<b>625,186,537</b>
Finance cost	27	(218,899,141)	(184,751,083)
<b>Profit before income tax expenses</b>		<b>574,963,737</b>	<b>440,435,454</b>
Income tax expenses	16.2	(113,839,134)	(86,633,170)
<b>Profit for the years</b>		<b>461,124,603</b>	<b>353,802,284</b>
<b>Other comprehensive income:</b>			
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains on the defined benefit plan		7,302,238	5,108,321
Income tax relating to actuarial gains	16.2	(1,460,448)	(1,021,664)
<b>Other comprehensive income for the years</b>		<b>5,841,790</b>	<b>4,086,657</b>
<b>Total comprehensive income for the years</b>		<b>466,966,393</b>	<b>357,888,941</b>
<b>Earnings per share</b>	30		
Basic earnings per share		0.12	0.11
Weighted average number of ordinary shares (share)		3,810,000,000	3,186,882,758

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



# Statements of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

	Issued and fully		Retained earnings		Total
	paid-up share capital	Share premium	Appropriated - Statutory reserve	Unappropriated	
<b>Balance as at 1 January 2021</b>	3,009,162,700	-	17,025,171	444,831,689	3,471,019,560
Increase share capital (Note 24)	800,837,300	715,342,189	-	-	1,516,179,489
Profit for the year	-	-	-	353,802,284	353,802,284
Other comprehensive income for the year	-	-	-	4,086,657	4,086,657
Total comprehensive income for the year	-	-	-	357,888,941	357,888,941
Dividend paid (Note 26)	-	-	-	(529,612,635)	(529,612,635)
Transferred unappropriated retained earnings to statutory reserve	-	-	33,593,025	(33,593,025)	-
<b>Balance as at 31 December 2021</b>	<u>3,810,000,000</u>	<u>715,342,189</u>	<u>50,618,196</u>	<u>239,514,970</u>	<u>4,815,475,355</u>
<b>Balance as at 1 January 2022</b>	3,810,000,000	715,342,189	50,618,196	239,514,970	4,815,475,355
Profit for the year	-	-	-	461,124,603	461,124,603
Other comprehensive income for the year	-	-	-	5,841,790	5,841,790
Total comprehensive income for the year	-	-	-	466,966,393	466,966,393
Dividend paid (Note 26)	-	-	-	(38,100,000)	(38,100,000)
Transferred unappropriated retained earnings to statutory reserve	-	-	23,056,230	(23,056,230)	-
<b>Balance as at 31 December 2022</b>	<u>3,810,000,000</u>	<u>715,342,189</u>	<u>73,674,426</u>	<u>645,325,133</u>	<u>5,244,341,748</u>
	-	-	-	-	-

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



# Cash flows statements

For the year ended 31 December 2022

(Unit: Baht)

	2022	2021
<b>Cash flows from operating activities</b>		
Profit before income tax	574,963,737	440,435,454
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	123,442,857	101,180,697
Expected credit losses	230,115,482	177,640,857
Losses (gains) on sales of fixed assets	(1,015,360)	3,963
Losses on write-offs of fixed assets	253,337	437,979
Gains on cancel and change lease contracts	(1,581,875)	(135,540)
Losses (reversal) on impairment of assets foreclosed	24,931,775	(2,798,849)
Losses on sales of assets foreclosed	75,678,537	53,135,467
Provision for long-term employee benefits	9,487,989	9,733,116
Interest income	(1,861,397,976)	(1,471,335,186)
Finance cost	212,780,054	179,124,165
Amortised finance cost for lease liabilities	6,119,087	5,626,918
Loss from operating activities before changes in operating assets and liabilities	(606,222,356)	(506,950,959)
Operating assets (increase) decrease		
Deposits at banks with restrictions	(19,345,180)	(19,679,965)
Hire purchase receivables	(1,475,042,279)	78,829,563
Loan receivables	(1,719,740,139)	(1,301,383,887)
Other receivables	(6,889,577)	(13,709,120)
Assets foreclosed	168,824,679	169,600,916
Other current assets	(258,008)	(2,136,626)
Other non-current assets	(3,078,240)	(2,394,401)
Operating liabilities increase (decrease)		
Other payables	24,686,962	44,364,656
Other current liabilities	769,221	521,852
Provision for long-term employee benefits	(1,330,320)	(3,895,039)
Cash flows used in operating activities	(3,637,625,237)	(1,556,833,010)
Cash received from interest	1,680,373,585	1,392,772,752
Cash paid for income tax	(64,211,051)	(57,019,595)
<b>Net cash flows used in operating activities</b>	<b>(2,021,462,703)</b>	<b>(221,079,853)</b>

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





# Cash flows statements (continued)

For the year ended 31 December 2022

(Unit: Baht)

	2022	2021
<b>Cash flows from investing activities</b>		
Cash paid for acquisitions of land, building and equipment	(43,674,181)	(36,488,182)
Cash paid for acquisitions of intangible assets	(4,837,069)	(3,252,397)
Proceeds from sales of land, building and equipment	1,938,229	2,951
<b>Net cash flows used in investing activities</b>	<b>(46,573,021)</b>	<b>(39,737,628)</b>
<b>Cash flows from financing activities</b>		
Increase in deposits at bank with collateral obligation	-	(50,000,000)
Decrease in short-term loans from financial institutions	(118,547,500)	(373,680,000)
Cash received from long-term loans	4,845,000,000	1,685,000,000
Repayment of long-term loans	(2,667,516,200)	(1,263,997,459)
Repayment of lease liabilities	(80,765,161)	(62,205,012)
Payment for loans issuing cost	(21,500,000)	(5,500,000)
Cash paid for interest	(201,353,775)	(168,829,497)
Dividend payment	(38,100,000)	(529,612,635)
Cash received from capital increase	-	1,561,632,735
Transaction costs on issue of shares	-	(56,816,558)
<b>Net cash flows provided by financing activities</b>	<b>1,717,217,364</b>	<b>735,991,574</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(350,818,360)</b>	<b>475,174,093</b>
Cash and cash equivalents at beginning of year	511,114,295	35,940,202
<b>Cash and cash equivalents at end of year</b>	<b>160,295,935</b>	<b>511,114,295</b>
	-	-
<b>Supplement cash flow information</b>		
Non-cash items		
Assets foreclosed received for debts settlement	326,287,249	246,187,902
Increase in lease liabilities	3,414,610	2,960,624
Increase in account payable on purchase of assets	1,178,447	419,665

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



## Notes to financial statements

For the year ended 31 December 2022

### 1. General information

#### 1.1 Corporate information

Heng Leasing and Capital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the providing financial services specifically hire purchase, loans secured against vehicle registrations, land and building loans, personal loan and nano finance without collateral. The Company’s registered address is 69 Moo 7, Tambon Sansai Noi, Amphur Sansai, Chiang Mai. The Company has 678 branches (2021: 529 branches).

#### 1.2 Coronavirus disease 2019 Pandemic (COVID-19)

The Coronavirus disease 2019 pandemic (COVID-19) is impacting various businesses and industries both directly and indirectly. This situation could create uncertainties and affect the Company’s business activities, and this may be impacting the operating results and cash flows in the future. The impact cannot be reasonably estimated at this stage. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, including the cash flow management of the Company, and has used estimates and judgement in respect various matters in order to continuously assess the impact as the situation has evolved.

### 2. Basis for the preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

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

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

#### **3.3 Accounting Guidance**

##### **Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19**

The Federation of Accounting Professions has announced Accounting Guidance on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the BOT. The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Company may elect to adopt accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C.802/2564 dated 3 September 2021 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)". The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:

1. For debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension, the Company may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions (Assistance type 1) as follows:
  - Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
  - Non-performing loans (NPL) are classified as performing loans or stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
  - Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or stage 1 if the debtor is considered able to comply with the debt restructuring agreement.
  - Loans are classified as loans with significant increase in credit risk (Under-performing or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due.
  - A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
2. For debt restructuring involving only a payment timeline extension, e.g. an extension of payment period, a provision of grace period on principal and/or interest payments, a conversion of short-term debts into long-term debts, the Company is required to perform staging assessment and set aside provisions in accordance with the related financial reporting standards (Assistance type 2). However, the Company may elect to adopt treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT No. BOT.RPD2.C.802/2564 to assess whether a debtor is to move to under-performing stage or Stage 2.

The Company considered providing both types of assistance to debtors. For assistance type 1, the Company has elected to apply all temporary relief measures under this accounting guidance relating to staging assessment and setting aside of provisions. For assistance type 2, the Company is required to perform staging assessment and set aside provisions in accordance with the relevant financial reporting standards.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### **a) Interest income from loan to customer**

The Company has recognised interest income from hire purchase and loan receivables on an accrual basis throughout the term of the contract, using the effective interest rate method and the calculation based on the gross carrying amounts of the hire purchase and loan receivables.

When the hire purchase and loan receivables subsequently become credit-impaired, interest income is calculated by using the effective interest rate method on the net carrying amount (gross book value net of an allowance for expected credit losses) of the receivables.

Initial direct income and costs at the inception of hire purchase and loan arrangement are to be deferred and amortised using the effective interest rate method, with amortisation deducted from interest income from hire purchase and loan receivables throughout the contract period to reflect the effective rate of return on the contracts.

###### **b) Fee and service income**

Fee and service income are recognised on accrual basis, except fees that are integral part of effective interest rate and fee income from late payment are recognised when received.

##### **4.2 Expense recognition - Interest expenses**

Interest expenses are charged to expenses on an accrual basis.

### 4.3 Financial Instruments

#### **Classification and measurement of financial assets and financial liabilities**

##### *Financial asset*

The Company classifies its financial assets - debt instruments, such as hire purchase and loan receivables as subsequently measured at amortised cost or fair value in accordance with the Company' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. All financial assets of the Company are classified and measured at amortised cost because of following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially measured at its fair value plus transaction costs and subsequently measured at amortised cost net of allowance for expected credit loss (if any).

##### *Financial liabilities*

The Company classify financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost calculated using effective interest rate method.

#### **Offsetting**

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Derecognition of financial instruments**

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Company, are still recognised as financial assets.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### 4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.5 Hire purchase receivables/Loan receivables**

Hire purchase receivables are stated at the contract value net of unearned hire purchase, which is presented after net of initial direct income and costs at the inception of the contracts.

Loan receivables are stated at the principal amount and accrued interest receivables, which is presented after net of initial direct income and costs at the inception of the contracts.

#### **4.6 Allowance for expected credit losses**

The Company applies the General Approach to calculate the expected credit losses on its financial assets, such as deposits at financial institutions and hire purchase and loan receivables.

The Company classifies its financial assets into three stages (three-stage approach) to measure the value of the expected credit losses, with the classification of the financial assets determined on the basis of the change in credit risk since initial recognition as follows:

Stage 1: Financial assets where there has not been a significant increase in credit risk (Performing)

For the financial assets where there has not been a significant increase in credit risk since initial recognition, the Company recognises allowance for expected credit losses at the amount equal to the 12-month expected credit losses.

Stage 2: Financial assets where there has been a significant increase in credit risk (Under-Performing)

For financial assets where there has been a significant increase in credit risk since initial recognition but not credit-impaired, the Company recognises allowance for expected credit losses at an amount equal to the lifetime expected credit losses of the financial assets.

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

For financial assets assessed as credit-impaired, the Company recognises expected credit losses in an amount equal to the lifetime expected credit losses of the financial assets.

At the end of each reporting period, the Company assesses whether there has been a significant increase in credit risk of financial assets since initial recognition by comparing the risk of default at the reporting date with the risk of default at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company may use internal quantitative and qualitative indicators and forecasts information to assess the deterioration in the credit quality of financial assets such as arrears of over 30 days past due. The Company assesses whether the credit risk has increased significantly from the date of initial recognition on an individual or a collective basis.



Hire purchase/loan receivables are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of receivables have occurred. Evidence of credit-impaired receivables includes arrears of over 90 days past due or having indications that the borrower is experiencing significant financial difficulty, the legal status, renegotiation of terms or distressed restructuring.

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

Hire purchase and loan receivables that have been renegotiated or changed in terms of the contractual cash flows due to a deterioration in the debtor's condition is usually considered to be significant increase in credit risk or credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Expected credit losses are the probability-weighted estimate of expected credit losses over the lifetime of the financial assets, taking into account the present value of all cash that are expected not to be recoverable based on historical loss information for a group of assets that the Company considers having shared credit risk characteristics, taking into account type of collateral, months on books, and other relevant factors, adjusted for current observable data, as well as forward-looking information that is supportable and reasonable, provided it can be shown to be statistically related. It also involves the appropriate exercise of judgement to estimate the amount of expected credit losses, using macroeconomic data. The Company determines both current and future economic scenario, and probability-weighted each scenario (base-case scenario, best-case scenario and worst-case scenario) for the purpose of calculating expected credit losses. Use of forward-looking data increases the degree of judgement required in evaluating how relevant current macroeconomic changes affect expected credit losses. However, the Company has established a process to review and monitor methodologies, assumptions and forward-looking economic scenario on a regular basis. In addition, a management overlay is applied to account for factors that are not captured by the model.

Increase (decrease) in an allowance for expected credit loss is recognised as expenses in profit or loss in the statements of comprehensive income. The Company has a policy to write-off receivables when it has made appropriate efforts at recovery, for which there is clear evidence, and debts remain unsettled.

#### **4.7 Financial assets with modifications of terms/Debt restructuring**

When a financial asset's terms of repayment are renegotiated or modified, or debt is restructured, or an existing financial asset is replaced with a new financial asset because a debtor is having financial difficulties, the Company assesses whether to derecognise the financial asset and measures the expected credit losses, as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Company calculates the gross book value of the new financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises a gain or loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and the fair value of the financial asset is recognised in profit or loss.

In cases where debt restructuring does not result in derecognition, a debtor is classified as a financial asset with a significant increase in credit risk (Stage 2) until the debtor is able to make payment in accordance with the debt restructuring agreement for the longer of 3 consecutive months or 3 installments, or the debtor is reclassified as credit-impaired (Stage 3). A debtor is classified at the same stage until payment is made in compliance with the debt restructuring agreement for not less than 12 months from the restructuring date, when the debtor is classified as a financial asset without a significant increase in credit risk (Stage 1). If the debt restructuring results in derecognition, the new financial asset is treated as a financial asset where there has not been a significant increase in credit risk (Performing or Stage 1).

In addition, the Company has adopted the accounting guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19, as discussed in Note 3.3 to the financial statements.

#### **4.8 Assets foreclosed**

Assets foreclosed are assets seized from hire purchase and loan receivables and stated at the lower of cost or net realisable value net of allowance for loss on impairment (if any).

Gain (loss) on disposal of assets foreclosed are recognised in profit or loss in the statements of comprehensive income upon disposal.

Loss on impairment (if any) is recognised as an expense in the statements of comprehensive income.

#### 4.9 Land, buildings and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Building	10 years
Building improvement	10 years
Furniture and office equipment	5 years
Computers and equipment	5 years
Motor vehicles	7 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of land, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is recognised in profit or loss in the statement of comprehensive income when the assets are derecognised.

#### 4.10 Lease liabilities

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach of all leases, except for short-term leases and leases of low-value assets. The Company recognise right-of-use assets, which represent the right to use underlying assets and lease liabilities based on lease payment.

##### ***Right-of-use assets***

At the commencement date of the lease, the Company is measured right-of-use assets at cost, less accumulated depreciation and any accumulated impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease and less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their useful lives and the lease term as follows:

Buildings	1 - 10 years
Office equipment	4 - 5 years
Vehicles	2 - 5 years

If ownership of the leased asset is transfers to the Company at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Company is to assess the impairment of the right-of-use assets as discussed in the note to the financial statements on impairment of non-financial assets.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

#### **4.11 Intangible assets**

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Company's intangible assets are computer software, that have useful lives of approximately 3 - 5 years.

#### **4.12 Impairment of non-financial assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets or intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss in statements of comprehensive income (if any).

#### **4.13 Employee benefits**

a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

b) Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

c) Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gain and loss arising from post-employment benefits are recognised immediately in other comprehensive income.

#### **4.14 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

a) Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

b) Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting date, the Company review and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.15 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.16 Provisions**

Provisions are recognised when the Company have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.17 Fair value measurement**

Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:



### **5.1 Allowance for expected credit losses of hire purchase/loan receivables**

The management is required to use judgement in estimation in determining the allowance for expected credit losses of hire purchase and loan receivables. The Company's calculation of allowance for expected credit losses based on complex models, a series of assumptions and assessments related to the increase in credit risk, as well as designation of forward-looking information. The estimates involve numerous variables; therefore, actual results may differ from the estimates.

### **5.2 Allowance for impairment of assets foreclosed**

In determining allowance for impairment of assets foreclosed, management apply judgment in estimating the anticipated loss on such assets, based on analysis of various factors, including net realisable value, historical sales data and the prevailing economic condition.

### **5.3 Land, buildings and equipment and depreciation**

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the buildings and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review land, buildings and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **5.4 Determining the lease term of contracts with renewal and termination options**

In determining the lease term, the management is required to use judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.

### **5.5 Incremental borrowing rate**

The Company is unable to determine the interest rate implicit the lease agreement. Therefore, the Company's incremental loan interest rate is used to discount the lease liability. The marginal borrowing rate is the rate of interest that the Company would have pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

## **5.6 Intangible assets**

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

## **5.7 Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## **5.8 Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## **5.9 Litigation**

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

## **5.10 Fair value of financial instruments**

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

## 6. Cash and cash equivalents

(Unit: Thousand Baht)

	2022	2021
Cash	1,313	1,118
Bank deposits - savings accounts	147,243	326,766
Bank deposits - current accounts	63,894	15,810
Bill of exchange maturing within 3 months from date of acquisition	-	200,229
Total	212,450	543,923
Less: Deposits at banks for premium that the Company received from policy holders	(52,154)	(32,809)
Total	160,296	511,114

As at 31 December 2022, bank deposits in savings accounts carried interest at rates between 0.10 - 0.325 percent per annum (2021: bank deposits in saving accounts and bill of exchange carried interest at rates between 0.05 - 0.25 percent per annum and 1.10 percent per annum, respectively) as announced by the banks.

As at 31 December 2022, the outstanding balance amounting to Baht 52 million (2021: Baht 33 million) represented bank deposits for premiums that the Company received from policy holders. The Company must submit these premiums to insurers, and not use or exploit or deduct any expense from premiums as stated in the brokerage contracts.

## 7. Hire purchase receivables

7.1 As at 31 December 2022 and 2021, the contracted terms of the Company's hire purchase receivables are 12 - 84 installments with payments to be made in equal installments and interest charged at fixed rates throughout the contracts. Hire purchase receivables classified by due date per agreement are as follows:

(Unit: Thousand Baht)

	2022						
		Portion	Portion	Portion	Portion		
		due over one	due over	due over	due over		
	Portion	year	two years	three years	four years	Portion	
	due within	but within	but within	but within	but within	due over	
	one year <sup>(2)</sup>	two years	three years	four years	five years	five years	Total
Hire purchase receivables	3,213,742	2,488,007	1,826,789	1,230,888	650,820	340,351	9,750,597
Less: Unearned hire purchase income <sup>(1)</sup>	(987,278)	(655,947)	(404,944)	(217,239)	(92,496)	(31,006)	(2,388,910)
Undue output Vat	(201,500)	(162,767)	(119,510)	(80,525)	(42,577)	(22,266)	(629,145)
Present value of the minimum lease payment receivables	2,024,964	1,669,293	1,302,335	933,124	515,747	287,079	6,732,542
Less: Allowance for expected credit losses	(176,555)	(40,562)	(36,432)	(25,734)	(12,644)	(5,883)	(297,810)
Net hire purchase receivables	1,848,409	1,628,731	1,265,903	907,390	503,103	281,196	6,434,732

(1) Presented net of deferred initial direct income and costs of hire purchase.

(2) The balance of hire purchase receivables due within 1 year included receivables that are credit impaired.

(Unit: Thousand Baht)

	2021						
		Portion	Portion	Portion	Portion		
		due over one	due over	due over	due over		
	Portion	year	two years	three years	four years	Portion	
	due within	but within	but within	but within	but within	due over	
	one year <sup>(2)</sup>	two years	three years	four years	five years	five years	Total
Hire purchase receivables	2,853,518	2,307,319	1,501,443	715,240	264,698	69,753	7,711,971
Less: Unearned hire purchase income <sup>(1)</sup>	(889,092)	(479,968)	(230,044)	(86,208)	(23,871)	(5,471)	(1,714,654)
Undue output Vat	(177,730)	(150,946)	(98,225)	(46,791)	(17,317)	(4,563)	(495,572)
Present value of the minimum lease payment receivables	1,786,696	1,676,405	1,173,174	582,241	223,510	59,719	5,501,745
Less: Allowance for expected credit losses	(219,340)	(45,434)	(37,949)	(20,873)	(7,529)	(1,686)	(332,811)
Net hire purchase receivables	1,567,356	1,630,971	1,135,225	561,368	215,981	58,033	5,168,934

(1) Presented net of deferred initial direct income and costs of hire purchase.

(2) The balance of hire purchase receivables due within 1 year included receivables that are credit impaired.

The Company entered into schemes to provide assistance to debtors affected by COVID-19. As at 31 December 2022, the Company has outstanding hire purchase receivables under the assistance scheme accounting for 19 percent of the total hire purchase receivables which consisted of the receivables below:

- a) The receivables provided with assistance during the year 2020-2021 that are not yet non-performing (Non-NPL) hire purchase receivables and the Company provided assistance to them by amending payment conditions or restructuring debts unqualified for derecognition of Baht 378 million, accounting for 6 percent of the total hire purchase receivables. The Company applied the Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 (Assistance type 2) by performing staging assessment and setting aside provisions in accordance with the relevant financial reporting standards (2021: The hire purchase receivables under the scheme with amendment of payment conditions or debt restructuring amounted to Baht 959 million, accounting for 17 percent of the total hire purchase receivables).
- b) The receivables provided with assistance during the year 2022 that are not yet non-performing (Non-NPL) hire purchase receivables and involve more than just extending the payment timeline (Assistance type 1) where the Company immediately reclassified them to performing receivables (Stage 1) with amount of Baht 896 million, accounting for 13 percent of the total hire purchase receivables.

However, because the COVID-19 pandemic is still going on and having an impact on Thai economy at present, the Company's management has taken into account forecasts of the impact in estimating expected credit losses and exercised management's judgement in applying a management overlay on top of the amounts derived from the existing model to cover an increase in defaults by debtors affected by the COVID-19 pandemic.

**7.2** As at 31 December 2022 and 2021, the balances of hire purchase receivables are classified by credit risk and allowance for expected credit losses as follows:

(Unit: Thousand Baht)

	Hire purchase receivables - net of unearned hire purchase income <sup>(1)</sup>		Allowance for expected credit losses	
	2022	2021	2022	2021
Hire purchase receivables without a significant increase in credit risk (Performing)	5,722,265	4,671,329	77,076	109,283
Hire purchase receivables with a significant increase in credit risk (Under-performing)	784,552	636,497	102,007	105,656
Hire purchase receivables with credit impaired (Non-performing)	225,725	193,919	118,727	117,872
Total	6,732,542	5,501,745	297,810	332,811

<sup>(1)</sup> Presented net of deferred initial direct income and costs of hire purchase.

**7.3** As at 31 December 2022, hire purchase receivables amounting to Baht 5,382 million (net of unearned hire purchase income) were pledged to secure credit facilities from commercial banks (2021: Baht 4,130 million), as discussed in Notes 17 and 20 to the financial statements.

## **8. Loan receivables**

**8.1** As at 31 December 2022 and 2021, the contracted terms of the Company's loan receivables are 6 - 84 installments with payments to be made in equal installments and interest charged at fixed rates throughout in the contracts. Loan receivables classified by due date per agreement are as follows:

(Unit: Thousand Baht)

	2022		
	Amounts due within 1 year <sup>(2)</sup>	Amounts due over 1 year	Total
Loan receivables	1,644,039	3,517,999	5,162,038
Less: Unearned financial income <sup>(1)</sup>	(2,388)	(3,432)	(5,820)
Add: Accrued interest receivables	131,333	-	131,333
	1,772,984	3,514,567	5,287,551
Less: Allowance for expected credit losses	(152,392)	(88,326)	(240,718)
Loan receivables - net	1,620,592	3,426,241	5,046,833

<sup>(1)</sup> Presented net of deferred initial direct income and costs.

<sup>(2)</sup> The balance of loan receivables due within 1 year includes receivables that are credit impaired.

(Unit: Thousand Baht)

	2021		
	Amounts due within 1 year <sup>(2)</sup>	Amounts due over 1 year	Total
Loan receivables	1,397,367	2,217,047	3,614,414
Less: Unearned financial income <sup>(1)</sup>	(8,988)	(7,227)	(16,215)
Add: Accrued interest receivables	80,532	-	80,532
	1,468,911	2,209,820	3,678,731
Less: Allowance for expected credit losses	(146,715)	(60,826)	(207,541)
Loan receivables - net	1,322,196	2,148,994	3,471,190

<sup>(1)</sup> Presented net of deferred initial direct income and costs.

<sup>(2)</sup> The balance of loan receivables due within 1 year includes receivables that are credit impaired.

The Company entered into schemes to provide assistance to debtors affected by COVID-19. As at 31 December 2022, the Company has outstanding loan receivables under the assistance scheme accounting for 9 percent of the total loan receivables which consisted of the receivables below:

- a) The receivables provided with assistance during the year 2020-2021 that are not yet non-performing (Non-NPL) loan receivables and the Company provided assistance to them by amending payment conditions or restructuring debts unqualified for derecognition of Baht 182 million, accounting for 3 percent of total the loan receivables. The Company applied the Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 (Assistance type 2) by performing staging assessment and setting aside provisions in accordance with the relevant financial reporting standards (2021: The loan receivables under the scheme with amendment of payment conditions or debt restructuring amounted to Baht 300 million, accounting for 8 percent of the total loan receivables).
- b) The receivables provided with assistance during the year 2022 that are not yet non-performing (Non-NPL) loan receivables and involve more than just extending the payment timeline (Assistance type 1) where the Company immediately reclassified them to performing receivables (Stage 1) with amount of Baht 331 million, accounting for 6 percent of the total loan receivables.

However, because the COVID-19 pandemic is still going on and having an impact on Thai economy at present, the Company's management has taken into account forecasts of the impact in estimating expected credit losses and exercised management's judgement in applying a management overlay on top of the amounts derived from the existing model to cover an increase in defaults by debtors affected by the COVID-19 pandemic.

**8.2** As at 31 December 2022 and 2021, the balances of loan receivables are classified by credit risk and allowance for expected credit losses as follows:

(Unit: Thousand Baht)

	Loan receivables and accrued interest income <sup>(1)</sup>		Allowance for expected credit losses	
	2022	2021	2022	2021
Loan receivables without a significant increase in credit risk (Performing)	4,713,233	3,267,154	93,665	78,583
Loan receivables with a significant increase in credit risk (Under-performing)	437,821	291,028	69,039	52,525
Loan receivables with credit impaired (Non-performing)	136,497	120,549	78,014	76,433
Total	5,287,551	3,678,731	240,718	207,541

<sup>(1)</sup> Presented net of deferred initial direct income and costs of loan.



**8.3** As at 31 December 2022, loan receivables amounting to Baht 3,383 million (net of unearned financial income) were pledged to secure credit facilities from commercial banks (2021: Baht 2,110 million), as discussed in Notes 17 and 20 to the financial statements.

## 9. Allowance for expected credit losses

Movements of allowance for expected credit losses (ECL) of hire purchase and loan receivables are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2022			
	Lifetime		Lifetime	Total
	ECL - not credit		ECL - credit	
	12-month ECL (Stage 1)	impaired (Stage 2)	impaired (Stage 3)	
Beginning balance	187,866	158,181	194,305	540,352
Add (less): Stage changes	(7,868)	(8,044)	15,912	-
Add (less): Changes due to revaluation of allowance for credit loss	(56,365)	13,992	184,686	142,313
Add: New financial assets acquired	128,835	106,980	70,498	306,313
Less: Derecognition of financial assets	(81,727)	(100,063)	(30,746)	(212,536)
Less: Bad debt written-off	-	-	(237,914)	(237,914)
Ending balance	170,741	171,046	196,741	538,528

(Unit: Thousand Baht)

	For the year ended 31 December 2021			
	Lifetime		Lifetime	Total
	ECL - not credit		ECL - credit	
	12-month ECL (Stage 1)	impaired (Stage 2)	impaired (Stage 3)	
Beginning balance	100,623	254,952	187,889	543,464
Add (less): Stage changes	14,983	(30,323)	15,340	-
Add (less): Changes due to revaluation of allowance for credit loss	(29,082)	4,874	167,702	143,494
Add: New financial assets acquired	136,059	90,959	41,334	268,352
Less: Derecognition of financial assets	(34,717)	(162,281)	(30,354)	(227,352)
Less: Bad debt written-off	-	-	(187,606)	(187,606)
Ending balance	187,866	158,181	194,305	540,352

## 10. Other receivables

(Unit: Thousand Baht)

	2022	2021
Prepaid expenses	9,497	8,309
Accrued commission income	15,911	12,896
Deferred expense	1,966	2,235
Others	5,751	2,795
Total	33,125	26,235

## 11. Assets foreclosed

(Unit: Thousand Baht)

	2022	2021
Assets foreclosed - cost	85,497	25,750
Less: Allowance for impairment	(30,734)	(5,802)
Assets foreclosed - net	54,763	19,948

## 12. Deposits at bank with collateral obligation

As at 31 December 2022, the Company has deposits at bank with collateral obligation in the amount of Baht 50 million (2021: Baht 50 million) in order to secure against loans from financial institutions, as mentioned in Note 17 to the financial statements.

### 13. Land, building and equipment

(Unit: Thousand Baht)

	Land	Buildings and Building improvements	Furniture and office equipment	Computers and equipment	Motor vehicles	Construction in progress	Total
<b>Cost</b>							
1 January 2021	472	97,750	55,184	49,985	43,539	-	246,930
Additions	-	11,249	6,577	9,702	479	8,947	36,954
Disposals/written off	-	(606)	(40)	(112)	-	-	(758)
Transfer in (Transfer out)	-	3,949	630	9	3,073	(7,661)	-
31 December 2021	472	112,342	62,351	59,584	47,091	1,286	283,126
Additions	-	11,926	9,954	323	8,494	14,552	45,249
Disposals/written off	-	(510)	(1,077)	(105)	(2,489)	-	(4,181)
Transfer in (Transfer out)	6,493	2,446	5,837	52	44	(15,269)	(397)
31 December 2022	6,965	126,204	77,065	59,854	53,140	569	323,797
<b>Accumulated depreciation</b>							
1 January 2021	-	29,788	29,528	29,403	19,164	-	107,883
Depreciation for the year	-	10,481	10,801	9,431	6,495	-	37,208
Depreciation for disposals/written off	-	(188)	(22)	(103)	-	-	(313)
31 December 2021	-	40,081	40,307	38,731	25,659	-	144,778
Depreciation for the year	-	11,868	11,418	8,516	7,432	-	39,234
Depreciation for disposals/written off	-	(256)	(997)	(98)	(1,769)	-	(3,120)
31 December 2022	-	51,693	50,728	47,149	31,322	-	180,892
<b>Net book value</b>							
31 December 2021	472	72,261	22,044	20,853	21,432	1,286	138,348
31 December 2022	6,965	74,511	26,337	12,705	21,818	569	142,905
<b>Depreciation recognised in the statement of comprehensive income for the years</b>							
2021							37,208
2022							39,234

As at 31 December 2022, certain items of furniture and office equipment and computers and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 43 million (2021: Baht 22 million).

#### 14. Right-of-use assets

The movement of rights-of-use assets for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	Buildings	Office equipment	Motor vehicles	Total
1 January 2021	89,466	446	23,329	113,241
Additions	82,091	1,690	-	83,781
Written-off	(7,503)	(417)	-	(7,920)
Depreciation	(52,369)	(523)	(6,783)	(59,675)
Depreciation for written-off	2,852	247	-	3,099
31 December 2021	114,537	1,443	16,546	132,526
Additions	104,276	1,188	10,068	115,532
Written-off	(32,796)	-	(1,109)	(33,905)
Depreciation	(69,533)	(776)	(9,220)	(79,529)
Depreciation for written-off	11,496	-	995	12,491
31 December 2022	127,980	1,855	17,280	147,115

## 15. Intangible assets

(Unit: Thousand Baht)

	Computer software	Computer software in process	Total
<b>Cost</b>			
1 January 2021	20,214	-	20,214
Additions	3,146	60	3,206
Transfer in (Transfer out)	60	(60)	-
31 December 2021	23,420	-	23,420
Additions	2,696	2,140	4,836
Transfer in (Transfer out)	2,140	(2,140)	-
31 December 2022	28,256	-	28,256
<b>Accumulated amortisation</b>			
1 January 2021	10,028	-	10,028
Amortisation for the year	4,298	-	4,298
31 December 2021	14,326	-	14,326
Amortisation for the year	4,680	-	4,680
31 December 2022	19,006	-	19,006
<b>Net book value</b>			
31 December 2021			9,094
31 December 2022			9,250
<b>Amortisation recognised in the statement of comprehensive income for the years</b>			
2021			4,298
2022			4,680

As at 31 December 2022, computer software has remaining amortisation period between 1 - 5 years (2021: 1 - 5 years).

As at 31 December 2022, certain items of computer software were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 5 million (2021: Baht 1 million).

## 16. Deferred tax assets/income tax expenses

### 16.1 Deferred tax assets

As at 31 December 2022 and 2021, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	2022	2021
<b>Deferred tax assets</b>		
Difference in cost of assets foreclosed for accounting and tax purposes	1,072	654
Allowance for expected credit losses	106,626	106,733
Allowance for impairment of assets foreclosed	6,147	1,160
Difference in interest income recognised for accounting and tax purposes	14,779	24,453
Provision for long-term employee benefits	7,841	7,670
Accumulated depreciation - buildings and building improvements	5,066	3,920
Right-of-use assets	624	761
Total	142,155	145,351
<b>Deferred tax liabilities</b>		
Deferred initial direct costs from hire purchase/ loan receivables	22,266	15,258
Deferred loans issuing costs	5,208	2,853
Total	27,474	18,111
Deferred tax assets - net	114,681	127,240

## 16.2 Income tax expenses

Income tax expenses for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
<b>Current income tax:</b>		
Corporate income tax charge for the year	102,740	72,713
<b>Deferred tax:</b>		
Transfer of deferred tax assets and income tax payable of the prior year		
Decrease in deferred tax assets	-	9,473
Decrease in corporate income tax payable	-	(9,473)
Relating to origination and reversal of temporary differences	11,099	13,920
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>113,839</b>	<b>86,633</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	2022	2021
Deferred tax relating to actuarial gain	(1,460)	(1,022)

The amounts of income tax recognised directly in shareholders' equity for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	2022	2021
<b>Current income tax:</b>		
Corporate income tax on transaction costs for issue a share capital (Note 24)	-	(11,364)



Reconciliation between income tax expenses and the product of accounting profits multiplied by the applicable tax rate for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
Accounting profit before tax	574,964	440,435
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	114,993	88,087
Effects of additional expense and non-deductible expense	(1,154)	(1,454)
Income tax expenses reported in the statements of comprehensive income	113,839	86,633

## 17. Short-term loans from financial institutions

As at 31 December 2022 and 2021, the following are short-term loans in the form of promissory notes from financial institutions in Thailand:

(Unit: Thousand Baht)

Loan facility / Repayment schedule	2022	2021
a) Promissory notes under credit facilities amounting to Baht 300 million, with principal repayable within the specific date of each promissory, and interest charged at MLR less a fixed rate, payable monthly	-	18,422
b) Promissory notes under credit facilities amounting to Baht 483 million, with principal repayable within the specific date of each promissory, and interest charged at MOR less a fixed rate, payable monthly	327,212	357,039
c) Promissory notes under credit facilities amounting to Baht 410 million, with principal repayable within the specific date of each promissory, and interest charged at MLR less a fixed rate, payable monthly	400,187	339,620
d) Promissory notes under credit facilities amounting to Baht 600 million, with principal repayable within the specific date of each promissory, and interest charged at MLR less a fixed rate, payable monthly	40,278	178,774
e) Promissory notes under credit facilities amounting to Baht 100 million, with principal repayable within the specific date of each promissory, and interest charged at MLR less a fixed rate, payable monthly	46,232	71,240
f) Promissory notes under credit facilities amounting to Baht 200 million (2021: Baht 100 million), with principal repayable within the specific date of each promissory, and interest charged at MLR less a fixed rate, payable monthly	96,132	63,494
Total short-term loans from financial institutions	910,041	1,028,589

Bank overdraft and short-term loans are secured by the bank deposit, the transfer of ownership rights and the assignment of collection rights over hire purchase receivables and loans secured against motorcycle registrations, car registrations, commercial car registrations and truck registrations. Loans are also guarantees provided by the directors of the Company. Moreover, the Company is required to comply with certain terms and conditions as specified in each loan agreement, such as to maintain ratios of hire purchase receivables and loan receivables that are no more than 3 months overdue to total borrowings, non-performing hire purchase receivables and loan receivables (overdue more than 3 months) to total receivables, collection ratio, working capital turnover ratio, total debt to equity ratio, hire purchase receivables and loan receivables that are no more than 3 months overdue to total receivables, earnings before interest and taxes to total interest expenses, and also the portion of the Company's shares held by directors, depending on the conditions in each agreement.

As at 31 December 2022, the Company has Baht 339 million for bank overdrafts and short-term credit facilities from financial institutions which have not yet been drawn down (2021: Baht 393 million).

#### 18. Other payables

(Unit: Thousand Baht)

	2022	2021
Other payables	87,968	61,471
Accrued employee expenses	45,606	44,496
Revenue department payable	21,846	19,010
Accrued expenses	13,912	18,490
Total	169,332	143,467

## 19. Lease liabilities

(Unit: Thousand Baht)

	2022	2021
Lease liabilities	147,096	131,640
Less: Deferred interest expenses	(6,455)	(9,003)
Total	140,641	122,637
Less: Current portion	(72,715)	(56,067)
Lease liabilities - net of current portion	67,926	66,570

Movements of lease liabilities for the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	2022	2021
Balance at the beginning of year	122,637	100,391
Additions	114,533	83,893
Interest recognised	6,119	5,627
Lease payment	(80,765)	(62,205)
Decrease	(21,883)	(5,069)
Balance at the end of year	140,641	122,637

The maturity analysis of undiscounted lease payments is disclosed in Note 34.3 the financial statements on Liquidity risk.

Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	2022	2021
Depreciation of right-of-use assets	79,529	59,675
Interest expenses on lease liabilities	6,119	5,627
Expense relating to short-term leases	8,439	4,028
Total	94,087	69,330

The Company had total cash outflows for leases for the year ended 31 December 2022 of Baht 89 million (2021: Baht 66 million).

## 20. Long-term loans

As at 31 December 2022 and 2021, the following are loans from local financial institutions in Thailand.

(Unit: Thousand Baht)

Loan facility / Repayment schedule		2022	2021
a)	Syndicate loan facility amounting to Baht 5,950 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	348,670	1,090,640
b)	Syndicate loan facility amounting to Baht 1,650 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	860,610	1,390,220
c)	Credit facility amounting to Baht 800 million, repayable principal at the end of agreement and interest charged at fixed rate, payable monthly	-	800,000
d)	Credit facility amounting to Baht 100 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	61,600	86,928
e)	Credit facility amounting to Baht 200 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	131,689	174,000
f)	Syndicate loan facility amounting to Baht 2,000 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	1,642,870	-
g)	Credit facility amounting to Baht 500 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	434,153	-
h)	Credit facility amounting to Baht 800 million, repayable principal every 6-month after the end of 1-year grace period from the date of loan withdrawal, and interest charged at MLR less a fixed rate, payable monthly	800,000	-
i)	Credit facility amounting to Baht 100 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	92,950	-
j)	Syndicate loan facility amounting to Baht 3,000 million, repayable principal equally every month, and interest charged at MLR less a fixed rate, payable monthly	1,346,730	-
Total		5,719,272	3,541,788
Less: Deferred issuing costs		(26,039)	(14,268)
Long-term loans		5,693,233	3,527,520
Less: Current portion due within one year		(2,208,118)	(2,166,480)
Long-term loans, net of current portion		3,485,115	1,361,040

The above long-term loans are secured by the assignment of collection rights over loans secured against motorcycle registrations, car registrations, commercial car registrations and truck registrations with specific conditions to the bank, the provision of guarantees by the directors of the Company. Moreover, the Company is required to comply with certain terms and conditions as specified in each loan agreement, such as to maintain ratios of hire purchase receivables and loan receivables that are no more than 3 months overdue to total borrowings, non-performing hire purchase receivables and loan receivables (overdue more than 3 months) to total receivables, collection ratio, earnings before interest and taxes to total interest expenses, total debt to equity ratio, depending on the conditions in each agreement.

As at 31 December 2022, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 1,638 million (2021: Baht 2,039 million).

Movements in the long-term loans account during the year ended 31 December 2022 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2022	3,541,788
Add: Drawdown	4,845,000
Less: Repayment	(2,667,516)
Balance as at 31 December 2022	5,719,272

## 21. Other current liabilities

	(Unit: Thousand Baht)	
	2022	2021
Accrued interest expenses	2,470	773
Accrued special business tax expenses	2,855	1,978
Accrued withholding tax expenses	1,973	1,626
Accrued output tax expenses	249	379
Others	1,612	1,937
Total	9,159	6,693

## 22. Provision for long-term employee benefits

Provision for long-term employee benefits, which is the compensation payable to employees upon retirement, can be summarised as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
<b>Provision for long-term employee benefits at beginning of year</b>	38,351	37,621
Included in profit or loss:		
Current service cost	8,160	7,815
Interest cost	828	575
Loss from benefit paid	69	1,343
Included in other comprehensive income:		
Actuarial gain arising from		
Demographic assumptions changes	(2,345)	(564)
Financial assumptions changes	(3,207)	(1,921)
Experience adjustments	(1,750)	(2,623)
Benefits paid during the year	(899)	(3,895)
<b>Provision for long-term employee benefits at the end of year</b>	<b>39,207</b>	<b>38,351</b>

As at 31 December 2022, the Company expected to pay Baht 2.8 million of long-term employee benefits during the next year (2021: Baht 1.6 million).

As at 31 December 2022, weighted average duration of the liabilities for long-term employee benefits of the Company is 9.44 years (2021: 10.58 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	2022	2021
Discount rate	2.74	1.92
Future salary increase rate	3	3
Turnover rate (depending on age of employee)	9 - 20	8 - 20

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	2022			
	Increase rate		Decrease rate	
	Liabilities increased		Liabilities increased	
	Percent	(decreased)	Percent	(decreased)
Discount rate	1.0	(3,306)	1.0	3,800
Salary increase rate	1.0	3,964	1.0	(3,508)
Turnover rate	1.0	(3,649)	1.0	2,686

(Unit: Thousand Baht)

	2021			
	Increase rate		Decrease rate	
	Liabilities increased		Liabilities increased	
	Percent	(decreased)	Percent	(decreased)
Discount rate	1.0	(3,707)	1.0	4,288
Salary increase rate	1.0	4,404	1.0	(3,875)
Turnover rate	1.0	(4,017)	1.0	3,079

### 23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 9.60 million (2021: Baht 7.95 million) were recognised as expense.



## 24. Share capital

Movements of the registered share capital and called up capital during the years 2022 and 2021 are summarised below.

	Number of shares (Million shares)	Amount (Million Baht)
<b>Issued and paid-up capital</b>		
Issued and paid-up capital as at 1 January 2021	602	3,009
Share splitting (from 602 million ordinary shares at par value of Baht 5 each to 3,009 million ordinary shares at par value of Baht 1 each)	2,407	-
Increase in registered capital (801 million ordinary shares at par value of Baht 1 each)	801	801
Issued and paid-up capital as at 31 December 2021	3,810	3,810
Issued and paid-up capital as at 31 December 2022	3,810	3,810

## 25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

As at 31 December 2022, the Company has the statutory reserve Baht 73.67 million (2021: Baht 50.62 million).

## 26. Dividend

On 21 April 2021, the Annual General Meeting of Shareholders for 2021 of the Company approved dividend payment of Baht 0.34 per share from the 2020 operating result to the shareholders of the Company, or a total dividend payment of Baht 204.62 million (The interim dividend was paid of Baht 0.17 per share on 29 April 2021 and the remaining of Baht 0.17 per share on 21 May 2021).

On 14 August 2021, the Board of Director's Meeting No. 4/2021 approved interim dividend payment of Baht 0.11 per share from the retain earning as at 30 June 2021 to the shareholders of the Company, or a total dividend payment of Baht 324.99 million. The Company paid dividend to the shareholders on 17 August 2021.

On 20 April 2022, the Annual General Meeting of Shareholders for 2022 of the Company approved dividend payment of Baht 0.118 per share from the 2021 operating result to the shareholders of the Company, or a total dividend payment of Baht 363.09 million (The interim dividend was paid of Baht 0.108 per share on 17 August 2021 and the remaining of Baht 0.01 per share on 12 May 2022).

## 27. Finance cost

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
Interest expenses on borrowings	212,780	179,124
Interest expenses on lease liabilities	6,119	5,627
Total	218,899	184,751

## 28. Expenses by nature

Significant expenses by nature are as follows:

(Unit : Thousand Baht)

	For the years ended 31 December	
	2022	2021
Salary, wages and other employee benefits	561,958	480,826
Sale promotional expenses	94,658	47,290
Depreciation and amortisation expenses	123,443	101,181
Rental and service expenses	98,294	71,413
Consultation and professional service fees	33,268	19,948
Special business tax and other tax expenses	43,465	29,536
Allowance for expected credit losses	230,115	177,641
Loss on impairment and disposals of assets	99,848	50,779

## 29. Loss on impairment and disposals of assets foreclosed

(Unit : Thousand Baht)

	For the years ended 31 December	
	2022	2021
Impairment loss of assets foreclosed (reversal)	24,932	(2,799)
Loss on disposals of assets foreclosed	75,678	53,135
Total	100,610	50,336

### 30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares proportionately to the change in the number of shares as a result of the change in the par value of the ordinary shares.

### 31. Segment information

The Company's principal operations involve a single operating segment of hire purchase and loan receivables. Their operations are carried on in the single geographical area of Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that the Company's chief operating decision maker (Managing Director) used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area. In addition, the Company has no major customer with reserve of 10 percent or more of an entity's revenues during the years 2022 and 2021.

### 32. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions are in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. A summary of related parties and transactions with those parties is below.

(Unit: Thousand Baht)

	2022	2021	Pricing Policy
<u>Transactions with related parties</u>			
Service income	-	205	As stipulated in agreements
Rental expenses	6,266	10,852	As stipulated in agreements
Advisory fee	-	342	As stipulated in agreements

As at 31 December 2022 and 2021, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	2022	2021
<u>Related parties</u>		
Other receivables	-	41
Other payables	78	10
Lease liabilities	6,686	26,755

### Directors and management's benefits

During the years, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
Short-term employee benefits	53,554	54,382
Post-employment benefits	786	743
Total	54,340	55,125

## 33. Commitments

### 33.1 Service agreements

The Company has entered into other services agreement. The terms of the agreements are generally between 1 - 3 years. As at 31 December 2022, future minimum lease payments required under these non-cancellable service contracts were as follows:

(Unit: Thousand Baht)

Payable	Related company	Other parties	Total
Within 1 year	762	8,690	9,452
1 to 3 years	1,495	6,972	8,467

## **34. Risk management**

The Company's financial instruments, principally comprise cash and cash equivalents, deposits at banks with restrictions, hire purchase and loan receivables, deposits at bank with collateral obligation, lease liabilities and loans from financial institutions. The financial risks associated with these financial instruments and how they are managed is described below.

### **34.1 Credit risk**

The Company is exposed to credit risk primarily with respect to hire purchase and loan receivables. The Company manages the risk by adopting appropriate credit control policies and procedures. In addition, the Company does not have high concentrations of credit risk since it has a variety of customer bases and a number of customers. The maximum exposure to credit risk is limited to the carrying amounts of hire purchase and loan receivables less allowance for expected credit loss as stated in the statements of financial position.

#### **Maximum exposure to credit risk of financial instruments**

Maximum exposure to credit risk is the amount of financial instruments without taking account of any collateral held or other credit enhancements to increase creditability. For financial assets recognised in statements of financial position, maximum exposure to credit risk is the amount before allowance for expected credit loss.

#### **Credit quality analysis**

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted policies to mitigate this risk by analysis of credit from customer information and monitoring status of customer.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit losses). Explanation of 12-months expected credit losses, lifetime expected credit losses - not credit impaired, and lifetime expected credit losses-credit impaired are included in Note 4.6 to the financial statements.

31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12-month ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
<b>Cash and cash equivalents</b>				
Investment grade	160	-	-	160
Total	160	-	-	160
Less: Allowance for expected credit losses	-	-	-	-
Net book value	160	-	-	160
<b>Deposits at banks with restrictions</b>				
Deposits at banks with restrictions	52	-	-	52
Total	52	-	-	52
Less: Allowance for expected credit losses	-	-	-	-
Net book value	52	-	-	52
<b>Hire purchase and loan receivables</b>				
Not yet due	8,509	-	-	8,509
Overdue 1 - 30 days	1,927	-	-	1,927
Overdue 31 - 60 days	-	927	-	927
Overdue 61 - 90 days	-	295	-	295
More than 90 days	-	-	333	333
Litigation receivables	-	-	29	29
Total	10,436	1,222	362	12,020
Less: Allowance for expected credit losses	(171)	(171)	(197)	(539)
Net book value	10,265	1,051	165	11,481
<b>Deposits at bank with collateral obligation</b>				
Deposits at bank with collateral obligation	50	-	-	50
Total	50	-	-	50
Less: Allowance for expected credit losses	-	-	-	-
Net book value	50	-	-	50

(Unit: Million Baht)

	31 December 2021			Total
	Financial assets where there has not been a significant increase in credit risk (12-month ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	
<b>Cash and cash equivalents</b>				
Investment grade	511	-	-	511
Total	511	-	-	511
Less: Allowance for expected credit losses	-	-	-	-
Net book value	511	-	-	511
<b>Deposits at banks with restrictions</b>				
Deposits at banks with restrictions	33	-	-	33
Total	33	-	-	33
Less: Allowance for expected credit losses	-	-	-	-
Net book value	33	-	-	33
<b>Hire purchase and loan receivables</b>				
Not yet due	6,609	-	-	6,609
Overdue 1 - 30 days	1,329	-	-	1,329
Overdue 31 - 60 days	-	627	-	627
Overdue 61 - 90 days	-	301	-	301
More than 90 days	-	-	273	273
Litigation receivables	-	-	41	41
Total	7,938	928	314	9,180
Less: Allowance for expected credit losses	(188)	(158)	(194)	(540)
Net book value	7,750	770	120	8,640
<b>Deposits at bank with collateral obligation</b>				
Deposits at bank with collateral obligation	50	-	-	50
Total	50	-	-	50
Less: Allowance for expected credit losses	-	-	-	-
Net book value	50	-	-	50



## Collateral and any operations to increase creditability

The Company has held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Company for each type of financial assets are as follows:

(Unit: Million Baht)

	Exposure to risk with collateral		Type of collateral
	2022	2021	
Hire purchase and loan receivables	11,549	8,574	Car, motorcycle and land

## 34.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the financial position of the Company. As the Company has no foreign currency assets and liabilities and no investments in securities, market risk therefore consists of only interest rate risk. The Company manages the changes in interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, in order to generate a suitable yield while maintaining risk at acceptable levels.

### Interest rate risk

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

Transactions	2022				
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date				
	Within 1 year	Over 1 - 5 years			
<b><u>Financial assets</u></b>					
Cash and cash equivalents	-	-	95,089	65,207	160,296
Deposits at banks with restrictions	-	-	52,154	-	52,154
Hire purchase and loan receivables <sup>(1)</sup>	3,469,001	8,012,564	-	-	11,481,565
Deposits at bank with collateral obligation	50,000	-	-	-	50,000
<b><u>Financial liabilities</u></b>					
Short-term loans from financial institutions	-	-	910,041	-	910,041
Lease liabilities	72,715	67,926	-	-	140,641
Long-term loans <sup>(2)</sup>	200,000	600,000	4,919,272	-	5,719,272

(1) The outstanding balance of hire purchase and loan receivables which have fixed interest rate and maturity within 1 year included credit-impaired receivables.

(2) The outstanding balance of long-term loans are presented before net of deferred issuing costs.

(Unit: Thousand Baht)

Transactions	2021				
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total
	Repricing or maturity date				
	Within 1 year	Over 1 - 5 years			
<b><u>Financial assets</u></b>					
Cash and cash equivalents	200,229	-	293,957	16,928	511,114
Deposits at banks with restrictions	-	-	32,809	-	32,809
Hire purchase and loan receivables <sup>(1)</sup>	2,889,552	5,750,572	-	-	8,640,124
Deposits at bank with collateral obligation	50,000	-	-	-	50,000
<b><u>Financial liabilities</u></b>					
Short-term loans from financial institutions	-	-	1,028,589	-	1,028,589
Lease liabilities	56,067	66,570	-	-	122,637
Long-term loans <sup>(2)</sup>	800,000	-	2,741,788	-	3,541,788

(1) The outstanding balance of hire purchase and loan receivables which have fixed interest rate and maturity within 1 year included credit-impaired receivables.

(2) The outstanding balance of long-term loans are presented before net of deferred issuing costs.

### Interest rate sensitivity

The sensitivity of the Company's profit before tax to a reasonably possible change in interest rates on that portion of floating rate of cash and cash equivalents, deposits at banks with restrictions, short-term and long-term loans from financial institutions affected as at 31 December 2022 and 2021 are as follow:

(Unit: Thousand Baht)

	Increase / Decrease	Effect on profit before tax	
		2022 <sup>(1)</sup>	2021 <sup>(1)</sup>
	(Percent)		
Cash and cash equivalents	+0.5%	475	1,470
	-0.5%	(475)	(1,470)
Deposits at banks with restrictions	+0.5%	261	164
	-0.5%	(261)	(164)
Short-term loans from financial institutions	+0.5%	(4,550)	(5,143)
	-0.5%	4,550	5,143
Long-term loans	+0.5%	(24,596)	(13,709)
	-0.5%	24,596	13,709

(1) This information is not a forecast or prediction of future market conditions, then actual result could differ from this analysis.

The above analysis has been prepared assuming that the amounts of cash and cash equivalents, deposits at banks with restrictions, short-term and long-term loans from financial institutions and all other variables remain constant over one year. Moreover, the floating legs of these cash and cash equivalents, deposits at banks with restrictions, short-term and long-term loans from financial institutions are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest for the full 12-month period of the sensitivity calculation.

### 34.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate their financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the incurrence of a financial loss. The Company has a policy to manage liquidity risk with appropriate long-term loan and short-term loan structure. However, the Company has a policy in maintaining the liquidity to ensure that there is sufficient liquidity of requirement for the current and the future.

The table below summarises the maturity profile of the Company's financial instruments as at 31 December 2022 and 2021.

(Unit: Thousand Baht)

Transactions	2022				Total
	At call	Within 1 year	Over 1 year	No specific maturity	
<b><u>Financial assets</u></b>					
Cash and cash equivalents	160,296	-	-	-	160,296
Deposits at banks with restrictions	-	52,154	-	-	52,154
Hire purchase and loan receivables <sup>(1)</sup>	-	3,469,001	8,012,564	-	11,481,565
Deposits at bank with collateral obligation	-	50,000	-	-	50,000
<b><u>Financial liabilities</u></b>					
Short-term loans from financial institutions	-	910,041	-	-	910,041
Lease Liabilities	-	72,715	67,926	-	140,641
Long-term loans	-	2,208,118	3,485,115	-	5,693,233

<sup>(1)</sup> The outstanding balance of hire purchase and loan receivables due within 1 year included credit-impaired receivables.

(Unit: Thousand Baht)

Transactions	2021				Total
	At call	Within 1 year	Over 1 year	No specific maturity	
<b><u>Financial assets</u></b>					
Cash and cash equivalents	310,885	200,229	-	-	511,114
Deposits at banks with restrictions	-	32,809	-	-	32,809
Hire purchase and loan receivables <sup>(1)</sup>	-	2,889,552	5,750,572	-	8,640,124
Deposits at bank with collateral obligation	-	50,000	-	-	50,000
<b><u>Financial liabilities</u></b>					
Short-term loans from financial institutions	-	1,028,589	-	-	1,028,589
Lease Liabilities	-	56,067	66,570	-	122,637
Long-term loans	-	2,166,480	1,361,040	-	3,527,520

<sup>(1)</sup> The outstanding balance of hire purchase and loan receivables due within 1 year included credit-impaired receivables.

### 34.4 Fair value

As at 31 December 2022 and 2021, the Company had no financial assets or financial liabilities that were measured at fair value. However, the Company had financial assets and liabilities that were measured at cost which fair value was disclosed using different levels of inputs as follows:

(Unit: Thousand Baht)

		2022			
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<b><u>Financial assets disclosed at fair value</u></b>					
Cash and cash equivalents	160,296	160,296	160,296	-	-
Deposits at banks with restrictions	52,154	52,154	52,154	-	-
Hire purchase and loan receivables	11,481,565	11,201,231	-	-	11,201,231
Deposits at bank with collateral obligation	50,000	50,000	50,000	-	-
<b><u>Financial liabilities disclosed at fair value</u></b>					
Short-term loans from financial institutions	910,041	910,041	-	910,041	-
Lease liabilities	140,641	140,641	-	140,641	-
Long-term loans	5,693,233	5,693,233	-	5,693,233	-

		2021			
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<b><u>Financial assets disclosed at fair value</u></b>					
Cash and cash equivalents	511,114	511,114	310,885	200,229	-
Deposits at banks with restrictions	32,809	32,809	32,809	-	-
Hire purchase and loan receivables	8,640,124	8,677,910	-	-	8,677,910
Deposits at bank with collateral obligation	50,000	50,000	50,000	-	-
<b><u>Financial liabilities disclosed at fair value</u></b>					
Short-term loans from financial institutions	1,028,589	1,028,589	-	1,028,589	-
Lease liabilities	122,637	122,637	-	122,637	-
Long-term loans	3,527,520	3,527,520	-	3,527,520	-

Fair value hierarchy for financial assets and liabilities as at 31 December 2022 and 2021 is stipulated in Note 4.17 to the financial statements.

As at 31 December 2022 and 2021, the Company has estimated the fair value of financial instruments as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, deposits at banks with restrictions and short-term loans from financial institutions, their carrying amounts in the statement of financial position approximate their fair value.
- b) Deposits at bank with collateral obligation, their carrying amounts in the statement of financial position approximate their fair value.
- c) Hire purchase and loan receivables, fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- d) For long-term loans carrying interest at floating rate with interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.
- e) For lease liabilities, their carrying amounts approximate their fair value since their carrying interest approximate to the market rate.

During the current year, there were no transfers within the fair value hierarchy.

### **35. Capital Management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure and preserves the ability to continue its business as a going concern. As at 31 December 2022, the Company's debt to equity ratio is 1.34:1 (2021: 1.02:1).

### **36. Events after the reporting period**

On 17 February 2023, the Board of Director Meeting of the Company No. 1/2023 passed the resolutions to propose to the Annual General Meeting of shareholders to approve a dividend payment from the 2022 operating results at a rate of Baht 0.0666 per share, or a total of Baht 253.7 million.

### **37. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2023.

# Attachment



## Attachment 1

**Details on directors, executives, controlling persons, person assigned with the highest responsibility in accounting and finance, person assigned to be directly responsible for preparation of accounts, company secretary**

### Directors



**Professor Dr. Surapon Nitikraipot**  
Chairman of The Board of Directors/  
Chairman of Corporate Governance  
and Sustainable Development  
Committee/Independent Director



**Mr. Nutchdhawattana Silpavittayakul**  
Chairman of the Audit Committee/  
Member of the Nomination and  
Remuneration Committee/  
Independent Director



**Assistant Professor  
Dr. Chaiwuth Tangsomchai**  
Chairman of the Risk  
Management Committee/  
Member of the Audit Committee/  
Independent Director



## Directors



**Mr. Natthirutt Wanwimonphong**

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



**Mrs. Sutharntip Phisitbuntoon**

Director/  
Chairman of the Executive Committee/  
Chief Executive Officer



**Mr. Wichai Suphasathikul**

Authorized Director/  
Vice Chairman of Executive Committee/  
President/Acting Senior Executive Vice President of Corporate Management



**Mr. Patpong Patong**

Authorized Director/Executive Director/ Member of the Risk Management Committee



**Mr. Bunthid Supasatitkul**

Authorized Director/Executive Director/  
Member of the Nomination and Remuneration Committee



**Mr. Parinya Supasatitkul**

Authorized Director/  
Executive Director



**Ms. Thapanattsamon Paisanteerakorn**

Authorized Director/Executive Director/  
Member of Corporate Governance and Sustainable Development Committee



**Mr. Thanassorn Ratanasirisap**

Authorized Director/Executive Director/  
Member of Corporate Governance and Sustainable Development Committee



**Miss Varita Laothamatas**

Authorized Director/Executive Director/  
Member of Corporate Governance and Sustainable Development Committee

## Directors



**Ms. Chonchissa Ratanasirisap**  
Executive Director



**Mr. Punsongpol Paisanterakorn**  
Executive Director

## Executive Vice Presidents



**Mr. Rapee Pruenglampoo**  
Executive Vice President-Branch  
Operations Department and  
Acting Senior Executive Vice  
President of Operation



**Mr. Suphot Phuthong**  
Executive Vice President-Information  
Technology Department



**Mr. Benjarong Kammanid**  
Executive Vice President-Risk  
management Department



**Dr. Theerawat Thawanratphokin**  
Executive Vice President- Accounting  
and Finance Department



**Mr. Sompop Pundrikabha**  
Executive Vice President-Marketing  
Department



**Ms. Sarinya Krissanakupata**  
Executive Vice President-Human  
Resources and Corporate Affairs



**Ms. Natthanan Kittiphonsombun**  
Company Secretary/Executive  
Vice President-Corporate Governance  
and Investor Relations Department



## Attachment 1

Details of directors, executives, controlling persons, person with the highest responsibility in accounting and finance, person assigned to be directly responsible for overseeing accounts, and company secretary

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(b)</sup> (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company	Type of Business
1. Prof. Dr. Surapon Nitikraipot  Chairman of the Board of Directors 21 April 2021 – Present Independent Director 21 April 2021 – Present Chairman of Corporate Governance and Sustainable Development Committee 10 August 2022 - Present	62	<ul style="list-style-type: none"><li>Honorary Doctorate Degree, Soka University, Japan</li><li>Master’s Degree and Doctorate Degree in public laws, Université Robert Schuman, France</li><li>Bachelor of Laws (Honors), Thammasat University</li><li>Board Nomination and Compensation Program (BNCP), Thai Institute of Directors (IOD), Class of 5/2018</li><li>Role of the Chairman Program (RCP) Thai Institute of Directors (IOD), Class of 25/2011</li><li>Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 102/2008</li><li>Certificat, La Décentralisation et l’Administration Locale, Institut International d’ Administration Publique (IIAP), Paris, France</li><li>Diploma, National Defence Course for the Joint State-Private Sector, Class 23, The National Defence College, 2010</li><li>Barrister at Law, Class of 35th, Institute of Thai Bar Association of Thailand</li><li>Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 7, Thailand Energy Academy</li><li>Capital Market Academy Leadership Program, Class 4, Capital Market Academy</li></ul>	0.148 (0.131 held by himself; 0.017 held by his spouse)	-None-	Directorship in listed companies and/or other listed companies at least in the 5 preceding years			
					2022 – Present	• Chairman of Corporate Governance and Sustainable Development Committee	Heng Leasing and Capital Public Company Limited	Loan service business
					2021 – Present	• Chairman of the Board of Directors • Independent Director		
					2020 – Present	• Chairman of the Board of Directors	JD Food Public Company Limited	Seasoning powder business and dried food business
					2018 – 2021	• Independent Director	PTT Public Company Limited	Energy and utilities business
					2008 – 2012	• Chairman of the Good Corporate Governance Committee	PTT Public Company Limited	Energy and utilities business
					2009 – 2011	• Chairman of the Board of Directors	MCOT Public Company Limited	Media and publishing business
					Directorship in limited companies/other organizations at least in the 5 preceding years			
					2017 - Present	• Chairman of the Executive Committee	Kamnoetvidya Science Academy	Education business
					2016 - Present	• Honorable Director	The Public Sector Development Commission : OPDC	Government agency
2016 - Present	• President of the University Council	Navamindradhiraj University	Education business					
2015 - Present	• Director	Knowledge Network Institute of Thailand	Government agency					

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company	Type of Business
1. Prof. Dr. Surapon Nitikraipot (continued) Chairman of the Board of Directors 21 April 2021 – Present Independent Director 21 April 2021 – Present Chairman of Corporate Governance and Sustainable Development Committee 10 August 2022 - Present					2015 - Present	<ul style="list-style-type: none"><li>• Vice President of the Council</li></ul>	Vidyasirimedhi Institute	Education business
					2012 – Present	<ul style="list-style-type: none"><li>• Special advisor</li></ul>	Office of The Administrative Courts and Election Commission	Government agency
					2006 - Present	<ul style="list-style-type: none"><li>• Council Member, Group 8</li></ul>	Office of the Council of State	Government agency
					1982 - Present	<ul style="list-style-type: none"><li>• Retired government official</li><li>• President of the University Council</li></ul>	Thammasat University	Education business
					2005 – 2022	<ul style="list-style-type: none"><li>• Advisor</li></ul>	Thammasat University Hospital	Medical service business
					2018 - 2021	<ul style="list-style-type: none"><li>• Chairman of the Board of Directors</li><li>• Independent Director</li></ul>	Heng Leasing Company Limited	Loan service business
					2014 – 2018	<ul style="list-style-type: none"><li>• Chairman of the Good Corporate Governance Committee</li></ul>	PTT Global Chemical Company Limited	Petrochemical and chemical business
					2015 – 2017	<ul style="list-style-type: none"><li>• Independent Director</li><li>• Vice Chairman of the Board of Directors</li></ul>	Thai Institute of Directors (IOD)	Thai Institute of Directors
					2014 – 2016	<ul style="list-style-type: none"><li>• Chairman of the Board of Directors</li></ul>	The Krung Thep Thanakom Company Limited (Enterprise of Bangkok Metropolitan)	Government agency
					2012 – 2016	<ul style="list-style-type: none"><li>• Honorable Director</li></ul>	Civil Service Commission in Higher Education Institutions	Ministry of Education
					2004 – 2010	<ul style="list-style-type: none"><li>• Chancellor of the University</li></ul>	Chancellor of Thammasat University	Education business
					2006 – 2008	<ul style="list-style-type: none"><li>• Council member</li></ul>	National Legislative Assembly of Thailand	Government agency
					2006 – 2008	<ul style="list-style-type: none"><li>• Honorable Advisor to the Prime Minister</li></ul>	-	Government agency
					2001 – 2004	<ul style="list-style-type: none"><li>• Dean of Faculty of Law</li></ul>	Thammasat University	Education business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(1)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
2. Mr. Nutchdhwattana Silpavittayakul (continued) Chairman of the Audit Committee 24 April 2021 – Present Independent Director 21 April 2021 – Present Member of the Nomination and Remuneration Committee 24 April 2021 – Present	59	<ul style="list-style-type: none"> <li>Bachelor's Degree in Accounting, Faculty of Commerce and Accountancy, Thammasat University</li> <li>Master's Degree in Business Administration, Faculty of Commerce and Accountancy, Thammasat University</li> <li>Role of Chairman Program (RCP), Thai Institute of Directors (IOD), Class of 39/2016</li> <li>Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 102/2008</li> <li>Strategy Management Program (SMP, Class 1) (Chairman of the Class), Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>Fiscal Economy Program for Executives (Class 3), King Prajadhipok's Institute</li> <li>CFO Certification Program, The Federation of Accounting Professions</li> <li>Capital Market Academy Leadership Program, Class 28, Capital Market Academy</li> </ul>	- None-	- None-	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 – Present	<ul style="list-style-type: none"> <li>Chairman of the Audit Committee</li> <li>Independent Director</li> <li>Member of the Nomination and Remuneration Committee</li> </ul>	Heng Leasing and Capital Public Company Limited Loan service business
					2017 – Present	<ul style="list-style-type: none"> <li>Director</li> <li>Member of the Sustainable Development Committee</li> </ul>	Singha Estate Public Company Limited Property development business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2022 – Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	Singha People Development Company Limited Business consultant
					2022 – Present	<ul style="list-style-type: none"> <li>Director</li> <li>Member of the Risk Management Committee</li> </ul>	Boon Rawd Supply Chain Company Limited Logistics
					2020 – Present	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>	Boon Rawd Brewery Company Limited Group Beverage business
					2020 – Present	<ul style="list-style-type: none"> <li>Deputy Managing Director Corporate Finance and Administration</li> </ul>	Boon Rawd Brewery Company Limited Holding company business
					2014 – 2020 2009 – 2014	<ul style="list-style-type: none"> <li>Assistant Managing Director</li> <li>Director of Finance and Accounting</li> </ul>	
					2020 – Present	<ul style="list-style-type: none"> <li>Chairman</li> </ul>	Singha International Headquarter Company Limited Holding company business
					2018 – Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	SBP Digital Service Company Limited Computer system, network connection, and internet network service business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company  Type of Business
2. Mr. Nutchdhwattana Silpavittayakul (continued) Chairman of the Audit Committee 24 April 2021 – Present Independent Director 21 April 2021 – Present Member of the Nomination and Remuneration Committee 24 April 2021 – Present					2018 – Present	• Director	Singha Europe Company Limited Holding company business
					2017 – Present	• Director	Singha Venture Capital Fund Ltd. Venture capital business
					2012 – Present	• Director	Singha Park Chiang Rai Company Limited Sale of agricultural and processed products, food and beverages, and tourism business
					2008 – Present	• Director	Beer Singha Beer Thai Company Limited Consulting business
					1991 – Present	• Director	C.B. Holding Company Limited Property rental and cleaning service business
					2018 - 2021	• Chairman of the Audit Committee • Independent Director • Member of the Nomination and Remuneration Committee	Heng Leasing Company Limited Loan service business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(1)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
3. Assistant Prof. Dr. Chaiwuth Tangsomchai Chairman of the Risk Management Committee 24 April 2021 – Present Independent Director 21 April 2021 – Present Member of the Audit Committee 24 April 2021 – Present	51	<ul style="list-style-type: none"> <li>• Doctoral Degree in Economics, West Virginia University, USA</li> <li>• Master's Degree in Economics, University of Washington, USA</li> <li>• Master's Degree, Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>• Bachelor's Degree (Honors) Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>• Successful Formulation and Execution of Strategy (SFE), Thai Institute of Directors (IOD), Class of 37/2021</li> <li>• Director Accreditation Program (DAP), Thai Institute of Directors (IOD), Class of 159/2019</li> <li>• Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 26/2022</li> <li>• Leader Economic Growth Program, Harvard Kennedy School, Harvard University U.S.A.</li> <li>• Director Refreshment Training Program (RFP) Thai Institute of Directors (IOD), Class of 5/2022</li> <li>• Financial Statements for Directors (FSD) Thai Institute of Directors (IOD), Class of 45/2022</li> <li>• Introduction to corporate sustainability, Sustainable Business Development Institute (SBDI)</li> </ul>	0.017 (0.016 held by himself; 0.001 held by his spouse)	-None-	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 – Present	<ul style="list-style-type: none"> <li>• Chairman of the Risk Management Committee</li> <li>• Independent Director</li> <li>• Member of the Audit Committee</li> </ul>	Heng Leasing and Capital Public Company Limited Loan service business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2022 - Present	• Deputy Dean	International College of Digital Innovation, Chiang Mai University Education business
					2012 – Present	<ul style="list-style-type: none"> <li>• Professor at Department of Finance</li> <li>• President of the Master of Business Administration Program (M.B.A.)</li> </ul>	Faculty of Business Administration, Chiang Mai University Education business
					2020 – 2021	<ul style="list-style-type: none"> <li>• Chairman of the Risk Management Committee</li> <li>• Independent Director</li> <li>• Member of the Audit Committee</li> </ul>	Heng Leasing Company Limited Loan service business
					2018 - 2021	<ul style="list-style-type: none"> <li>• Member of the Risk Management Committee</li> </ul>	
					2012 – 2020	• Deputy Dean	



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(b)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company  Type of Business
<b>4. Mr. Nutthirutt Wanwimonphong</b> Chairman of the Nomination and Remuneration Committee 24 April 2021 – Present Independent Director 21 April 2021 – Present Member of the Audit Committee 24 April 2021 – Present Member of the Risk Management Committee 24 April 2021 – Present	47	<ul style="list-style-type: none"> <li>Master of Business Administration, Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>Bachelor's Degree in Civil Engineering, King Mongkut's University of Technology North Bangkok</li> <li>Role of the Chairman (RCP) Thai Institute of Directors (IOD), Class of 52/2022</li> <li>Successful Formulation and Execution of Strategy (SFE), Thai Institute of Directors (IOD), Class of 32/2020</li> <li>Board Nomination and Compensation Program (BNCP), Thai Institute of Directors (IOD), Class of 7/2019</li> <li>Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 15/2019</li> <li>Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 238/2017</li> <li>Advanced Audit Committee Program (AAP), Thai Institute of Directors (IOD), Class of 26/2017</li> <li>Audit Core Training (Workshop), Workshop Audit, Class 1, Federation of Accounting Professions</li> <li>Orientation Course - CFO Focus on Financial Reporting, Class 5, Federation of Accounting Professions</li> <li>Training on Auditing by Businesses, Federation of Accounting Professions</li> </ul>	-None-	-None-	<b>Directorship in listed companies and/or other listed companies at least in the 5 preceding years</b>		
					2022 - Present	<ul style="list-style-type: none"> <li>Member of the Audit Committee</li> <li>Independent Director</li> <li>Member of the Risk Management Committee</li> </ul>	Master Style Public Company Limited  Hospital service business
					2021 – Present	<ul style="list-style-type: none"> <li>Chairman of the Nomination and Remuneration Committee</li> <li>Member of the Audit Committee</li> <li>Independent Director</li> <li>Member of the Risk Management Committee</li> </ul>	Heng Leasing and Capital Public Company Limited  Loan service business
					2016 – Present	<ul style="list-style-type: none"> <li>Chairman of the Audit Committee</li> <li>Chairman of the Nomination and Remuneration Committee</li> <li>Independent Director</li> </ul>	Thai Capital Corporation Public Company Limited  Energy and utilities business
					2006 – 2010	<ul style="list-style-type: none"> <li>Senior Financial Analyst</li> </ul>	Hemaraj Land and Development Public Company Limited  Property development business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company  Type of Business	
4. Mr. Nutthirutt Wanwimonphong (continued) Chairman of the Nomination and Remuneration Committee 24 April 2021 – Present Member of the Audit Committee 24 April 2021 – Present Independent Director 21 April 2021 – Present Member of the Risk Management Committee 24 April 2021 – Present		<ul style="list-style-type: none"><li>Forensic Accounting Certificate (FAC), Federation of Accounting Professions</li><li>Course on investment project risk analysis and management techniques to create added values for sustainable business by Thailand Securities Institute, the Stock Exchange of Thailand</li><li>ESG: Principal, Importance and Way Forward, Association of Thai Securities Company (“ASCO”)</li><li>Data Analytics for Upskilling by AIT, DEPA, SCB ACADEMY</li></ul>			Directorship in limited companies/other organizations at least in the 5 preceding years			
					2022 - Present	<ul style="list-style-type: none"><li>Chairman of the Nomination and Remuneration Committee</li><li>Independent Director</li><li>Member of the Audit Committee</li></ul>	IFCG Company Limited	Real Estate Agent
					2020 – 2022	<ul style="list-style-type: none"><li>Member of the Audit Committee</li><li>Independent Director</li><li>Member of the Risk Management Committee</li></ul>	Master Style Company Limited	Hospital service business
					2020 - 2021	<ul style="list-style-type: none"><li>Member of the Risk Management Committee</li></ul>	Heng Leasing Company Limited	Loan service business
					2018 - 2021	<ul style="list-style-type: none"><li>Chairman of the Nomination and Remuneration Committee</li><li>Independent Director</li><li>Member of the Audit Committee</li></ul>		
					2010 - 2017	<ul style="list-style-type: none"><li>Qualified Senior Valuer</li><li>Independent Advisor</li></ul>	Candor Consultant Company Limited	Appraisal business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company  Type of Business
5. Mrs. Sutharntip Phisitbuntoon Director 21 April 2021 – Present Chairman of the Executive Committee 24 April 2021 – Present Chief Executive Officer 1 April 2019 – Present	68	<ul style="list-style-type: none"> <li>• Master's Degree in Economics, Thammasat University</li> <li>• Bachelor's Degree (First Class Honors, Gold Medal) in Banking and Finance</li> <li>• Chulalongkorn University</li> <li>• Introduction to corporate sustainability, Sustainable Business Development Institute (SBDI)</li> <li>• Training course on the landscape of the Bank of Thailand in the future and the formulation of financial plans for the future of financial institutions</li> <li>• Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 279/2019</li> <li>• Guidelines on Success of SME Course (SME), Thai Institute of Directors (IOD), Class of 2/2013</li> <li>• Director Accreditation Program (DAP), Thai Institute of Directors (IOD), Class of 23/2004</li> <li>• Diploma, National Defence College, The Joint State - Private Sector Course Class 2007</li> <li>• The Wharton Advanced Management Program (The Wharton School, University of Pennsylvania) USA</li> <li>• Diploma, National Defence College, The Joint State - Private Sector Course Class 2007</li> </ul>	0.079 (0.079 held by herself)	-None-	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 – Present	<ul style="list-style-type: none"> <li>• Chief Executive Officer</li> <li>• Chairman of the Executive Committee</li> <li>• Director</li> </ul>	Heng Leasing and Capital Public Company Limited  Loan service business
					2014 – 2018	<ul style="list-style-type: none"> <li>• Deputy Managing Director Credit Development and Risk Management Group</li> </ul>	Land and Houses Public Company Limited  Financial institution business
					2010 – 2014	<ul style="list-style-type: none"> <li>• Senior Vice President Deputy Manager of Corporate Client Group</li> <li>• Senior Vice President - Credit Risk Management Division</li> </ul>	The Siam Commercial Bank Public Company Limited  Financial institution business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2020 - 2021	<ul style="list-style-type: none"> <li>• Chief Executive Officer</li> <li>• Chairman of the Executive Committee</li> <li>• Director</li> </ul>	Heng Leasing Company Limited  Loan service business
					2018 – 2020	<ul style="list-style-type: none"> <li>• Chairman of the Risk Management Committee/Member of the Audit Committee</li> <li>• Independent Director</li> </ul>	

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(1)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company  Type of Business
<b>5. Mrs. Sutharntip Phisitbuntoon (continued)</b> Director 21 April 2021 – Present Chairman of the Executive Committee 24 April 2021 – Present Chief Executive Officer 1 April 2019 – Present		<ul style="list-style-type: none"> <li>The Advanced Senior Executive Program (ASEP) (Sasin Graduate Institute of Business Administration of Chulalongkorn University and Kellogg School of Management, Northwestern University) USA</li> <li>The Pacific RIM Banker Program (Business School, University of Washington) USA</li> <li>The Siam Commercial Bank: Financial Leadership Program (The Wharton School, University of Pennsylvania) BANGKOK</li> <li>Interactions in Business English Program (Sasin Graduate Institute of Business Administration of Chulalongkorn University)</li> <li>The Refinancing Mortgage Loan Portfolio (Marcus Evan,) Singapore</li> <li>The Corporate Credit Risk Analysis (Standard &amp; Poor's,) Hongkong</li> <li>Corporate Governance and Risk Management Seminar for Executives of Financial Institutions in Thailand (ADFIAP + IFCT + CIPE)</li> <li>The Credit Risk Management Program (FT Knowledge Financial Learning)</li> <li>The Credit Portfolio Management (The Risk Management Association)</li> <li>The Treasury Risk Management Seminar (Wachovia, U.S.A.) USA</li> <li>The Management Problem Solving and Decision Making Program (Kepner – Tregoe, Inc)</li> </ul>					

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
<b>6. Mr. Wichai Suphasathitkul</b> Director 21 April 2021 - Present Vice Chairman of the Executive Committee 24 April 2021 – Present President 1 April 2020 – Present Acting Deputy Managing Director – Corporate Administration Department 21 April 2021 – Present	59	<ul style="list-style-type: none"> <li>• Bachelor's Degree in Industrial Chemistry, Faculty of Science, Chiang Mai University</li> <li>• Introduction to corporate sustainability, Sustainable Business Development Institute (SBDI)</li> <li>• Director Certification Program (DCP) Thai Institute of Directors (IOD), Class of 245/2017</li> </ul>	8.711 held (8.711 held by himself)	Brother of mother of (1) Mr. Bunthid Supasatitkul; and (2) Mr. Parinya Supasatitkul	<b>Directorship in listed companies and/or other listed companies at least in the 5 preceding years</b>		
					2021 – Present	<ul style="list-style-type: none"> <li>• Director</li> <li>• Vice Chairman of the Executive Committee</li> <li>• Authorized Director</li> <li>• President</li> <li>• Acting Deputy Managing Director – Corporate Administration Department</li> </ul>	Heng Leasing and Capital Public Company Limited Loan service business
					<b>Directorship in limited companies/other organizations at least in the 5 preceding years</b>		
					2020 – 2021	<ul style="list-style-type: none"> <li>• Director</li> <li>• Vice Chairman of the Executive Committee</li> <li>• President</li> <li>• Acting Deputy Managing Director – Corporate Administration Department</li> </ul>	Heng Leasing Company Limited Loan service business
					2015 - 2021	• Authorized Director	Taweeheng Ngern Duan Company Limited Loan service business
					2015 – 2021	• Director	Taweeheng Motor Company Limited Loan service business
					2015 – 2021	• Director	Taweeheng 2015 Company Limited Loan service business
					2003 – 2021	• Director	Taweeheng Auto Leasing Company Limited Loan service business
					2002 – 2021	• Director	Ban Du Leasing Limited Liability Partnership Loan service business
					2002 – 2021	• Director	Taweeng Heng Company Limited Loan service business
					2000 – 2021	• Managing Partner	Taweeng Heng Leasing Limited Liability Partnership Loan service business
					1994 – 2021	• Managing Partner	Taweeng Heng Car Limited Liability Partnership Loan service business
					2017 - 2019	• Director	Taweepattana Holding Company Limited Holding company business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(b)</sup> (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Organization / Company  Type of Business	
7. Mr. Patpong Patong Director 21 April 2021 - Present Executive Director 24 April 2021 – Present Member of the Risk Management Committee 14 August 2021 – Present	52	<ul style="list-style-type: none"><li>• Master’s Degree in Business Administration, Chiang Mai University</li><li>• Bachelor’s Degree in Economics, Boston University, the United States</li><li>• Introduction to corporate sustainability, Sustainable Business Development Institute (SBDI)</li><li>• Anti-Corruption the Practical Guide Program (ACPG), Thai Institute of Directors (IOD), Class of 50/2019</li><li>• Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 245/2017</li><li>• Financial Statement for Directors Program (FSD), Thai Institute of Directors (IOD), Class of 32/2017</li></ul>	3.317 (3,304 held by himself; 0.013 held by his spouse)	-None-	Directorship in listed companies and/or other listed companies at least in the 5 preceding years			
					2021 – Present	<ul style="list-style-type: none"><li>• Member of the Risk Management Committee</li><li>• Authorized Director</li><li>• Director</li><li>• Executive Director</li></ul>	Heng Leasing and Capital Public Company Limited	Loan service business
					Directorship in limited companies/other organizations at least in the 5 preceding years			
					2015 – Present	<ul style="list-style-type: none"><li>• Managing Partner</li></ul>	Sansai Goodland Limited Liability Partnership	Property sale and purchase business
					2008 – Present	<ul style="list-style-type: none"><li>• Director</li></ul>	Pokalal Company Limited	Hotel business
					2007 – Present	<ul style="list-style-type: none"><li>• Director</li></ul>	Thai Tobacco Industries Company Limited	Tobacco business
					2001 – Present	<ul style="list-style-type: none"><li>• Director</li></ul>	Chaipat Accountancy Company Limited	Accounting consulting business
					1999 – Present	<ul style="list-style-type: none"><li>• Deputy Managing Director</li></ul>	Choice Carrental Company Limited	Car rental business
					2015 - 2021	<ul style="list-style-type: none"><li>• Authorized Director</li><li>• Director</li><li>• Executive Director</li></ul>	Heng Leasing Company Limited	Loan service business
					1997 – 2021	<ul style="list-style-type: none"><li>• Managing Director</li></ul>	Pattanasin Leasing (CPL) Company Limited	Loan service business
					2000 – 2020	<ul style="list-style-type: none"><li>• Director</li></ul>	Music Class School of Music Company Limited (Dissolution-liquidation completed)	Musical school business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
8. Mr. Buntid Supasattikul Director 21 April 2021 – Present Executive Director 24 April 2021 – Present Member of the Nomination and Remuneration Committee 14 August 2021 – Present	47	<ul style="list-style-type: none"> <li>• Bachelor's Degree in Engineering, Faculty of Computer, Siam University</li> <li>• Introduction to corporate sustainability, Sustainable Business Development Institute (SBDI)</li> <li>• Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 87/2018</li> <li>• Financial Statements for Directors Program (FSD), Thai Institute of Directors (IOD), Class of 37/2018</li> <li>• Boardroom Success through Financing and Investment Program (BFI), Thai Institute of Directors (IOD), Class of 2/2017</li> <li>• Board Nomination and Compensation Program (BNCP), Thai Institute of Directors (IOD), Class of 2/2017</li> <li>• Family Business Governance Program (FBG), Thai Institute of Directors (IOD), Class of 10/2017</li> <li>• Driving Company Success with IT Governance Program (ITG), Thai Institute of Directors (IOD), Class of 5/2017</li> <li>• How to Develop a Risk Management Plan (HRP), Thai Institute of Directors (IOD), Class of 13/2017</li> <li>• Anti-Corruption the Practical Guide Program (ACPG), Thai Institute of Directors (IOD), Class of 37/2017</li> <li>• Successful Formulation and Execution of Strategy Program (SFE), Thai Institute of Directors (IOD), Class of 30/2017</li> <li>• Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 243/2017</li> <li>• Finance for Non-financial Executive Program, Class 31, Thammasat University</li> </ul>	3,894 (3,894 held by himself)	<ul style="list-style-type: none"> <li>- Nephew of Mr. Wichai Supasattikul</li> <li>- Brother of Mr. Parinya Supasattikul</li> </ul>	<b>Directorship in listed companies and/or other listed companies at least in the 5 preceding years</b>		
					2021 – Present	<ul style="list-style-type: none"> <li>• Member of the Nomination and Remuneration Committee</li> <li>• Director</li> <li>• Executive Director</li> <li>• Authorized Director</li> </ul>	Heng Leasing and Capital Public Company Limited Loan service business
					<b>Directorship in limited companies/other organizations at least in the 5 preceding years</b>		
					2015 – 2021	• Director	Taweeheng Motor Company Limited Loan service business
					2015 – 2021	<ul style="list-style-type: none"> <li>• Authorized Director</li> <li>• Director</li> <li>• Executive Director</li> </ul>	Heng Leasing Company Limited Loan service business
					2002 – 2021	• Managing Partner	Ban Du Leasing Limited Liability Partnership Loan service business
					2000 – 2021	• Director	Taweeheng 2015 Company Limited Loan service business
					2000 – 2021	• Director	Taweeheng Motor Leasing Company Limited Loan service business
					2000 – 2021	• Director	Taweeheng Auto Leasing Company Limited Loan service business
					2000 – 2021	• Managing Partner	Taweeheng Leasing Limited Liability Partnership Loan service business
					1994 – 2021	• Managing Partner	Taweeheng Car Limited Liability Partnership Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company  Type of Business
9. Mr. Parinya Supasattitkul  Director 21 April 2021 - Present Executive Director 24 April 2021 – Present	46	<ul style="list-style-type: none"><li>• Bachelor’s Degree in Business Computer, Faculty of Business Administration, Siam University</li><li>• Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI)</li><li>• Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 90/2018</li><li>• Financial Statement for Directors Program (FSD), Thai Institute of Directors (IOD), Class of 37/2018</li><li>• Driving Company Success with IT Governance Program (ITG), Thai Institute of Directors (IOD), Class of 6/2017</li><li>• Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 8/2017</li><li>• Anti-Corruption the Practical Guide Program (ACPG), Thai Institute of Directors (IOD), Class of 38/2017</li><li>• Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 246/2017</li></ul>	5.191 held by Mr. Wichai Supasattitkul himself; 0.000 held by his spouse)  -Nephew of Mr. Wichai Supasattitkul  -Brother of Mr. Bunthid Supasattitkul	Directorship in listed companies and/or other listed companies at least in the 5 preceding years			
				2021 – Present	<ul style="list-style-type: none"><li>• Authorized Director</li><li>• Director</li><li>• Executive Director</li></ul>	Heng Leasing and Capital Public Company Limited  Loan service business	
				Directorship in limited companies/other organizations at least in the 5 preceding years			
				2015 – 2021	<ul style="list-style-type: none"><li>• Authorized Director</li><li>• Director</li><li>• Executive Director</li></ul>	Heng Leasing Company Limited  Loan service business	
				2015 – 2021	<ul style="list-style-type: none"><li>• Director</li></ul>	Taweeheng Ngern Duan Company Limited  Loan service business	
				2002 – 2021	<ul style="list-style-type: none"><li>• Managing Partner</li></ul>	Ban Du Leasing Limited Liability Partnership  Loan service business	
				2002 – 2021	<ul style="list-style-type: none"><li>• Director</li></ul>	Tawee Heng Company Limited  Loan service business	
				2000 – 2021	<ul style="list-style-type: none"><li>• Managing Partner</li></ul>	Tawee Heng Leasing Limited Liability Partnership  Loan service business	
				1994 – 2021	<ul style="list-style-type: none"><li>• Managing Partner</li></ul>	Tawee Heng Car Limited Liability Partnership  Loan service business	

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(b)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
10. Miss Thapanattamon Paisanteerakorn Director 21 April 2021 - Present Executive Director 24 April 2021 – Present Corporate Governance and Sustainable Development Committee 10 October 2022 – Present	37	<ul style="list-style-type: none"> <li>Master of Business (Hospitality Management), Victoria University, Australia</li> <li>Bachelor's Degree in Business Administration (International Business Management), Payap University</li> <li>IPO Total Strategy Program by OMEGAWORLDCLASS</li> <li>Modern Marketing Management Program, Chulalongkorn University</li> <li>Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI)</li> <li>Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 251/2018</li> <li>Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 87/2018</li> <li>Financial Statement for Directors Course(FSD) Thai Institute of Directors (IOD) Class 37/2018</li> <li>Driving Company Success with IT Governance Program (ITG), Thai Institute of Directors (IOD), Class of 6/2017</li> <li>How to Develop a Risk Management Plan Program (HRP), Thai Institute of Directors (IOD), Class of 13/2017</li> <li>Anti-Corruption the Practical Guide (ACPG), Thai Institute of Directors (IOD), Class of 37/2017</li> <li>Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 7/2017</li> <li>Family Business Governance Program (FBG), Thai Institute of Directors (IOD), Class of 10/2017</li> </ul>	1.175 (1.175 held by herself)	Sister of Mr.Punsong- pol Paisan- teerakorn	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2022 – Present	<ul style="list-style-type: none"> <li>Corporate Governance and Sustainable Development Committee</li> </ul>	Heng Leasing and Capital Public Company Limited Loan service business
					2021 – Present	<ul style="list-style-type: none"> <li>Authorized Director</li> <li>Director</li> <li>Executive Director</li> </ul>	
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2016 – 2021	<ul style="list-style-type: none"> <li>Authorized Director</li> <li>Executive</li> <li>Director</li> </ul>	Heng Leasing Company Limited Loan service business
					2013 – 2021	<ul style="list-style-type: none"> <li>Director</li> </ul>	Mit Eua Aree Leasing Company Limited Loan service business
					2013 – 2020	<ul style="list-style-type: none"> <li>Director</li> </ul>	Lamphun Mit Uaree Company Limited (Dissolution-incomplete liquidation) Loan service business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
11. Mr. Thanassom Ratanasirisap Director 21 April 2021 - Present Executive Director 24 April 2021 – Present Corporate Governance and Sustainable Development Committee 10 October 2022 – Present	40	<ul style="list-style-type: none"> <li>Master's Degree in Executive Business Administration, Chiang Mai University</li> <li>Bachelor's Degree in Information System, University of Wollongong, Australia</li> <li>Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI)</li> <li>Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 242/2017</li> <li>IT Governance and Cyber Resilience Program (ITG), Thai Institute of Directors (IOD), Class of 6/2017</li> <li>Family Business Governance Program (FBG), Thai Institute of Directors (IOD), Class of 10/2017</li> </ul>	1.588 (1.575 held by himself; 0.013 held by his spouse)	Brother of Miss Chonchisa Ratanasirisap	<b>Directorship in listed companies and/or other listed companies at least in the 5 preceding years</b>		
					2022 – Present	<ul style="list-style-type: none"> <li>Corporate Governance and Sustainable Development Committee</li> </ul>	Heng Leasing and Capital Public Company Limited Loan service business
					2021 – Present	<ul style="list-style-type: none"> <li>Authorized Director</li> <li>Director</li> <li>Executive Director</li> </ul>	
					<b>Directorship in limited companies/other organizations at least in the 5 preceding years</b>		
					2021 – Present	<ul style="list-style-type: none"> <li>Authorized Director</li> <li>Director</li> <li>Executive Director</li> </ul>	Heng Leasing Company Limited Loan service business
					2007 – 2017	<ul style="list-style-type: none"> <li>Director</li> </ul>	Sinpranee Leasing Company Limited Loan service business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company  Type of Business
12. Miss Varita Laothamatas  Director 14 August 2021 - Present Executive Director  24 April 2021 – Present  Corporate Governance and Sustainable Development Committee  10 October 2022 – Present	34	<ul style="list-style-type: none"><li>• Master’s Degree in International Management, University of Strathclyde, the United Kingdom</li><li>• Bachelor’s Degree in Accounting, Faculty of Commerce and Accountancy, Thammasat University</li><li>• Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI)</li><li>• Family Business Governance (FBG), Thai Institute of Directors (IOD), FBG 13/2018</li><li>• How to Develop a Risk Management Plan (HRP), Thai Institute of Directors (IOD), Class of 18/2018</li><li>• Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 13/2018</li><li>• Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 251/2018</li><li>• Successful Formulation and Execution of Strategy Program (SFE), Thai Institute of Directors (IOD), Class of 30/2017</li></ul>	0.262 held by herself	-None-	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2022 – Present	• Corporate Governance and Sustainable Development Committee	Heng Leasing and Capital Public Company Limited  Loan service business
					2021 – Present	• Authorized Director • Director • Executive Director	
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2018 – 2021	• Executive Director	Heng Leasing and Capital Public Company Limited  Loan service business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(1)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
13. Miss Chonchissa Ratanasirisap Executive Director 24 April 2021 – Present	39	<ul style="list-style-type: none"> <li>• Master of Executive Business Administration, Chiang Mai University</li> <li>• Bachelor of Commerce, Management University of Wollongong, Australia</li> <li>• Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI)</li> <li>• How to Develop a Risk Management Plan (HRP), Thai Institute of Directors (IOD), Class of 13/2018</li> <li>• Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 13/2018</li> <li>• Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 88/2018</li> <li>• Family Business Governance (FBG), Thai Institute of Directors (IOD), Class of 10/2018</li> <li>• Director Certification Program (DCP), Thai Institute of Directors (IOD), Class of 24/2017</li> <li>• Successful Formulation and Execution of Strategy (SFE), Thai Institute of Directors (IOD), Class of 30/2017</li> </ul>	(1.940 held by herself)	Sister of Mr.Thanassorn Ratanasirisap	<b>Directorship in listed companies and/or other listed companies at least in the 5 preceding years</b>		
					2021 – Present	• Executive Director	Heng Leasing and Capital Public Company Limited Loan service business
					<b>Directorship in limited companies/other organizations at least in the 5 preceding years</b>		
					2018 – 2021	• Executive Director	Heng Leasing Company Limited Loan service business
					2009 – Present	• Shareholder, Director, CEO Sinpranee Leasing Company Limited	Loan service business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(b)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company  Type of Business
14. Mr. Punsongpol Paisanterakorn Executive Director 21 April 2021 – Present	35	<ul style="list-style-type: none"> <li>• Bachelor of Business Administration, Ramkhamhaeng University</li> <li>• Directors Certification Program (DCP) Institute of Directors (IOD) Class 319/2522</li> <li>• Introduction to Business Organization Sustainability Management by Sustainable Business Development Institute (SBDI)</li> <li>• Financial Statement for Directors (FSD), Thai Institute of Directors (IOD), Class of 37/2018</li> <li>• Risk Management Program for Corporate Leaders (RCL), Thai Institute of Directors (IOD), Class of 13/2018</li> <li>• How to Develop a Risk Management Plan (HRP), Thai Institute of Directors (IOD), Class of 18/2018</li> <li>• Real Engineer 5 Course, Chiang Mai University</li> </ul>	1.175 (1.175 held by himself)	Brother of Miss Thap- anattamon Paisanteerakorn	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 – Present	• Executive Director	Heng Leasing and Capital Public Company Limited Loan service business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2018 – 2021	• Director	Heng Leasing Company Limited Loan service business
					2013 - 2016	• Director	Mit Eua Aree Leasing Company Limited Loan service business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(1)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
15. Mr. Rapee Pruenglampoo Executive Vice President – Branch Operations Department 21 April 2021 – Present Acting Deputy Managing Director – Operations Department 21 April 2021 – Present	49	<ul style="list-style-type: none"> <li>• Master's Degree in Economics, Chiang Mai University</li> <li>• Bachelor's Degree in Economics, Chiang Mai University</li> </ul>	0.017 (0.017 held by himself)	-None-	<b>Directorship in listed companies and/or other listed companies at least in the 5 preceding years</b>		
					2021 – Present	• Executive Vice President – Branch Operations Department	Heng Leasing and Capital Public Company Limited Loan service business
					2012 – 2018	• Acting Deputy Managing Director – Operations Department • Business Manager	The Siam Commercial Bank Public Company Limited Financial institution business
					<b>Directorship in limited companies/other organizations at least in the 5 preceding years</b>		
					2018 – 2021	• Executive Vice President – Branch Operations Department • Senior Executive Vice President – Operations Department	Heng Leasing Company Limited Loan service business



First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
16 Mr. Benjarong Kammanid Executive Vice President – Risk Management Department (21 April 2021) 21 April 2021 – Present	49	<ul style="list-style-type: none"> <li>Master's Degree in Business Administration, Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>Bachelor's Degree, Faculty of Business Administration and Accounting (Major in Accounting and Minor in Business Administration), Chiang Mai University</li> <li>Anti-Corruption the Practical Guide Program (ACPG), Thai Institute of Directors (IOD), Class of 50/2019</li> <li>Business Acumen Program, Thammasat University</li> <li>Mini MBA Program, Faculty of Business Administration, Chulalongkorn University</li> <li>Operation Audit and Physical Count Technic Program by Shanghai Lotus Supermarket Chain Store</li> <li>International Framework for the Professional Practice of Internal Auditing (IPPF), Chulalongkorn University</li> <li>Forensics Seminar on Internal Investigation and Legal Housekeeping to Prevent and Tackle Employee Fraud Course by PwC</li> <li>PDPA for Internal Audit By Thai Law Training</li> </ul>	0.009 (0.009 held by himself)	-None-	<b>Directorship in listed companies and/or other listed companies at least in the 5 preceding years</b>		
					2021 – Present	• Executive Vice President – Risk Management Department	Heng Leasing and Capital Public Company Limited Loan service business
					<b>Directorship in limited companies/other organizations at least in the 5 preceding years</b>		
					2019 – 2021	• Executive Vice President – Risk Management Department	Heng Leasing Company Limited Loan service business
					2017 – 2018	• Senior Director of Internal Audit	Chaiyapattana Transport Chiangmai Company Limited Public transport business
					2007 – 2016	• Director of Internal Audit	Central Retail Corporation Company Limited Retail business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(1)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
17. Dr. Theerawat Thawanratphokin Executive Vice President – Accounting and Finance Department (21 April 2021) 21 April 2021 – Present Person with the highest responsibility in accounting and finance (21 April 2021) 21 April 2021 – Present	36	<ul style="list-style-type: none"> <li>• Doctoral Degree in Management, North Bangkok University</li> <li>• Master's Degree in Accounting, Ramkhamhaeng University</li> <li>• Graduate Certificate in Teacher Profession, Saint John's University (First Class Honors), Pathumthani University</li> <li>• Boardroom Success through Financing &amp; Investment Program (BSFI), Thai Institute of Directors (IOD), Class of 8/2020</li> <li>• Effective Minute Taking Program (EMT), Thai Institute of Directors (IOD), Class of 45/2019</li> <li>• Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 96/2019</li> <li>• Director Accreditation Program (DAP), Thai Institute of Directors (IOD), Class of 150/2018</li> <li>• CFO's Orientation Course for New IPOs Course organized by Federation of Accounting Professions and the Office of the Securities and Exchange Commission, Class of 1/2018</li> <li>• CFO refresher course to prepare for economic conditions, finance and accounting issues affecting listed companies by the Stock Exchange of Thailand, Class 2/2021</li> <li>• CFO refresher course on sustainable business operations (ESG) issues related to operational strategies, information disclosure, and financial reports of listed companies by the Stock Exchange of Thailand, Class 3/2022</li> </ul>	0.017 (0.017 held by himself)	-None-	<b>Directorship in listed companies and/or other listed companies at least in the 5 preceding years</b>		
					2021 – Present	• Executive Vice President – Accounting and Finance Department	Heng Leasing and Capital Public Company Limited Loan service business
					2019 - 2020	• Deputy Chief Executive Officer	Successmore Being Public Company Limited Sale of consumer products through network marketing
					2017 – 2020	• Director of Accounting and Finance	
					2017	• Accounting Manager	
					<b>Directorship in limited companies/other organizations at least in the 5 preceding years</b>		
					2022 - Present	• Director	Saduk Suay Mai Company Limited Beauty Clinic Business
					2022 - Present	• Director	Thawan Medical Company Limited Thai Traditional Medicine Business
					2022 - Present	• Director	VI Money Company Limited Holding Business
					2022 - Present	• Director	VI Mechanical Service Company Limited Machinery Maintenance Business
					2022 - Present	• Director	VI Agritech Company Limited Agriculture Technology Business
					2019 - Present	• Accounting Lecturer	Thonburi University Private University
					2015 – Present	• Managing Director	Phokin Advisory Company Limited Advisory Business
					2021-2021	• Executive Vice President – Accounting and Finance Department	Heng Leasing Company Limited Loan service business
					2021 - 2021	• Independent Director	Royal Heart Medical (Thailand) Company Limited Hospital
					2020 – 2021	• Chief Financial Officer • Chief Operating Officer	Ultima Life Company Limited Sale of consumer products through network marketing
					2017 – 2017	• Accounting and Finance Manager	Thonburi Hospital Heart Centers Company Limited Hospital service business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company  Type of Business
18. Mr. Suphot Phuthong Executive Vice President – Information Technology Department (21 April 2021) 21 April 2021 – Present	48	<ul style="list-style-type: none"><li>• Bachelor of Computer Engineer, Siam University</li><li>• Governance (ITG), Thai Institute of Directors (IOD), Class of 5/2017</li><li>• Company Success with IT Course</li><li>• Mini MBA Program, Business School, Chulalongkorn University</li><li>• The CMO Academy in Marketing, Marketing Association of Thailand</li><li>• DTX – Digital Transformation</li><li>• Xponential Course ByRISE Class 2</li></ul>	0,017 held (0.017 held by himself)	-None-	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2018 – Present	• Executive Vice President – Information Technology Department	Heng Leasing and Capital Public Company Limited  Loan service business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2018-2021	• Executive Vice President – Information Technology Department	Heng Leasing Company Limited  Loan service business
					2016 – 2017	• Director	Tawee Heng Leasing Company Limited  Loan service business
2014 – 2015	• IT Manager						
19. Mr. Sompop Pundrikabha Executive Vice President – Marketing Department (21 April 2021) 21 April 2021 – Present	39	<ul style="list-style-type: none"><li>• Bachelor of Business Administration (Advertising), School of Management and Economics, Assumption University</li><li>• Mini MBA Program, Business School, Chulalongkorn University</li></ul>	0.002 held (0.002 held by himself)	-None-	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2020 – Present	• Executive Vice President – Marketing Department	Heng Leasing and Capital Public Company Limited  Loan service business
					2014 – 2017	• Customer Management Strategy Manager	ARIP Public Company Limited  • Media and content business • Exhibition, trade show and marketing activity business • Digital service business
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2017 – 2019	• Marketing Manager	Sawasdee Shop Company Limited  Financial business / international money transfer and foreign exchange services

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company  Type of Business
20. Miss Sarinya Krissanakupata Executive Vice President Human Resources and Corporate Affairs (1 April 2021) 1 April 2022 – Present	46	<ul style="list-style-type: none"> <li>Master of Science Program in Human Resource and Organization Development National Institute of Development Administration</li> <li>Bachelor of Humanities ,Major in EnglishChiangmai University</li> <li>Coaching for Break Through Success by Dr. Peter Chee 2011</li> <li>Leadership Development Program (NPL) 2020</li> </ul>	-None-	-None-	<b>Directorship in listed companies and/or other listed companies at least in the 5 preceding years</b>		
					2022 – Present	<ul style="list-style-type: none"> <li>Executive Vice President Human Resources and Corporate Affairs</li> </ul>	Heng Leasing and Capital Public Company Limited  Loan service business
					2018 – 2020	<ul style="list-style-type: none"> <li>Senior Manager-Human Resource Department</li> </ul>	Plan B Media Public Company Limited  Outdoor Digital Advertising Production
					<b>Directorship in limited companies/other organizations at least in the 5 preceding years</b>		
21. Miss Natthanan Kittiphonsombun Company Secretary 24 April 2021 – Present Executive Vice President - Corporate Governance and Investor Relations Department (21 April 2021) 21 April 2021 – Present	38	<ul style="list-style-type: none"> <li>Master of Business Administration, Rangsit University</li> <li>Bachelor of Science, Major in Industrial Biotechnology and Minor in Environment, Faculty of Science, Rangsit University</li> <li>Ethical Leadership Program (ELP), Thai Institute of Directors (IOD), Class of 16/2019</li> <li>R-CSF - Company Secretary Forum, Thai Institute of Directors (IOD), Class of 1/2019</li> <li>Effective Minute Taking (EMT), Thai Institute of Directors (IOD), Class of 40/2018</li> <li>Anti-Corruption the Practical Guide (ACPG), Thai Institute of Directors (IOD), Class of 30/2016</li> <li>Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 74/2016</li> <li>R-CGW - CG Workshop, Thai Institute of Directors (IOD), Class of 1/2016</li> </ul>	0.014 (0.014 held by herself)	-None-	<b>Directorship in listed companies and/or other listed companies at least in the 5 preceding years</b>		
					2021 – Present	<ul style="list-style-type: none"> <li>Company Secretary</li> <li>Assistant Managing Director - Corporate Governance and Investor Relations Department</li> </ul>	Heng Leasing and Capital Public Company Limited  Loan service business
					2017 – 2018	<ul style="list-style-type: none"> <li>Assistant Company Secretary or Assistant Deputy Managing Director</li> </ul>	The Platinum Group Public Company Limited  Property development business
					2016 – 2017	<ul style="list-style-type: none"> <li>Investor Relations Officer</li> <li>Senior Compliance Officer</li> </ul>	Sena Development Public Company Limited  Property development business
					2014 – 2016	<ul style="list-style-type: none"> <li>Investor Relations Officer</li> <li>Assistant Company Secretary</li> </ul>	General Engineering Public Company Limited  Construction material business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company  Type of Business
		<ul style="list-style-type: none"> <li>• Certificate in Corporate Social Responsibility Management for Sustainable Development, the Stock Exchange of Thailand</li> <li>• Certificate Internal Audit Training Course WCS South East Asia Co., Ltd.</li> <li>• Single License and Guideline on Derivatives Certificate (DRG), ATI Asco Training Institute</li> <li>• Certificate in Accounting and Finance for Executives with no basic related knowledge, Class 30, Thammasat University</li> <li>• Data Protection Officer Certification Training Course (DPO)</li> <li>• Accountant under the Accounting Act</li> </ul>			<b>Directorship in limited companies/other organizations at least in the 5 preceding years</b>		
					2018 – 2021	<ul style="list-style-type: none"> <li>• Company Secretary</li> <li>• Assistant Managing Director - Corporate Governance and Investor Relations Department</li> </ul>	Heng Leasing Company Limited  Loan service business
					2014 – 2014	<ul style="list-style-type: none"> <li>• Analyst</li> </ul>	Agrow Enterprise Company Limited  -
					2011 – 2013	<ul style="list-style-type: none"> <li>• Trader-</li> </ul>	Gcap Company Limited  Gold bullion business

First name – Last name / Position / Date of appointment and tenure	Age (Years)	Education/Trainings	Shareholding in the company <sup>(i)</sup> (%)	Family relationship with directors and executives	Work Experience		
					Period	Position	Organization / Company Type of Business
22. Mr. Thakoon Wuttipornpong Director of Accounting (21 April 2021) 21 April 2021 – Present Persons assigned to be directly responsible for overseeing accounts (21 April 2021) 21 April 2021 – Present	37	<ul style="list-style-type: none"> <li>• Bachelor's Degree in Accounting, Faculty of Business Administration, Chiang Mai University</li> <li>• Accountant under the Accounting Laws, License no. 1-5099-00276-85-3</li> <li>• Financial Statement Analysis Course, Department of Business Development (7 Hours Training)</li> <li>• Update on Financial Reporting and Audit Standard Program and Adjustment of Accountants and Auditors in the Covid-19 Pandemic Course, Federation of Accounting Professions (7 Hours Training)</li> <li>• Accounting Information Course II, Department of Business Development (9 Hours Training)</li> <li>• Year 2022, Course on cryptocurrencies and digital assets accounting 101 (5 hours of training)</li> <li>• Year 2022, Course on accounting for foreign currencies: Requirements and data for analysis (7 hours of training)</li> <li>• Year 2022, Course on statement of cash flows: Requirements and data for analysis 7 hours of training)</li> </ul>	0.002 (0.002 held by himself)	-None-	Directorship in listed companies and/or other listed companies at least in the 5 preceding years		
					2021 – Present	• Director of Accounting	Heng Leasing and Capital Public Company Limited Loan service business
					2014 – 2017	• Manager Assistant Financial and Tax Reporting	Akara Resources Public Company Limited Gold and silver mining
					Directorship in limited companies/other organizations at least in the 5 preceding years		
					2018 – 2020	• Director of Accounting	Heng Leasing Company Limited Loan service business
					2017 – 2018	• Accounting Manager- Consolidated Financial Statements	Carabao Tawandang Company Limited Energy Drink

In this regard, by 2021, the Company did not find any information on the history of penalties of directors, executives and persons with control authority in the past 5 years for committing offenses under the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546, only for offenses in the following matters:

- (1) Acts in bad faith or with gross negligence
- (2) Disclosure or dissemination of information or false statements that may cause misunderstandings or conceal facts that should have been disclosed in material matters, which may affect the decision of shareholders, investors or related persons
- (3) Unfair acts or taking advantage of investors in securities or derivatives trading or has been involved in or supported such action

### **Responsibilities of the Corporate Secretary**

The Corporate Secretary is responsible for preparing and keeping a register of directors, notices to the Board of Directors' meetings, minutes of the Board of Directors' meeting, annual reports, notices to the shareholders' meetings, and minutes of the shareholders' meetings, maintaining reports on conflicts of interest reported by directors and executives, and taking any other acts as prescribed under the announcements of the Capital Market Supervisory Board.





## Attachment 2

### Details on directors of subsidiaries

Positions of directors and controlling persons in the Company, its subsidiaries and related companies

Company / Director	Heng Leasing and Capital Public Company Limited	Related Company				Associated Company and Joint Venture	Subsidiary
		1	2	3	4		
Professor Dr. Surapon Nitikraipot	X						
Mr. Nutchdhawattana Silpavittayakul	/						
Assistant Professor Dr.Chaiwuth Tangsomchai	/						
Mr. Natthirutt Wanwimonphong	/						
Mrs. Sutharntip Phisitbuntoon	/, //, ///						
Mr.Wichai Suphasathitkul	/, //, ///						
Mr.Somrit Puntharat	/, //						
Ms. Varita Laothamatas	/, //				/		
Mr. Patpong Patong	/, //	/	/	/			
Mr.Bunthid Supasatitkul	/, //						
Mr. Parinya Supasatitkul	/, //						
Mr. Thanassorn Ratanasirisap	/, //						
Ms. Thapanattsamon Paisanteerakorn	/, //						
Ms. Chonchissa Ratanasirisap	//						
Mr. Punsongpol Paisanterakorn	//						

**Remarks:** 1) X = Chairman of the Board of Directors / = Director // = Executive Director /// = Executive  
 2) Related companies:  
 1. Sansai Goodland Limited Liability Partnership  
 2. Pokalai Company Limited  
 3. Thai Tobacco Industries Company Limited  
 4. LLK Thung Kula Company Limited  
 3) Associated company and joint venture  
 -None-  
 4) Subsidiary  
 - None-

Holding positions of executives in the Company, subsidiaries and related companies

Company / Director	Heng Leasing and Capital Public Company Limited	Related companies	Associates and Joint Ventures	Subsidiary
Mr. Rapee Pruenglampoo	///			
Mr. Benjarong Kammanid	///			
Mr. Somchai Rattanakhamchoowong	///			
Mr. Suphot Phuthong	///			
Mr. Sompop Pundrikabha	///			
Ms. Natthanan Kittiphonsombun	///			
Dr. Theerawat Thawanratphokin	///			

**Remark:** 1) X = Chairman / = Director // = Executive Director /// = Executive

2) Related companies

- None -

3) Associates and Joint Ventures

- None -

4) Subsidiary

- None -



## Attachment 3

### Details on head of the internal audit and head of compliance

#### Head of Internal Audit

The Company has engaged KPMG Phoomchai Business Advisory Limited (“KPMG”) as an independent internal auditor (Outsource). Mr. Supachate Kunaluckkul acts as Head of Internal Audit. Profile of the Head of Internal Audit is as set out below.

First name – Last name / Position	Age (Years)	Education / Trainings	Shareholding in the Company (%)	Family relationship with directors and executives	Work Experience			
					Period	Position	Company	Type of Business
Mr. Supachate Kunaluckkul Partner	43	<ul style="list-style-type: none"> <li>Certified Internal Auditor (CIA)</li> <li>Certified Information Systems Auditor (CISA)</li> <li>Certification in Control Self-Assessment (CCSA)</li> <li>ISO27001:2013 Lead Auditor</li> <li>Certified Public Accountant</li> <li>Master of Accounting, Thammasat University</li> <li>Bachelor of Accounting, Srinakharinwirot University</li> </ul>	-	-None-	2015 – Present	Partner	KPMG Phoomchai Business Advisory Limited	Business advisory service
					2014 – 2015	Executive Vice President	KPMG China, Guangzhou Office	Auditing service
					2012 – 2014	Manager	KPMG Phoomchai Audit Limited	Auditing service
					2010 – 2012	Manager		
					2007 – 2009	Assistant Manager		
					2002 – 2006	Assistant Auditor		

#### Head of Compliance

The Company appointed Miss Natthanan Kittiphonsombun, Corporate Secretary / Executive Vice President Head of Governance and Investor Relations, as Head of Compliance. Profile of the Head of Compliance is as set out under Attachment 1.



## Attachment 4

### Businesses Assets and Details on Asset Valuation

#### 1. Business Assets

-None-

#### 2. Details on Asset Valuation

-None-



## Attachment 5

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### Corporate Policies

The company discloses the full version of the Corporate Policies on the company's website, [www.hengleasing.com](http://www.hengleasing.com), under the Investor relations headline, the Corporate Governance sub-headline, Company Policy and documents category section or scan the QR code.

SCAN ME



### Code Of Conduct

The Company discloses the full version of the Code of Conduct on the Company's website, [www.hengleasing.com](http://www.hengleasing.com), under the Investor relations headline, the Corporate Governance sub-headline, Company Policy and documents category section or scan the QR code.

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### Charters Board and Subcommittee

The company discloses the full version of the Charters Board and Subcommittee on the company's website, [www.hengleasing.com](http://www.hengleasing.com), under the Investor relations headline, the Corporate Governance sub-headline, Company Policy and documents category section or scan the QR code.



## Attachment 6

### Reports of the Sub-committees

#### Report on the performance of the Audit Committee for the year 2022

Heng Leasing and Capital Public Company Limited has appointed the Audit Committee consisting of 3 independent directors who have a wide range of experience and have full qualifications as required by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. The Audit Committee consists of:

1. Mr. Nutchdhawattana Silpavittayakul Chairman of the Audit Committee
2. Mr. Nutthirutt Wanwimonphong Member of the Audit Committee
3. Prof. Dr. Chaiwuth Tangsomchai Member of the Audit Committee

Miss Natthanant Kittiphonsombun as Secretary of the Audit Committee appointed by the meeting of the Audit Committee.

The Audit Committee has performed its duties as assigned by the Board of Directors and according to Charter of the Audit Committee, which is consistent with good corporate governance practices. The Audit Committee's role is to assist the Board of Directors in monitoring the business in order for the Company to operate with transparency, honesty, fairness and create the maximum benefits to shareholders and all stakeholders equally by reporting the performance of duties and recommendations to the Board of Directors for acknowledgment every time.

In the year 2022, the Audit Committee held 4 meetings. All three members of the Audit Committee attended all of the meetings together with the auditor, independent internal auditor, and the management. The Audit Committee's performance of duties can be summarized as set out below.

**1. Review of financial statements and report on financial information review** of the Company's quarterly financial statements and the 2022 annual financial statements together with the auditor and the management to ensure that the preparation of the Company's financial statements, disclosure of information in financial statements, important accounting adjustments affecting the financial statements, suitability and adequacy of accounting recording methods, complete, sufficient and reliable scope of audit. The Company receives clarifications from the auditor on accuracy and completeness of the financial statements, as well as independently acknowledges the auditor's observations and recommendations to ensure that the preparation of financial statements is correct and complies with the laws and material requirements under the financial reporting standards. Information is disclosed in the financial statements and the notes to financial statements complete and timely.

In addition, the Audit Committee held a meeting with the auditor without the management to consider the auditor's recommendations on the internal control system and important issues from the review and audit of the financial statements. The auditor informed that they received good cooperation in such respect.

**2. Evaluation and review of the internal control system and monitoring of compliance with business-related laws** together with the independent internal auditor of KPMG Phoomchai Business Advisory Limited to ensure that the Company's operations have a good and adequate internal control system in accordance with the internal audit standards by considering the quarterly internal control system review report by the internal auditor every quarter and following up on corrective actions on key issues according to the internal control system review report on an ongoing basis. The report covers the security of information technology systems, the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, and regulations and other policies relating to the Company's business operations. The management has clearly stated a policy on compliance with the laws by establishing a compliance unit to ensure compliance with the laws and regulations relating to the Company's business operations. There were no events or operations that are in significant conflict with the laws, rules and regulations relating to the Company's business operations.

In addition, the Audit Committee held a meeting with the internal auditor without participation by the management once to consider the internal auditor's recommendations on the internal control system and key issues from the review. The internal auditor informed that they received good cooperation in such respect.

**3. Review of connected transaction and transaction that may have conflict of interest** whether it is reasonable and in the best interests of the Company's business operations. The Audit Committee ensures that information is accurately disclosed and the Company complies with the notifications of the Capital Market Supervisory Board and the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand by considering if the transaction is in the course of normal business, reasonable, and similar to transactions with internal personnel.

**4. Review of the various risk assessment report** by the Risk Management Committee whose role is to perform a comprehensive assessment of internal and external risk factors and potential impacts and prepare a risk assessment plan to prevent or reduce the potential impact to an acceptable level. In the year 2022, the Audit Committee reviewed corporate risk assessment report, risk monitoring report, and corruption risk assessment report.

**5. Review the compliance with anti-corruption measures** by reviewing internal control measures, monitoring compliance with anti-corruption measures, and setting guidelines for preventing corruption that may occur. Channels for communication via the Company's website and email are arranged for submission of complaints and whistleblowing. channels are provided through the Company's website and email.

**6. Consideration on appointment of the auditor and determination of the audit fee for the year 2022** by taking into account the auditor's performance in the past year according to the Company's evaluation criteria, qualifications of the auditors, independence in work performance, quality and work standards. The auditors have the qualifications according to the announcements of the Securities and Exchange Commission and have neither relationship nor conflict of interest with the Company and its executives, major shareholders or any person related to such persons in any way. The Audit Committee provides opinions to the Board of Directors on appointment of the auditors for further approval by the annual general meeting of shareholders. The annual general meeting of shareholders resolved to approve the appointment of:



Ms. Ratana Jala	Certified Public Accountant (Thailand) No. 3734 and/or
Ms. Somjai Khunapasut	Certified Public Accountant (Thailand) No. 4499 and/or
Ms. Wanwilai Phetsang	Certified Public Accountant (Thailand) No. 5315 and/or
Ms. Saranya Pludsri	Certified Public Accountant (Thailand) No. 6768

from EY Office Limited and the annual audit fee for the year 2022 at THB 3,300,000.

**7. Review information technology risk management**, which is a guideline for managing and reducing risk factors, as well as monitoring cyber threat incidents that may affect the security and stability of the company's information technology system. KPMG Phoomchai Business Advisory Limited is a consultant to improve the information technology system and develop the core system operation process, which is the company's core information technology.

**8. Review Charter of the Audit Committee** to be appropriate and in line with the duties and the responsibilities of the Audit Committee and related laws. The Audit Committee has performed its duties with prudence, independence and transparency for the utmost benefits of the Company and shareholders, taking into account all stakeholders carefully. The performance assessment on the Audit Committee, both on entire committee and individual basis, is conducted at least once a year and the results are reported to the Board of Directors.

The Audit Committee concludes that Board of Directors, the Executive Committee, and the management have a commitment in performing duties in order to achieve the quality goals. Emphasis has been placed on transparent, verifiable, and effective risk management system. There is effective internal audit and sufficient internal control system through the use of knowledge, cautions, and giving opinion and suggestions independently for the benefits of the Company, shareholders and all groups of stakeholders.



(Mr. Nutchdhawattana Silpavittayakul)  
Chairman of the Audit Committee

## Report on the performance of the Nomination and Remuneration Committee for the year 2022

The Nomination and Remuneration Committee of Heng Leasing and Capital Public Company Limited was appointed by the Board of Directors to perform duties independently under the scope of duties and responsibilities specified under Charter of the Nomination and Remuneration Committee. This is in accordance with the requirements and guidelines of good corporate governance prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. At present, the Nomination and Remuneration Committee consists of:

1. Mr. Nutthirutt Wanwimonphong Chairman of the Nomination and Remuneration Committee
2. Mr. Nutchdhawattana Silpavittayakul Member of the Nomination and Remuneration Committee
3. Mr. Bunthid Supasatitkul Member of the Nomination and Remuneration Committee

Miss Sarinya Krissanakupata, Assistant Managing Director - Human Resources and Corporate Affairs Department, acts as Secretary of the Nomination and Remuneration Committee. There was a total of 4 meetings of the Nomination and Remuneration Committee. All members of the Nomination and Remuneration Committee attended all meetings. Report on performance of duties by the Nomination and Remuneration Committee, which had been presented to the Board of Directors, can be summarized with key issues as follows:

### 1. Nomination of persons to be selected as the Company's directors

The Nomination and Remuneration Committee has considered criteria and procedures for nominating suitable qualified persons for the position of the Company's directors in accordance with the Company's business strategies. The committee uses the Board Skill Matrix for the selection process, considering various qualifications as appropriate including professional qualifications, skills, age, gender, race, religion, place of birth, experience, multi-disciplinary expertise and requisite capabilities, and performance as a director in the past. Directors without conflict of interest have considered suitability of persons to be proposed to the Board of Directors' meetings for consideration and appointment as the Company's directors in replace of the directors who are retired by rotation.

### 2. Determination of remuneration of the Company's directors and senior management

The Nomination and Remuneration Committee has considered guidelines for determining remuneration of the Company's directors and senior management and methods and criteria for determining fair remuneration. The committee has also determined remuneration of senior management to be in accordance with their performance.

### 3. Implementation of the succession plan of senior management

The Nomination and Remuneration Committee has considered and acknowledged the implementation of succession plan of senior management in order for the organization to have successors for senior management and key leaders to maintain competitiveness and drive the organization to sustain business growth at present and in the future. This is considered management on risks relating to human resource and retention of employees with high capabilities to jointly create success with the organization. It also helps developing potential employees within the organization to grow and become higher-level executives through a systematic and continuous development process.

#### 4. Performance assessment of the Nomination and Remuneration Committee

Based on the self-assessment results of the year's performance, it can be concluded that the Nomination and Remuneration Committee has performed its duties effectively and in accordance with the scope of duties as stipulated in Charter of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee has performed duties as assigned by the Board of Directors prudently and carefully, particularly consideration on suitability of persons to be nominated as the Company's directors and ensure that such persons have knowledge, capabilities and experience which are beneficial to the Company's business and have all qualifications according to the Public Limited Companies Act B.E. 2535 (1992), the notifications of the Board of Governors of the Stock Exchange of Thailand and the notifications of the Capital Market Supervisory Board.



**Mr. Nutthirutt Wanwimonphong**

Chairman of the Nomination and Remuneration Committee

## Report on the performance of the Corporate Governance and Sustainable Development Committee for the year 2022

The Corporate Governance and Sustainable Development Committee of Heng Leasing and Capital Public Company Limited consists of four members as follows:

- |  |  |
|--|--|
| 1. Professor Dr. Surapon Nitikraipot   | Chairman of the Corporate Governance and Sustainable Development Committee |
| 2. Mr. Thanassorn Ratanasirisap        | Member of the Corporate Governance and Sustainable Development Committee   |
| 3. Miss Thapanattsamon Paisanteerakorn | Member of the Corporate Governance and Sustainable Development Committee   |
| 4. Miss Varita Laothamatas             | Member of the Corporate Governance and Sustainable Development Committee   |

Miss Natthanan Kittiphonsombun, the Company Secretary and Executive Vice President Head of Governance and Investor Relations acts as the secretary of the Corporate Governance and Sustainable Development Committee.

In 2022, the Corporate Governance and Sustainable Development Committee held 1 meeting in which all members of the Corporate Governance and Sustainable Development Committee attended every meeting and can summarize the essence of the duties as follows:

**1. To consider and provide opinions on the amendment of the business ethics and management and governance policies as an efficient and socially responsible company** to ensure that the business ethics and policies of the Company which are important practices for the organization have been amended and improved properly and in accordance with the objectives of the Company that is committed to creating sustainable development for all groups of stakeholders.

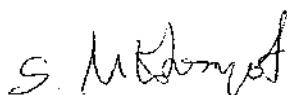
**2. To Consider and provide opinions on the amendment to the Charters of the Board of Directors and sub-committees of the Company** so that the Charters of the Board of Directors and sub-committees are appropriately developed in order to determine the roles duties and responsibilities of the Board of Directors and sub-committees to be able to perform their duties in supporting and promoting the Company to operate under good corporate governance with full efficiency.

**3. To recognize material business matters** so that the Company's corporate governance and sustainable development operations can respond to the needs of all stakeholder groups and create value for stakeholders continuously from upstream to downstream.

**4. To determine goals for corporate governance and sustainable development of the Company** so that operators have clear operational goals and can be used to measure the performance of corporate governance and sustainable development of the Company of which it shall lead to the development or improvement of operational methods to achieve the specified goals in the future.

**5. To nominate the Corporate Governance and Sustainable Development Working Group (CG&SD Working Group)** to promote and support the dissemination of good corporate governance and sustainable development strategies and practices, and consulting on sustainable development for executives and employees, etc.

The Corporate Governance and Sustainable Development Committee remains committed to good corporate governance and to promote sustainability management and strive to increase the efficiency of the Company's operations to meet international standards and be accepted by all groups of stakeholders for the goal of being an organization with good corporate governance and sustainability.



**Professor Dr. Surapon Nitikraipot**

Chairman of the Corporate Governance and Sustainable Development Committee

## Report on the performance of the Risk Management Committee for the year 2022

The Risk Management Committee of Heng Leasing and Capital Public Company Limited consists of:

- |                       |               |   |
|-----------------------|---------------|---|
| 1. Prof. Dr. Chaiwuth | Tangsomchai   | Chairman of the Risk Management Committee |
| 2. Mr. Nutthirutt     | Wanwimonphong | Member of the Risk Management Committee   |
| 3. Mr. Patpong        | Patong        | Member of the Risk Management Committee   |

Mr. Benjarong Kammanid Assistant Managing Director of Risk Management Department acts as Secretary of the Risk Management Committee.

The Risk Management Committee performs duties as assigned by the Board of Directors with scope of duties and responsibilities as stipulated under Charter of the Risk Management Committee and provides recommendations on appropriate and effective risk management guidelines for business operations in line with the strategic directions, operations and business plan, and support and promote risk management at all levels throughout the organization continuously and efficiently according to the standards. In the year 2022, the Risk Management Committee held a total of 4 meetings. To ensure that the risk management is adequate, appropriate, and implemented on a regular basis, performance of duties by the Risk Management Committee can be summarized as set out below.

### 1. Review of the annual corporate risk assessment report

The Risk Management Committee reviewed an issue of corporate risk selection process for the year 2022 in line with risks collected by the management from all parties in order to perform risk assessment and prioritization. The Risk Management Committee has also determined criteria for assessing risks, opportunities and impacts, an acceptable level of risk and deviation, and measures to manage those risks to the acceptable level.

### 2. Review of the assessment report on corruption risk

The Risk Management Committee has reviewed the assessment report on corruption risk according to the Anti-Corruption Practical Guide by the Private Sector Collective Action Coalition Against Corruption (CAC) with the government agency. The Company has expressed its intention to join the force against corruption, including implementing good corporate governance and considering a suitable method to manage such risk to the acceptable level.

### 3. Review of the monitoring report on corporate risk

The Risk Management Committee has reviewed the monitoring report 4 times and has provided comments on measures for managing risk at medium-high level to an acceptable level or reducing the likelihood of risk being occurred. Control measures are also monitored to ensure that the Company's risk management is in line with its strategic plans and operations.

### 4. Review of the monitoring report on corruption risk

The Risk Management Committee has reviewed and provided comments in relation to the monitoring report on corruption risk 4 times. The committee has also acknowledged performance relating to the Private Sector Collective Action Against Corruption (CAC).

**5. Review of Business Continuity Management (BCM) and Business Continuity Plan (BCP) for the year 2023**

The Risk Management Committee reviews the preparation of Business Continuity Management (BCM) and Business Continuity Plan (BCP) guidelines before proposing to the Board of Directors for use as guidelines for business continuity management in the event of an emergency to support crises or disasters for use in the recovery of the company's core business processes, where the organization can operate continuously or have less impact from unexpected events and testing, improving and reviewing the plan are an important step as it is a process to ensure that the plan which has been developed can be used.

**6. Review of Charter of the Risk Management Committee**

The Risk Management Committee reviews appropriateness of Charter of the Risk Management Committee to ensure that the content of the charter is consistent with the Company's risk management objectives and strategies, as well as performance assessment of the Risk Management Committee on an individual and committee basis at least once a year and reports the results to the Board of Directors.

**7. Review of Anti-Money Laundering and Counterterrorism and Proliferation of Weapons of Mass Destruction (AML/CTPF) Policy**

The Risk Management Committee has reviewed the Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapons of Mass Destruction (AML/CTPF) Policy prior to submission to the Board of Directors in order for the Company to operate its business under the provisions of the law as established by the Anti-Money Laundering Office and to serve as a guideline for defining, managing, controlling and preventing the Company from being used as a tool by money launderers and sponsors of terrorists.

**8. Review of expected credit loss calculation (ECL) for the year 2022**

Risk Management Committee has reviewed the method for calculating expected credit losses (ECL) for the year 2022 to ensure that the Company has sufficiently and appropriately considered the allowance for expected credit losses according to Thai Financial Reporting Standard No. 9 (TFRS 9). The Company has classified debtors according to types of credit, securities and credit risk of each debtor. The historical data has been collected to calculate the probability that the debtor will default and the expected loss when the debtor defaults, including assessing economic factors and business conditions for at present and in the future in order to forecast the ability to repay the debtor's expectation with the purpose of obtaining an appropriate and sufficient allowance for credit losses before presenting it to the Board of Directors.



**Prof. Dr. Chaiwuth Tangsomchai**  
Chairman of the Risk Management Committee

## Report on the performance of Executive Committee for the year 2022

The Board of Directors had a resolution to appoint the Executive Committee with the objectives to supervise, manage and control the Company's operations and support the management's performance in operating the Company's business to be in accordance with the policies, plans, and business goals as determined by the Board of Directors. The Executive Committee also controls such operations to be in accordance with the laws on securities and exchange, any other relevant announcements, rules and regulations issued by the SEC and/or the Stock Exchange of Thailand related and good corporate governance principles for listed companies.

At present, the Executive Committee consists of 10 directors as follows:

1.	Mrs. Sutharntip	Phisitbuntoon	Chairman of the Executive Committee
2.	Mr. Wichai	Suphasathikul	Vice Chairman of the Executive Committee
3.	Mr. Patpong	Patong	Member of the Executive Committee
4.	Mr. Bunthid	Supasatitkul	Member of the Executive Committee
5.	Mr. Parinya	Supasatitkul	Member of the Executive Committee
6.	Mr. Thanassorn	Ratanasirisap	Member of the Executive Committee
7.	Miss Thapanattsamon	Paisanteerakorn	Member of the Executive Committee
8.	Miss Chonchissa	Ratanasirisap	Member of the Executive Committee
9.	Mr. Punsongpol	Paisanterakorn	Member of the Executive Committee
10.	Miss Varita	Laothamatas	Member of the Executive Committee

Miss Natthanan Kittiphonsombun acts as Secretary of the Executive Committee.

In the year 2022, the Executive Committee held a total of 20 meetings to consider and approve matters and propose approaches for solving problems and making suggestions.

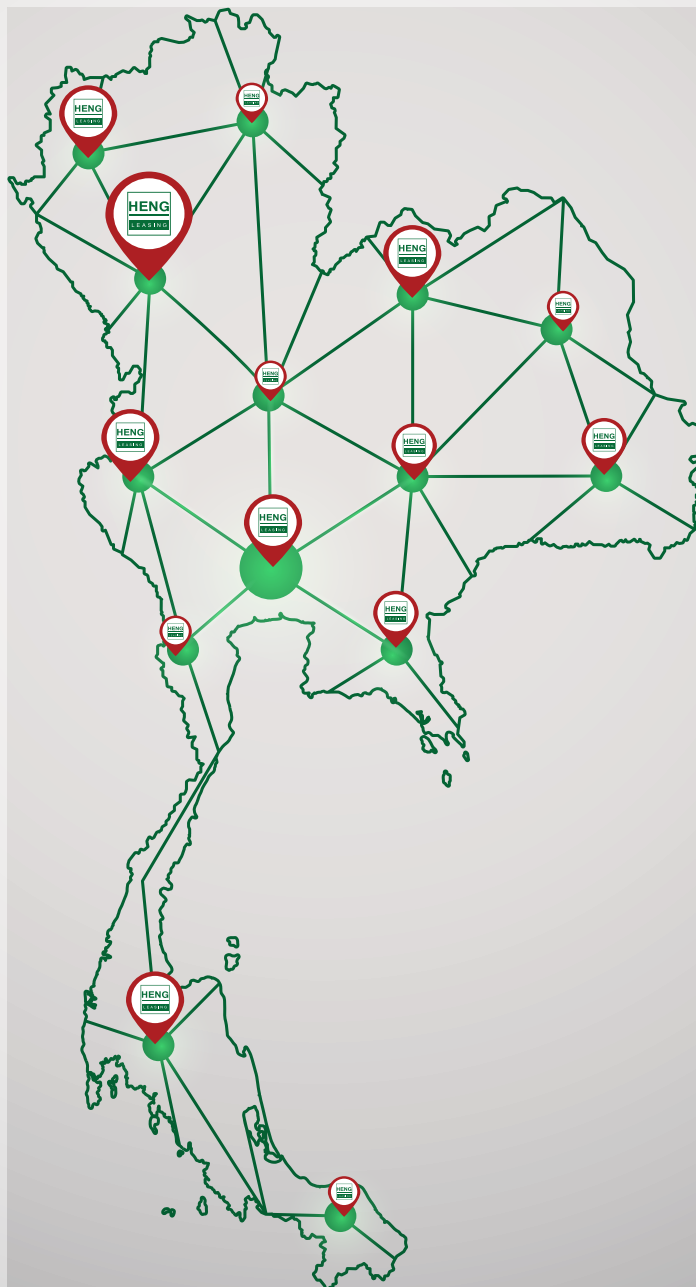
1. Plan, formulate and present policies, directions, goals, business strategies to be in line with the economic and competitive market conditions for approval by the Board of Directors.
2. Formulate business plans, management structure, organizational structure, and the Company's authorizations for approval by the Board of Directors.
3. Control and monitor the Company's performance to be in accordance with the policies, goals, business plans and budgets and authorizations as approved by the Board of Directors.
4. Consider and approve operations that are normal business transactions of the Company according to the investment budget or the approved budget.
5. Consider and approve any amendment or change in work regulations, orders, requirements, and rules relating to operations, control, and management in every departments.
6. Consider and scrutinize the management's proposals and present goals, policies and business plans to the Board of Directors for approval.
7. Review the authorization matrix annually in order to propose to the Board of Directors for consideration.
8. Drive the Company towards operating under the principles of good corporate governance and adhere to the anti-corruption policy.
9. Perform any other duty as assigned by the Board of Directors.

The Executive Committee strongly believes in managing and supervising the Company's operations with care and responsibility, honesty, and in accordance with the laws and the principles of good corporate governance for stability and sustainability of the Company in the future.



**Mrs. Sutharntip Phisitbuntoon**  
Chairman of the Executive Committee





# Heng Leasing



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