



**Knight Club Capital**  
Asset Management Public Company Limited

**KCC**

56-1 ONE REPORT 2022

# Vision and Mission



## VISION

"A Nation Asset Management Company with Good Governance"



## MISSION

The Company is committed to being a part in resolving the non-performing loans of financial institutions through excellent asset management, able to be approachable, attentive and provide debtors a chance to solve problems together. Therefore, debtors are the ongoing ability to operate efficiently in society and be a part of driving the country's economy further.



# Business Goals



Manage non-performing loans with speed,  
efficiency and continuous growth.



Manage non-performing loans with transparency  
and fairness to all related parties.



Encourage personnel to develop value  
and potential to increase operational capabilities  
and provide better services.



Organization contribution to social development  
for long-term sustainability.

# Board of Directors



**Mr. Manit Nitiprateep**

- Chairman of the Board
- Independent Director
- Member of Audit Committee



**Mr. Prin Bholnivas**

- Independent Director
- Chairman of the Audit Committee



**Mr. Boonyong Tansakul**

- Independent Director
- Member of Audit Committee
- Chairman of the Risk Management Committee
- Chairman of the Nomination, Remuneration and Corporate Governance Committee



**Mr. Prasobchok Aranyakanon**

- Independent Director
- Member of the Nomination, Remuneration and Corporate Governance Committee



**Mr. Suchat Boonbanjerd Sri**

- Director
- Chairman of Executive Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee



**Mr. Kanockit Navasiri**

- Director
- Executive Committee
- Risk Management Committee



**Mr. Tawee Kullertprasert**

- Director
- Executive Committee
- Risk Management Committee
- Chief Executive Officer



**Ms. Pranitra Akkarawinek**

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





# Knight Club Capital

Asset Management Public Company Limited





**Mr. Manit Nitiprateep**

Chairman of the Board



**Mr. Tawee Kullertprasert**

Chief Executive Officer



# Message from the Chairman of the Board and Chief Executive Officer

Due to COVID-19, the beginning of 2022 started with many challenges affecting the way of life and business operations like never before. However, it was a year of success and pride for Knight Club Capital Asset Management Public Company Limited ("Company") as the Company was listed on the Stock Exchange of Thailand (MAI), trading for the first time on the 5 May, 2022 and receiving outstanding support from investors. This overwhelming support is the pride of the Company, Board of Directors, executives, employees and a driving factor for the Company to continue its mission of becoming one of the leading Asset Management Company's in Thailand with Good Governance.

In 2022, the Company grew in all dimensions, namely, investment growth of 126% in Non-Performing Loans (NPLs), operating income growth of 36%, and net profit growth of 47% when compared to 2021. All these results are from the dedication and support of the Company and the team by continuously focusing on business efficiency, controlling operating costs, and applying technology to each work process.

Although the COVID-19 pandemic situation greatly improved towards the end of 2022 due to international travelers being able to freely enter the country causing an uptick in economic activity, the lasting effects are still coming to light. The debt burden of households, small and medium enterprises, and even some large enterprises continue to face financial challenges from the past two years. In turn, financial institutions and the economy, have been heavily impaired along with tightened credit policies out of force majeure. These impacted individuals and businesses are still slowly recovering, many of which will require many tools to restructure their debt and be able to revive and grow in a sustainable manner. The Company, as an Asset Management Company, aims to be a pivotal mechanism in restructuring these debts together to solve optimal fair outcomes for all parties. By accomplishing this, the Company will be one factor in economic stability and growth for the Country in the years coming.

In 2022, the Company was awarded a membership certificate from the Thai Private Sector Collective Action Against Corruption (CAC), which reflects its commitment to being an organization that conducts business with transparency, taking a stance against all forms of corruption, considering stakeholders benefits, and participating in community, social and environmental development according to the management approach for sustainable growth (ESG).

The Company would like to take this opportunity to sincerely express its gratitude to all customers, shareholders, investors, employers, financial institutions and all related parties for its continuous trust and support in the Company's performance and team. The Company would like to reassure all stakeholders and related parties the Company will continue to strive for business growth while creating good returns on investment, which in return will generate sustainable value creation to the shareholders.

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Part 1

# **Business Operations** and Business Performance

# 1. Structure and Operations of the Company

## 1.1 Policy and Business Overview

Knight Club Capital Asset Management Public Company Limited (“the Company” or “KCC”) operates Non-Performing Loan (“NPL”) management business and Non-Performing Assets (“NPA”) management business with the determination to solving the problem of NPLs in financial institutions. KCC responsibility is to purchase or transfer in NPLs from financial institutions to manage, provide consultation, negotiate and solve debt problems in order to find optimal solutions. These include developing NPA to more marketable products and to continuously develop the Company vision in becoming a leading national leading asset management company.

KCC received a license by the Bank of Thailand to operate as an asset management company in 2013 and starting purchasing NPL portfolios from financial institutions in the same year. Initially, KCC started by managing non-performing corporate loans, and later expanded into non-performing retail and housing loans.

### 1.1.1 Vision, Mission, and Goals

#### Vision

“A Nation Asset Management Company with Good Governance”

#### Mission

The Company aims to encourage the organization to solve NPL problems of financial institutions by providing liquidity to challenging debt problems. With excellent NPL management, the company has been able to provide approachable, attentive solutions for debtors to able to continue to operate their businesses effectively contribution to nationwide growth. .

#### Business Goals

1. Management of NPLs with speed, efficiency and continuous growth.
2. Managing NPLs with transparency and fairness to all parties involved.
3. Encouraging company personnel to develop, add value and increase operational capability to provide better services to customers.
4. Promoting organizational contribution to social development for long-term sustainability.

### 1.1.2 Key Change and Development

Knight Club Capital Asset Management Public Company Limited (“the Company” or “KCC”) was registered on August 22, 2000 with initial registered capital of 0.10 million Baht, which at the date of establishment, used the name Richy Capital Alliance Company Limited, which did not operate and business, and in 2004 changed the name to Knight Club Capital Company Limited. In 2013, KCC received a license by the Bank of Thailand to operate as an asset management company, and changed its name to Knight Club Capital Asset Management Company Limited to expand the scope of services to cover the acquisition and management of NPLs as well as NPAs. As of March 25, 2022, Boonbanjerd Sri group, namely Mr. Suchat Boonbanjerd Sri, a director and major shareholder of the Company and Mr. Kobi Boonbanjerd Sri (Mr. Suchat's son), an executive of the Company, held together 70.00% of the issued and paid-up capital, while Mr. Tawee Kullertprasert, the Chief Executive Officer, held 30.00% of the issued and paid-up capital.



## Important Events and Developments of the Company

Year 2000	<ul style="list-style-type: none"> <li>• <b>Registration of the Company:</b> On August 22, 2000, the Company was established under the name of Richy Capital Alliance Company Limited with an initial registered capital of 0.10 million Baht divided into 10,000 ordinary shares with a par value of 10.00 Baht per share. Initially, the Company had not operated any business.</li> </ul>
Year 2003	<ul style="list-style-type: none"> <li>• <b>Increased the Company's registered capital to 10.00 million Baht:</b> The Company increased its registered capital by 9.90 million Baht from the original registered capital of 0.10 million Baht to a new registered capital of 10.00 million Baht by issuing 990,000 additional ordinary shares with a par value of 10.00 Baht per share offered to Mr. Suchart Boonbanjersri at 10.00 Baht per shares. As a result, Mr. Suchart Boonbanjersri held 99.00% of the issued and paid-up capital.</li> </ul>
Year 2004	<ul style="list-style-type: none"> <li>• <b>Changed the name to Knight Club Capital Company Limited:</b> On September 11, 2004, the Extraordinary General Meeting of Shareholders No. 1/2004 resolved to approve the change of the Company's name from Richy Capital Alliance Company Limited to Knight Club Capital Company Limited.</li> </ul>
Year 2013	<ul style="list-style-type: none"> <li>• <b>Increased the Company's registered capital to 25.00 million Baht:</b> The Company increased the registered capital of 15.00 million Baht from the original registered capital of 10.00 million Baht to a new registered capital of 25.00 million Baht by issuing 1,500,000 additional ordinary shares with a par value of 10.00 Baht per share offered to Mr. Suchart Boonbanjersri and Mr. Tawee Kullertprasert at 10.00 baht per share, with the objective of applying for an asset management company license. As a results, Mr. Suchart Boonbanjersri held 76.00% and Mr. Tawee Kullertprasert held 24.00% of the issued and paid-up capital. The Company registered the capital increase with the Department of Business Development, Ministry of Commerce on July 5, 2013.</li> <li>• <b>The Company was approved for an Asset Management Company License changing its name to Knight Club Capital Asset Management Company Limited:</b> The Company changed its name from Knight Club Capital Company Limited to Knight Club Capital Asset Management Company Limited by submitting an application for a license to operate an asset management business and was approved from the Bank of Thailand on the August 8, 2013 according to the Emergency Decree on Asset Management Companies B.E. 2541 and its amendments.</li> </ul>
Year 2015	<ul style="list-style-type: none"> <li>• <b>Increased the Company's registered capital to 100.00 million Baht:</b> On July 28, 2015, the Extraordinary General Meeting of Shareholders No. 1/2015 resolved to approve the increase of the registered capital of 75.00 million Baht from the original registered capital of 25.00 million Baht to a new registered capital of 100.00 million Baht by issuing additional ordinary shares of 7,500,000 share with a par value of 10.00 Baht per share offered to Mr. Suchart Boonbanjersri and Mr. Tawee Kullertprasert at 10.00 Baht per shares, with the objective is to be used as an investment in acquiring NPLs. As a results, Mr. Suchart Boonbanjersri held 70.00% and Mr. Tawee Kullertprasert held 30.00% of the issued and paid-up capital. The Company registered the capital increase with the Department of Business Development, Ministry of Commerce on August 10, 2015.</li> </ul>

<p>Year 2016</p>	<ul style="list-style-type: none"> <li>• <b>Increased the Company's registered capital to 130.00 million Baht:</b> On May 16, 2016, the Extraordinary General Meeting of Shareholders No. 1/2016 resolved to approve the increase of the registered capital of 30.00 million Baht from the original registered capital of 100.00 million Baht to a new registered capital of 130.00 million Baht by issuing 3,000,000 additional ordinary shares, with a par value of 10.00 Baht per share offered to existing shareholders in proportion at 30.00 baht per share, totaling 90.00 million Baht, divided into an additional registered capital of 30.00 million Baht and a premium on ordinary shares of 20.00 Baht per share, or representing a total share premium of 60.00 million Baht. The objective for the capital increase was to be used for acquiring NPLs. All existing shareholders waived their rights to subscribe for new ordinary shares, but Mr. Sueksit Petchampai exercised the right to purchase new ordinary shares and all excess shares that all existing shareholders had waived their rights. As a result, Mr. Suksit Petchaampai increased his shareholding to 23.08% of the issued and paid-up capital. The Company has registered the capital increase with the Department of Business Development, Ministry of Commerce on May 26, 2016.</li> <li>• <b>Change in shareholding structure:</b> In October 2016, Mr. Suchart Boonbanjersri and Mr. Tawee Kullertprasert changed the shareholding structure from individual holdings to in the name of Knight Club Capital Holding Company Limited ("KCCH"), holding a combined proportion of 76.92% of the issued and paid-up capital. Mr. Suchart Boonbanjersri and Mr. Tawee Kullertprasert held 70.00% and 30.00% of the issued and paid-up capital of KCCH, respectively. In December 2016, Mr. Sueksit Petchampai sold all of his Company's shares, 23.08% of the issued and paid-up capital, to Mr. Suchart Boonbanjersri in the proportion of 16.15% and Mr. Tawee Kullertprasert in the proportion of 6.92% at the price of 30.00 Baht per share, the same price that Mr. Sueksit Petchampai bought the shares at in May 2016.</li> </ul>
<p>Year 2017</p>	<ul style="list-style-type: none"> <li>• <b>Increased the Company's registered capital to 180.00 million Baht:</b> On December 15, 2017, the Extraordinary General Meeting of Shareholders No. 2/2017 resolved to approve the increase of the registered capital of 50.00 million Baht from the original registered capital of 130.00 million Baht to a new registered capital of 180.00 million Baht by issuing additional ordinary shares in the amount of 5,000,000 shares, with a par value of 10.00 Baht per share offered to existing shareholders in proportion at 10.00 Baht per share, with the objective of acquiring NPLs. The Company registered the capital increase with the Department of Business Development, Ministry of Commerce on December 25, 2017.</li> <li>• <b>Change in shareholding:</b> On December 26, 2017, Mr. Suchart Boonbanjersri sold 1,500,000 shares of the Company at a price of 10.00 Baht per share, representing 8.33% of the registered and paid-up capital to Mr. Kobi Boonbanjersri, his son. As a results, Mr. Suchart Boonbanjersri remain shareholding at 7.82% of the registered and paid-up capital (excluding shares held through KCCH)</li> </ul>



<p>Year 2018</p>	<ul style="list-style-type: none"> <li>• <b>Change in shareholding structure:</b> In March 2018, KCCH sold all shares held in the Company, representing 76.92% of the issued and paid-up capital to Mr. Suchart Boonbanjerd Sri and Mr. Tawee Kullertprasert in the proportion of 70.00% and 30.00% of the shareholding proportion that KCCH holds in the Company, respectively, at a price of 10.00 Baht per share. As a result, Mr. Suchart Boonbanjerd Sri and Mr. Tawee Kullertprasert holding shares in the Company increased to 61.67% and 30.00% of the issued and paid-up capital, respectively.</li> <li>• <b>Increased the Company's registered capital to 230.00 million Baht:</b> On October 19, 2018, the Extraordinary General Meeting of Shareholders No. 1/2018 resolved to approve the increase of the registered capital of 50.00 million Baht from the original registered capital of 180.00 million Baht to a new registered capital of 230.00 million Baht by issuing additional ordinary shares in the amount of 5,000,000 shares, with a par value of 10.00 Baht per share offered to existing shareholders in proportion at 10.00 Baht per share, with the objective is to be used as an investment in acquiring NPLs. The Company registered the capital increase with the Department of Business Development, Ministry of Commerce on October 30, 2018.</li> </ul>														
<p>Year 2019</p>	<ul style="list-style-type: none"> <li>• <b>Issuance of debentures:</b> The Company issued debentures in the amount of 120,000 units with a par value of 1,000.00 Baht per unit, totaling 120.00 million Baht, which has already been redeemed and repaid in full. The details are as follows:  <table> <tr> <td><b>Issuance Date</b></td><td>September 13, 2019</td></tr> <tr> <td><b>Term of debentures</b></td><td>1 Year</td></tr> <tr> <td><b>Maturity Date</b></td><td>September 13, 2020</td></tr> <tr> <td><b>Type of debentures</b></td><td>Debentures with name registered, without subordinated, unsecured, and holder representative</td></tr> <tr> <td><b>Offering</b></td><td>Offered to a limited number of not more than 10 private investors in any 4-month period.</td></tr> <tr> <td><b>Number of debentures and amount</b></td><td>Amount 120,000 units with a par value of 1,000.00 Baht per unit, totaling 120.00 million Baht.</td></tr> <tr> <td><b>Interest rate</b></td><td>5.00% per year with interest payment every 3 months.</td></tr> </table> </li> </ul>	<b>Issuance Date</b>	September 13, 2019	<b>Term of debentures</b>	1 Year	<b>Maturity Date</b>	September 13, 2020	<b>Type of debentures</b>	Debentures with name registered, without subordinated, unsecured, and holder representative	<b>Offering</b>	Offered to a limited number of not more than 10 private investors in any 4-month period.	<b>Number of debentures and amount</b>	Amount 120,000 units with a par value of 1,000.00 Baht per unit, totaling 120.00 million Baht.	<b>Interest rate</b>	5.00% per year with interest payment every 3 months.
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<b>Interest rate</b>	5.00% per year with interest payment every 3 months.														
<p>Year 2020</p>	<ul style="list-style-type: none"> <li>• <b>Issuance of debentures:</b> The Company issued debentures in the amount of 150,000 units with a par value of 1,000.00 Baht per unit, totaling 150.00 million Baht, to repay debentures due on September 13, 2020 and to acquire NPLs. The details are as follows:  <table> <tr> <td><b>Issuance Date</b></td><td>October 2, 2020</td></tr> <tr> <td><b>Term of debentures</b></td><td>2 Years</td></tr> <tr> <td><b>Maturity Date</b></td><td>October 2, 2022</td></tr> <tr> <td><b>Type of debentures</b></td><td>Debentures with name registered, without subordinated, unsecured, and holder representative</td></tr> <tr> <td><b>Offering</b></td><td>Offered to a limited number of not more than 10 private investors in any 4-month period.</td></tr> <tr> <td><b>Number of debentures and amount</b></td><td>Amount 150,000 units with a par value of 1,000.00 Baht per unit, totaling 150.00 million Baht.</td></tr> <tr> <td><b>Interest rate</b></td><td>6.00% per year with interest payment every 3 months.</td></tr> </table> </li> </ul>	<b>Issuance Date</b>	October 2, 2020	<b>Term of debentures</b>	2 Years	<b>Maturity Date</b>	October 2, 2022	<b>Type of debentures</b>	Debentures with name registered, without subordinated, unsecured, and holder representative	<b>Offering</b>	Offered to a limited number of not more than 10 private investors in any 4-month period.	<b>Number of debentures and amount</b>	Amount 150,000 units with a par value of 1,000.00 Baht per unit, totaling 150.00 million Baht.	<b>Interest rate</b>	6.00% per year with interest payment every 3 months.
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<b>Number of debentures and amount</b>	Amount 150,000 units with a par value of 1,000.00 Baht per unit, totaling 150.00 million Baht.														
<b>Interest rate</b>	6.00% per year with interest payment every 3 months.														

<p>Year 2021</p>	<ul style="list-style-type: none"> <li>• <b>Conversion to a Public Company:</b> The Extraordinary General Meeting of Shareholders No. 1/2021 held on September 23, 2021 resolved the following important matters: <ul style="list-style-type: none"> <li>- Approved the conversion from a limited company to a public limited company under the name “Knight Club Capital Asset Management Public Company Limited”</li> <li>- Approved the change of par value from 10.00 Baht per share to 0.50 Baht per share, increasing the number of shares from 23 million shares to 460 million shares.</li> <li>- Approved an increase in the registered capital of the Company in the amount of 80.00 million Baht from the original registered capital of 230.00 million Baht to a new registered capital of 310.00 million Baht by issuing 160 million additional ordinary shares with a par value of 0.50 Baht per share offered to the public as well as listing the Company’s ordinary shares on the Stock Exchange of Thailand.</li> <li>- In this regard, the Company has registered to conversion into a public company limited, change the par value, and new registered capital with the Department of Business Development, Ministry of Commerce on September 27, 2021.</li> </ul> </li> </ul>
<p>Year 2022</p>	<ul style="list-style-type: none"> <li>• Issuance of debentures: The Company issued debentures in the amount of 350,000 units with a par value of 1,000.00 Baht per unit, totaling 350.00 million Baht. The details are as follows. <ul style="list-style-type: none"> <li><b>Issuance Date</b> April 12, 2022</li> <li><b>Term of debentures</b> 1.5 years</li> <li><b>Maturity Date</b> October 12, 2023</li> <li><b>Type of debentures</b> Debentures with name registered, without subordinated, unsecured, and holder representative</li> <li><b>Offering</b> Institutional investors and/or large investors.</li> <li><b>Number of debentures and amount</b> Amount 350,000 units with a par value of 1,000.00 Baht per unit, totaling 350.00 million Baht.</li> <li><b>Interest rate</b> 6.50% per year with interest payment every 3 months.</li> </ul> </li> <li>• On May 5, 2022, the Company was listed on The Market for Alternative investment (MAI) and traded on the market for the first time.</li> </ul>

## History of acquiring and distributing NPLs from 2013 - 2022

### Procurement and investment of NPLs

The Company has procured and invested NPLs in the category of housing loan and retail loans from 2013 - 2022, total amount of 1,941.35 million Baht, total cash collection from receivable of 1,211.91 million Baht, a balance of credit from the purchase of receivables as of December 31, 2022 was 1,278.85 million Baht, with the following details:

Year of purchase of NPLs	Loan type	Rights debt <sup>1/</sup>	Loan for purchase of accounts receivable <sup>2/</sup>	Collateral value <sup>3/</sup>	Loans from purchase of accounts receivable balance <sup>4/</sup>	Amount of money collected <sup>5/</sup>
		(Mil. Baht)	(Mil. Baht)	(Mil. Baht)	(Mil. Baht)	(Mil. Baht)
2019 - 2021	Corporate Loan	8,613.84	556.26	1,228.62	216.58	821.71
	Housing Loan	626.73	369.8	666.04	132.43	283.54
	Retail Loan	2,122.48	85.45	-	-	106.51
	<b>Total</b>	<b>11,363.05</b>	<b>1,011.51</b>	<b>1,894.66</b>	<b>349.01</b>	<b>1,211.76</b>
2022	Corporate Loan	45,320.86	735.41	1,676.75	735.41	0.15
	Housing Loan	299.09	194.43	312.77	194.43	0
	<b>Total</b>	<b>45,619.95</b>	<b>929.84</b>	<b>1,989.52</b>	<b>929.84</b>	<b>0.15</b>
<b>Total</b>		<b>56,983.00</b>	<b>1,941.35</b>	<b>3,884.18</b>	<b>1,278.85</b>	<b>1,211.91</b>

Remarks:

1/ Principal debt, accrued interest and various expenses that the company is entitled to.

2/ Investments that the Company paid for the purchase of NPLs.

3/ Based on the seller's appraisal price on the date the company acquired.

4/ Loans for the purchase of receivables exclude accrued interest receivables, allowances for expected credit losses, allowances for doubtful accounts, and allowances for impairment of investments in receivables.

5/ The amount of money received by the Company from the portfolio of receivables purchased each year until the end of 2022.



## Disposal of NPLs in 2019 - 2022

The Company gradually sold off all non-performing retail loans, such as credit card loans and auto loans, in 2019 and 2020. As a result, from 2021 onwards, the Company aims to focus its expertise on managing corporate and housing non-performing loans. In addition, the Company sold some non-performing corporate loans. The details are as follows:

Year	Type of receivable	Details
2019	Retail loan and corporate loan receivables	In November 2019, the Company sold NPLs to 2 asset management companies, which were auto loan receivables and unsecured business loans that had final court verdicts for a total value of 14.99 million Baht.
2020	Retail loan receivables	In August 2022, the Company sold NPLs to an asset management company, which was a retail loan receivable that had final court verdicts for a total value of 13.85 million Baht. As a result, the Company no longer any retail non-performing loans remaining.
2021	Corporate loan receivables	In February - March 2021, the Company sold NPLs to 1 other asset management company and 1 financial business company, which were secured business loans with final court verdicts without collateral, for a total value of 13.77 million Baht
2022	Corporate loan receivables	In June 2022, the Company sold a non-performing loan to a limited company in part of a debt restructuring agreement with a total value of 129 million baht.

## 1.2 Business Description

Due to the economic and financial crisis in Thailand in 1997, the borrowers of financial institutions were unable to repay their liabilities with financial institutions. This caused a large increase in non-performing loans causing a complete stand still in normal operations of financial institutions. Financial institutions were unable to collect interest and principal payments on outstanding loans. The Emergency Decree on Asset Management Companies B.E. 2541 established during the financial crisis allowed asset management companies to purchase and receive NPLs from financial institutions enabling financial institutions to conduct its core business.

Knight Club Capital Asset Management Public Company Limited ("the Company" or "KCC") is an asset management company pursuant to the Emergency Decree on Asset Management Companies B.E. 2541 and the Amendment Act, under the supervision of the Bank of Thailand ("BOT"). KCC operates the NPL management business from the purchase or transfer of NPLs from financial institutions and financial businesses in order to manage and improve debt restructuring. As for the NPL management business, the company aims to work together with debtors in restructuring their debt in an effective manner to allow the debtor to continue operating. As for the NPA management business, the company aims to add value to assets by building, renovating, and repositioning the assets key selling points for higher redistributions.

## 1.2.1 Revenue Structure

The Company's revenue structure

	2022		2021		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
1) Non-performing loans management business income						
1.1) Interest income from loans for purchase of receivables						
- Corporate loan receivables	111.53	65.42	86.01	68.40	25.52	29.67
- Housing loans receivables	10.45	6.13	17.86	14.20	(7.41)	(41.49)
Less Interest expenses	(33.90)	(19.88)	(15.61)	(12.41)	(18.29)	117.17
<b>Net interest income from loans for purchase of receivables</b>	<b>88.08</b>	<b>51.67</b>	<b>88.26</b>	<b>70.19</b>	<b>(0.18)</b>	<b>(0.20)</b>
1.2) Net profit from debt repayment						
- Corporate loan receivables	4.90	2.87	11.21	8.91	(6.31)	(56.29)
- Housing loans receivables	13.63	8.00	12.83	10.20	0.80	6.24
Net profit from debt repayment	18.53	10.87	24.04	19.11	(5.51)	(22.92)
1.3) Profit from sale of credit from purchase of accounts receivable	57.61	33.79	11.15	8.87	46.46	416.68
<b>Non-performing loans management business income</b>	<b>164.22</b>	<b>96.33</b>	<b>123.45</b>	<b>98.17</b>	<b>40.77</b>	<b>33.03</b>
<b>1) = 1.1) + 1.2) + 1.3)</b>						
2) Profit from the sale of foreclosed properties	5.95	3.49	2.09	1.66	3.86	184.69
3) Other operating income 1/	0.32	0.18	0.21	0.17	0.10	47.62
<b>Operating income</b>	<b>170.49</b>	<b>100.00</b>	<b>125.75</b>	<b>100.00</b>	<b>44.73</b>	<b>35.57</b>

Remark: 1. Other operating income consists of interest income from the bank, refund of court fees, etc.

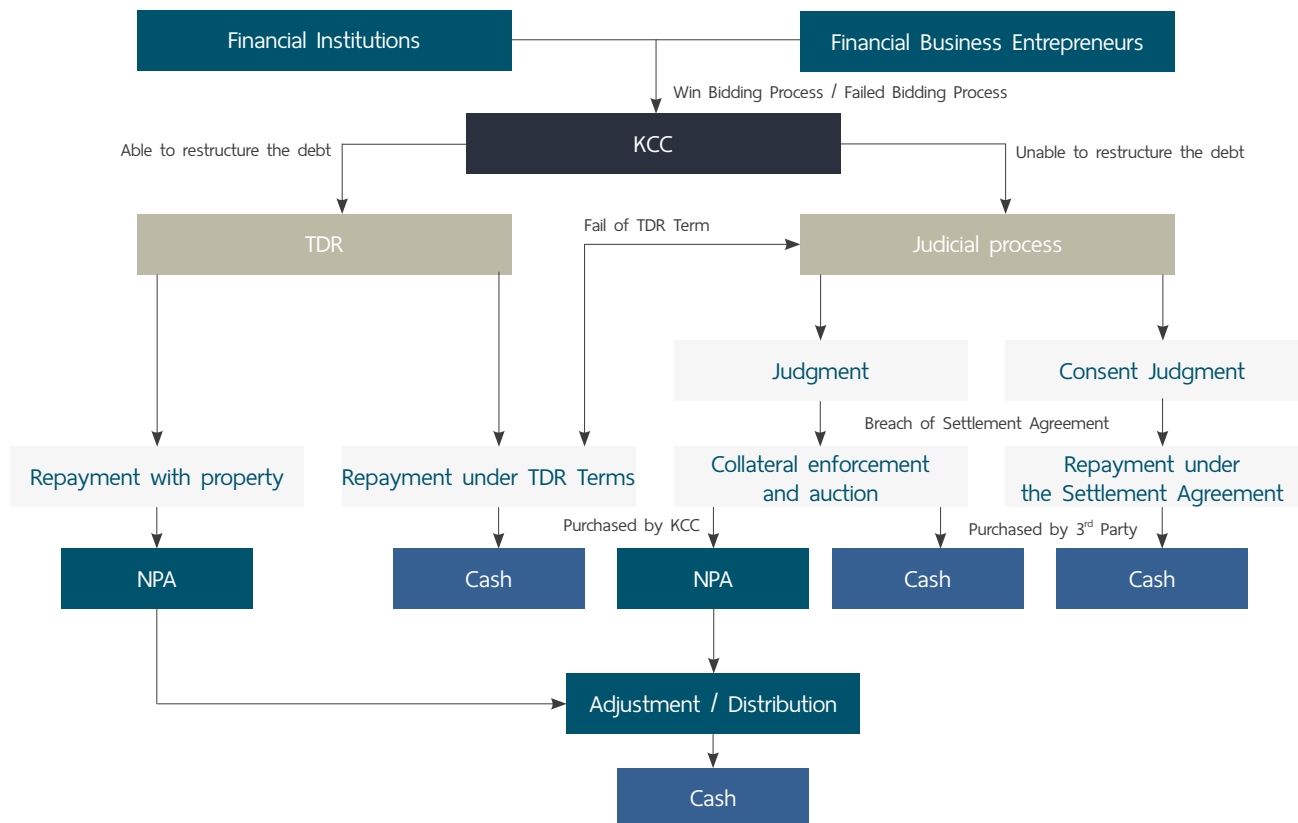
The Company's operating income for the year 2022 was 170.49 million Baht, which was derived from two main business streams 1.) NPLs Management Business 2.) NPA Management business. In 2022, the income from the two main businesses amounted to 164.22 million Baht and 5.95 million Baht, equivalent 96.33% and 3.49% of total operating income; the remaining is from other operations.

## 1.2.2 Product Data

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

KCC operates the NPLs management business from the purchase or transfer of non-performing loans from financial institutions and financial businesses in order to efficiently manage and improve debt restructuring in the country. The aim is to restructure NPLs with debtors to allow them to continue their business operations and add value to NPAs acquired from the Legal Execution Department or financial institutions. Therefore, the Company's business operations can be divided into two main groups, namely (1.1) NPLs Management Business and (1.2) NPA Management Business. The details are as follows:

Diagram: Summary of the NPLs and NPA Process Management



### (1.1) Non-Performing Loans Management Business (“NPLs receivable”)

KCC aims to improve NPLs by purchasing or transferring from financial institutions and financial business entrepreneurs to manage and increase the quality of non-performing loans toward the creation of quality and economy circulation as well as value creation. When the problem of non-performing loans of financial institutions is alleviated, the burden of managing NPLs will be reduced. As a result, financial institutions’ credit portfolios will gain positive results, enabling core operations with better turnover as well as being able to expand their portfolios of good quality credit. In addition, more resources can be used to manage the main tasks of financial institutions.

#### (1.1.1) Procurement and management of NPLs

KCC’s NPLs management starts with procuring non-performing loans from financial institutions and financial business entrepreneurs. After received the right to claim on NPLs receivable, the Company will accelerate negotiations with NPLs receivable to improve debt restructuring to reach an agreement that satisfies all parties (Win-Win). However, since most of the NPLs that the Company auctioned were already problematic debts, there were some that could not be restructured; some are in court proceedings, or the process for forcing the collateral to be sold by auction. Hence, the Company shall proceed with court proceedings or compulsory auction collateral proceedings as the case may be. The procurement and management of NPLs consists of 3 main steps as follows:

- NPLs procurement process;
- NPLs management process; and
- Collateral enforcement and auction process

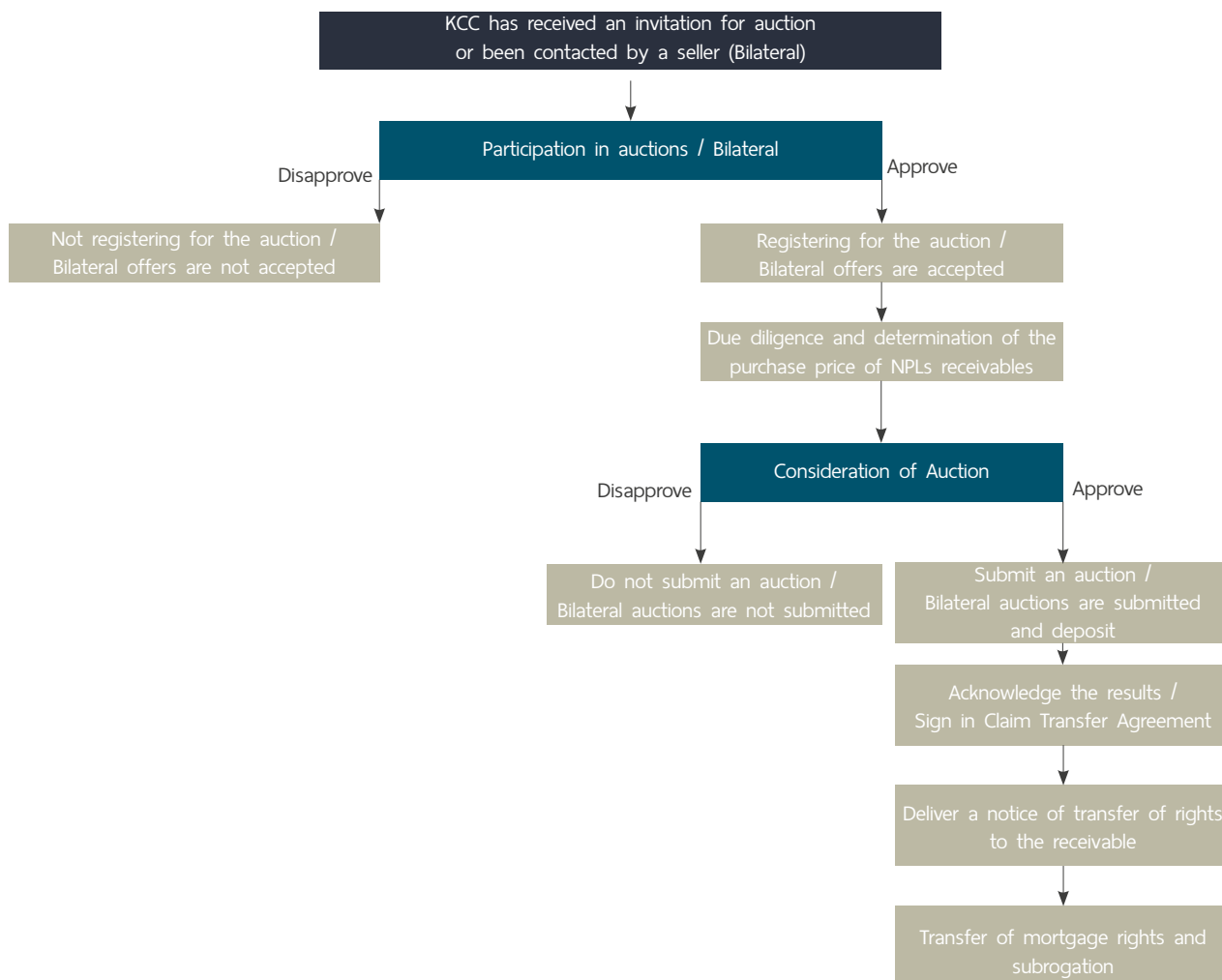


However, after the Company has completed the purchase of NPLs, it takes approximately 5-7 years to manage, depending on the type of credit of the NPLs receivable. The details of each step are as follows.

#### a) NPLs **procurement** process

KCC procures NPLs from financial institutions and financial business entrepreneurs collectively referred to as (“Sellers”), mainly through the auction process.

Diagram of the NPLs procurement process



#### 1. KCC has received an invitation for auction or been contacted by a seller

Upon receiving an invitation letter to participate in the auction of NPLs from financial institutions and financial business entrepreneur or being contacted by a seller (Bilateral), the Company's debt procurement team is comprised of specialists from various departments, i.e., Asset Management Department, Accounting and Finance Department, and Legal Department shall initially consider that the NPLs data. For example, the size of the portfolio of NPLs, type of collateral, and the location of the collateral aligned with the Company's investment goals, including considering the auction period and payment for the purchase of NPLs. If the debt procurement team considers that the auction is appropriate, it will seek an approval from the authorized person and register to participate in the auction. In case of the Company has been directly contacted by the seller, the debt procurement team will request an approval to purchase for due diligence of NPLs receivable as in the case of participating in the auction.

## **2. Due diligence and determination of the purchase price of NPLs receivables**

Upon obtaining approval to study NPLs receivables, the debt procurement team (Comprising of Asset Management Department, Accounting and Finance Department, and Legal Department with the Director of Asset Management as the team leader), a sub-team will be formed called the Due Diligence Team to check the receivable information according to the guidelines set by the Company, such as verification of information from the original, verification the completeness of the NPLs receivable summary received from the seller, history of the receivable and guarantor, current debt, and legal documents, etc. In addition, the Company asks for additional information from the seller, including a survey of the condition of the collateral to be used in the preliminary assessment of the market price and as a supporting information for determining the purchase price.

In determining the purchase price of NPLs, either in auction or bilateral purchase, the Company will use the NPLs receivable information received from the seller, due diligence results, summary and collateral survey data mentioned above, to be used in the analysis of various risks and estimates of future cash flows expected to be received from receivable as information in determining the purchase price and proposing for approval from the authorized person. In this regard, the Company participates in the auction and determines the auction price, mainly considering the rate of return on investment and investment risk. The Company has established criteria and guidelines for preparing cash flow projections in order to determine the purchase price of NPLs each type in the Purchase Policy and Purchase Price of NPLs, for example: housing loan receivable, secured business loan receivables, and unsecured business loan receivables. (Additional details of Purchase Policy and Purchase Price of NPLs are shown in the Section 2.3 (6) Corporate Governance Policy)

## **3. Submit an auction and deposit**

On the day of auction for NPLs or Bilateral auction, the debt procurement team will prepare auction documents or Bilateral auction documents, which include: Auction Form (in case of participating) and important documents of the Company as specified by the seller. Submit all documents to the seller for auction or Bilateral auction for the purchase of NPLs, including the deposit in case of participating in the bidding as specified by the seller.

## **4. Acknowledge the results of auction or Bilateral purchase results and Sign in Claim Transfer Agreement**

Once auction or Bilateral auction have been submitted, the debt procurement team will follow up with the auction or Bilateral auction results from the seller. If the Company is considered the winning auction or receives an acknowledgment from the seller, the debt procurement team uses the information received from the seller to prepare a report on the auction results or notify the results of Bilateral auction in order for the Chief Executive Officer acknowledgement. Subsequently, the Company and the seller jointly prepare documents for approval to enter into the claim transfer agreement. After that, the Finance Department shall prepare a check payable to the seller as agreed in the agreement.

## **5 Deliver a notice of transfer of rights to the receivable**

After the Company has signed the claim transfer agreement, the debt procurement team will deliver a copy of the claim transfer agreement to the Legal Department to prepare a notice of the assignment to the receivable. The receivable shall be notified that the financial institution and financial business entrepreneur to which the receivable is liable has entered into a claim transfer agreement by agreeing to transfer rights, duties, benefits, claims, obligations, and liabilities under the credit agreement and all contracts or collateral documents that the receivable has with financial institutions and financial business entrepreneur for the Company, whereby this process take a period of approximately 15-30 days.

## 6 Transfer of mortgage rights and subrogation

Upon the Company has received a letter of acceptance from the receivable, the Legal Department will transfer the right to receive the collateral mortgage under the mortgage agreement of the receivable with the former creditor, in which case it will take a period of approximately 30 days. If any of the NPLs receivable transferred to the Company has former creditors suing the receivable in court proceedings, the Company shall take action to subrogate the lawsuit as a party on behalf of the former creditors. In the event that outside creditors have seized the assets by auction, the Company shall submit a request for preferential mortgage repayment, in which case it may take more than 30 days.

Receivable NPLs transferred can be divided into 3 statuses as follows:

- 1) Receivable who has not yet entered the court process are who default on payment with their former creditors but have not yet taken legal action in court. Upon the receivable has sent a letter of acknowledgment. The Legal Department can immediately proceed to transfer the right to receive the mortgage collateral under the contract at the Department of Lands.
- 2) The receivable that has entered the court process is the receivable or a person related whose former creditor has filed a lawsuit to enforce the claim in court. If it falls into this circumstance, the Legal Department shall prepare a request for subrogation and submit to the court in order to proceed with the request for subrogation on behalf of the former creditor. In the event that the court has rendered a judgment, the Company shall conduct subrogation to be the judgment creditor instead of the former creditor.
- 3) The receivable whose collateral is taken by outside creditors are receivable with other creditors other than the Company collectively referred to as “outside creditors” have seized the assets that the receivable has mortgaged as collateral with the Company for auction. In this case, the Company is regarded as a mortgage creditor, having the right to request the money that the executing officer sells such property, and if there is money left, the outside creditors can request repayment. In such cases, the Company will receive a notice from the Legal Execution Department requiring the original title deed and the mortgage agreement to be submitted after the Company has already delivered the documents to the Legal Execution Department. The Legal Department shall submit a request for payment of mortgage preferential debt to the court that issued the writ of execution, when the court has prioritized the Company to receive payment from the auction of the mortgaged property; the Legal Department proceeds to notify the court order to the executing officer for further acknowledgment.

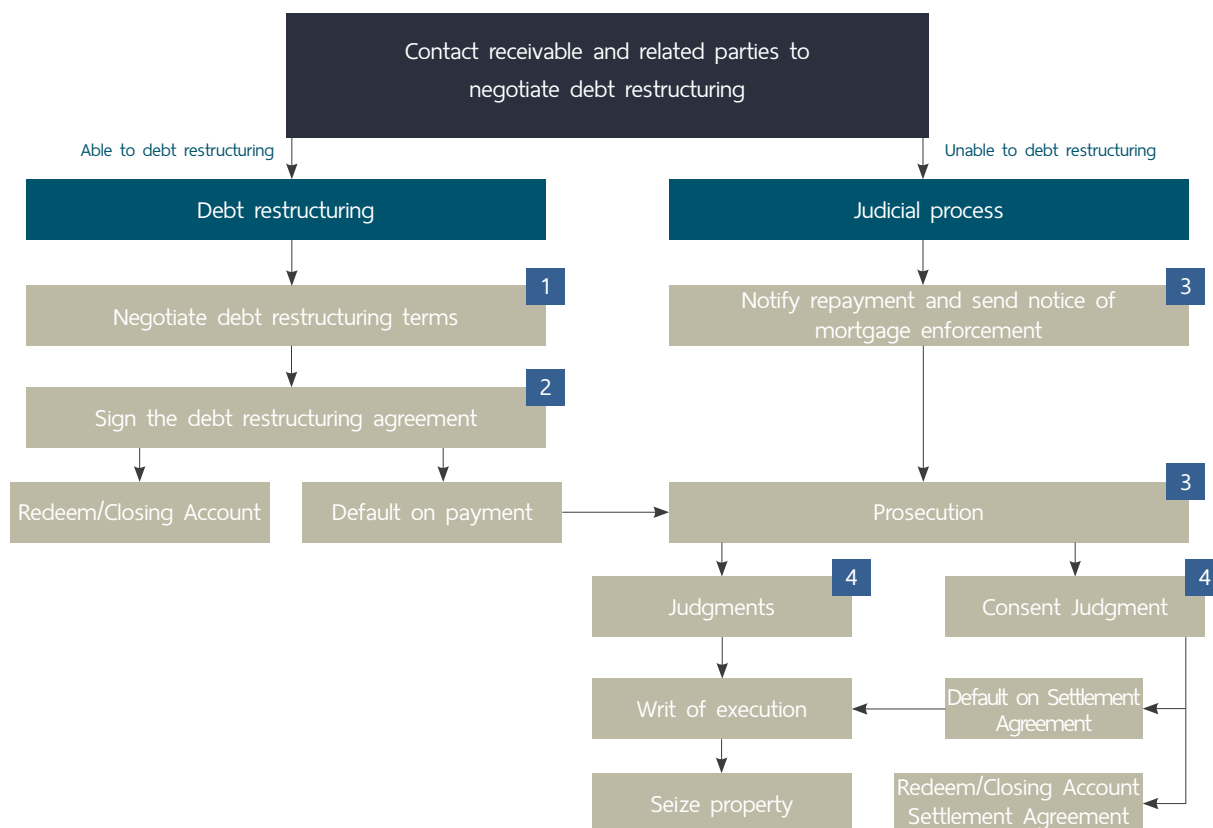




## b) NPLs Management Process

NPLs Management Process is the process that takes place after the Company has received the transfer of the claim on the NPLs receivable or has taken over the legal rights of the NPLs receivable. It is divided into 2 cases: 1. proceeding through the debt restructuring process and 2. proceeding through the court process. There are details of important steps as follows:

Diagram: NPLs Management Process



### Case 1 Proceeding through the debt restructuring process

After the Company has received the transfer of claims on NPLs receivable from the seller, the Company will contact NPLs receivable to negotiate debt restructuring to obtain satisfied agreement all parties as much as possible (Win-Win), enabling NPLs receivable solving their own debt problems. At the same time, the Company, as a creditor, will receive repayment in a fair amount within the time frame mutually agreed upon with the receivable, whereby receivable who are expected to have the potential to negotiate debt restructuring are mostly receivable who have not been entered the court process, or even though the receivable has been prosecuted but the court has not yet given a verdict, the NPLs receivable may seek compromise in the court. However, any NPLs receivable are unable to negotiate debt restructuring; the Company will prosecute in the court process. Negotiations for debt restructuring between the Company and the receivable can always be done even if the receivable is in the process of legal execution or until the Company has written off all debts.

The Company has set a time frame of debt restructuring negotiations for each type of receivable, if the Company is able to restructure within the time frame, the Company will recognize interest income from CEIR since the date of the debt restructuring agreement. If during the said period, the Company is unable to restructure with the receivable, it will not recognize interest income from CEIR, and ECL will not be established. After the stipulated negotiation period, the Company will calculate CEIR from the cash flow from the sale of collateral. However, in the case of receivable that have debt restructuring agreements and still have regular installment from former creditors, the Company will recognize interest

income from CEIR according to the original installment plan that the receivable has made with the former creditors.

Debt restructuring processes are as follows:

1. Contact receivable and related parties to negotiate debt restructuring

Once the Company has entered into the claim transfer agreement with the seller, the Asset Management Department will contact the NPLs receivable for a mutual negotiation of solution. The conditions for debt restructuring negotiations for each NPLs receivable will vary based on repayment ability, quality of collateral, guarantor, and completeness of information supporting consideration for debt restructuring plan approval.

However, there are generally several conditions for debt restructuring, such as reducing principal or accrued interest in order to incentivize receivable repayment faster, extending the repayment period aligned with the repayment ability according to the cash flow of the receivable, repayment with property, closing the account with a lump sum from refinance (Refinance) or other. The Company may choose to use only one method or several methods together in considering the debt restructuring of each NPLs receivable.

2. Sign the debt restructuring agreement

Once the Asset Management Department has negotiated the terms of debt restructuring with NPLs receivable and has reached a preliminary conclusion, it will request approval of debt restructuring according to the conditions agreed with NPLs receivable to the approval authority according to the time frame specified by the Company. After the debt restructuring is approved, the Legal Department will prepare a debt restructuring agreement; the Asset Management Department will make appointments for NPLs receivable to sign the debt restructuring agreement. Subsequently, the Asset Management Department will monitor the payment of each NPLs receivable on a regular basis, so that the NPLs receivable are paid according to the debt restructuring conditions.

## Case 2 Proceeding through the court process

Once the Company has entered into the claim transfer agreement with the seller, the Company will contact NPLs receivable to negotiate debt restructuring as mentioned in Case 1 above. However, in some cases, the Company and NPLs receivable are unable to find a solution by negotiating debt restructuring due to various reasons, for example: no cooperation from NPLs receivable, NPLs receivable delay the signing of the debt restructuring agreement, and after debt restructuring, NPLs receivable are unable to comply with the conditions of the agreement. The Company will proceed with the court process by filing lawsuits against the receivables as well as continuing legal proceedings for the NPLs receivables acquired by the Company in the court proceedings with following steps:

1. Notify repayment and send notice of mortgage enforcement and prosecution

If NPLs receivable are unable to comply with the procedures and conditions of the debt restructuring agreement or do not cooperate in negotiating for debt restructuring once again, the Asset Management Department will request an approval to file a lawsuit against such NPLs receivable. Upon the authorized person approves the lawsuit against such receivable, the Legal Department will issue a notice to the NPLs receivable to pay the outstanding owed to the Company and notify the legal proceeding and enforcement of the mortgage (If the repayment of NPLs receivable unable to complete with the company). However, if the repayment of NPLs receivable is still unable, the Legal Department will prepare the complaint and related documents for prosecution to be submitted to the court. The lawsuit can be filed after the period of 60 days from the date of the receivable's notification letter.

2. Judgments

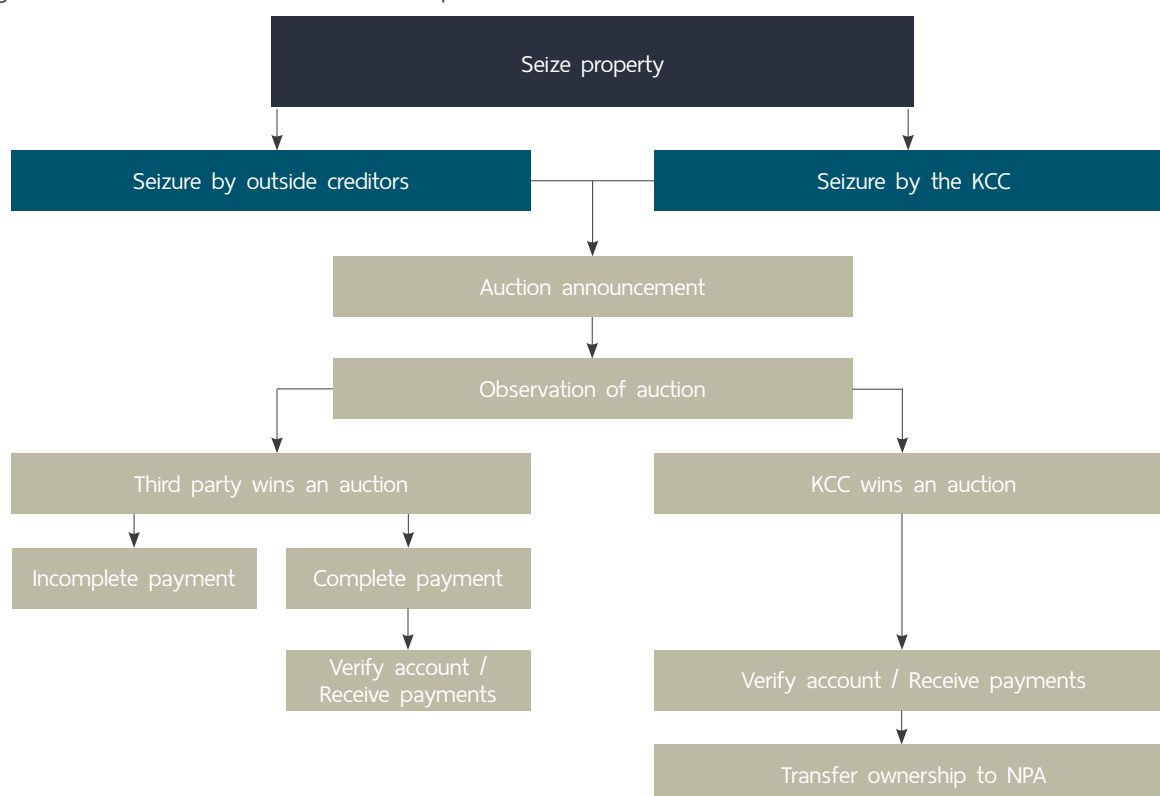
Normally, the court will make an appointment to hear the case within 3 months from the date of filing the lawsuit. Before the witness examination date, if NPLs receivables wish to compromise with the Company in court, the Asset Management Department will negotiate with NPLs receivable and request approval from the approval authority. The

Legal Department will prepare the settlement agreement according to the approved terms and documents of the NPLs receivable to negotiate at the court once again on the date of the witness examination for the consent judgment. If the NPLs receivable agrees to the terms of the settlement agreement, it will be signed between the Company, the NPLs receivable and the judge, but if unable to negotiate, the court will consider the case and issue a judgment.

### c) Collateral enforcement and auction

Procedures for execution in order to seize the collateral by which the proceeds will be used to pay the debt according to the judgment of the court, it is conducted by the Legal Execution Department through an auction method and allows third parties to bid for collateral. The Legal Execution Department will send a notice of the collateral auction specifying the date and the starting price to stakeholders, including receivable, creditors and related parties to acknowledge the auction according to the said schedule. The details are as follows.

Diagram: Collateral enforcement and auction process



#### 1. The Company seizes the collateral and delivers the title deed to the Legal Execution Department

When the receivable fails of repayment according to the terms of the judgment as permissible by the Court, the Legal Department will request for the issuance of a writ of execution submitted to the Court to appoint an executing officer to seize and attach the defendant's property. When the Company receives the execution warrant from the court, the Asset Management Department will ask for approval to seize the collateral from the authorized person and upon approval, the legal department will collect the title deeds and related documents to the Legal Department. In the event that the collateral of receivable has mortgaged with the Company is seized by an outside creditor for public auction, the Company will receive a notice to deliver the original title deed and the mortgage contract to the Legal Execution Department. After the Company has delivered the documents to the Legal Execution Department, the Legal Department will file a request for repayment of the mortgaged preferred debt to the court that issued the writ of execution. When the court allows the Company to be entitled to receive debt repayment from the auction of the mortgaged property before other creditors, the Legal Department proceeds to notify the court's order to the executing officer for further acknowledgment.

## 2. Auction announcement

Normally, the executing officer will announce the sale by auction for about 6 months from the date of seizure. When the Company is notified of the auction schedule from the Legal Execution Department, the Asset Management Department proceeds to request for auction approval. In general, bidders or the Company, as a creditor with preferred mortgage rights, as ordered by the court, if the subrogation cannot be done in time, must deposit cash or cashier's check payable to the Legal Execution Department as collateral for the amount specified in the Legal Execution Department's announcement. (Not less than 5% of the collateral appraised value). In the event that the Company, as a preferred mortgage creditor, the subrogation can be done in time, the Company must prepare to place collateral to compete with the price at the collateral rate specified by the Legal Execution Department.

The starting price of the auction is in accordance with the Notification of the Commission Prescribing Rules for Determining the Initial Price and Reasonable Price in the Auction Sale that is currently in force. In the first public auction, the starting price will use the price of the property price committee, if not, the appraisal price of the property valuation department of the Central Property Placement Office will be used, if there is none, the appraisal price of the executing officer will be used as the starting price when the auction starts for the first time. If there are no bidders, the executing officer will reduce the starting price by 10.00% of the starting price for the next sale and will adjust the price down until not less than 70.00% of the initial starting price.

Upon being notified of the auction schedule from the Legal Execution Department, the Company will determine the minimum price according to the Asset Management Department's operational manual, based on the latest appraisal price of assets sold by auction, the market price of the property in the vicinity that the survey Company itself, and related expenses to calculate the return expected from the sale by auction compared to the Company's auction of assets sold to be the non-performing asset of the Company and to approve according to the Company's authority manual.

## 3. Observation of auction

At present, the Legal Execution Department requires that there will be 6 auctions, each approximately 2 weeks apart, totaling approximately 3-4 months. A power of attorney and cashier's check will be taken by the Law Department to observe the auction. In every auction, the Asset Management Department will ask for approval of the minimum auction price in order for the Company to receive the target return. However, the Company, as a creditor, has the right to object the auction price if it considers that the price is too low, but the price can only be objected once, and the executing officer will postpone the sale to the next time. The Company shall observe the sale to obtain the appropriate selling price or may bidding for the purchase of collateral by itself if considering the possibility that will obtain a better rate of return if the Company uses the auctioned collateral to adjust and sell later.

## 4. Third party wins an auction

Once the third party wins the auction, the Legal Department will return the cashier's check that has been placed as collateral for the auction, copy of contract, and auction reports from the Legal Execution Department, whereby the Legal Department prepares a report on the results of the litigation submit to the executives.

For third party who are able to bid, pay the full amount of the auction price on the day of purchase or pay the remainder after deducting the money placed as collateral for bidding within 15 days from the auction date to purchase collateral. However, if the purchaser fails to pay in time within 15 days, the purchaser can file a request for an extension of the deposit period for no more than 3 months, and the executing officer will take about 3-4 months from the date the purchaser has paid the full amount to prepare the account, there will be a letter notifying the Company as a creditor to verify the account and receive the money. In case the purchaser fails to pay the full amount within the specified period, the executing officer will seize the money placed on the collateral and the collateral will be sold by a new auction, and if the new auction net is lower than the previous bid, the purchaser will be responsible for the difference.



The Company may ask a broker to procure interested persons to bid on collateral assets at the price that required by the Company. If such interested person wins the auction to purchase collateral assets, the Company will have to pay commission to such broker.

5. The Company wins an auction

If the auction price is lower than the Company's estimation and it is estimated that if acquired as NPA and resold by itself will give better returns than outsiders, the Company will bid for that collateral by itself. The Company, as a preferred creditor granted by the Court's order, therefore has the right to request for a deduction instead by entering into a purchase and sale contract and receiving a receipt for the money deposited in the auction, such money is considered part of the purchase price of the Company's collateral assets and will provide an outcome report to the executives. Subsequently, if the executing officer deduct the part and is still a deficit, the Company is obligated to pay the price difference in full amount.

6. Verify account and receive payments

When the Legal Department receives a letter from the Department of Legal Execution to certify accounts, either in the event that party wins an auction or the Company wins an auction, the Legal department will send a letter of notarization to the Asset Management Department to verify the calculation of the judgment creditors that the company must be paid. If correct, the Legal Execution Department will pay the proceeds from the auction to the Company, if it is incorrect, the Company can submit a statement of objection within 15 days from the date of receipt of this letter of account verification.

7. Ownership transfer

In case the Company wins an auction, the company will receive a letter of ownership transfer from the executing officer as evidence in contacting the land officer to register the transfer of ownership. Upon completion of the ownership transfer, the Legal Department will receive the title deeds in which the ownership has been changed to the Company's name, a court-ordered sales letter, and a receipt from the Land Department. Normally, it takes time to transfer the ownership of the non-performing asset within 30 days after receiving all the documents from the executing officer. In case the receivable's collateral are sold by the Company for debt repayment but has not been completed, the Legal Department will make a written notice to pay the remainder to the NPLs receivable, and has not been contacted by NPLs receivable, the Company has to take further legal action.

## **(1.2) Non-Performing Asset Management Business ("NPA")**

Most of the Company's NPA is residential real estate in the category of single-detached houses and townhouses. In the past, the Company did not directly procure NPA from auctions from financial institutions as the Company's policy mainly focused on the management of NPLs receivable collateral assets, and the Company procures non-performing asset from the purchase of collateral for NPLs receivable from the public auction in the Legal Execution Department only, or the Company may obtain non-performing asset from the repayment of NPLs receivable, which is a settlement agreement with NPLs receivable who fail of repayment, enabling settlement of existing debts with the Company without court process, which will reduce the time and expenses in acquiring the ownership of non-performing asset.

The Company manages non-performing asset by adding value creation, improving to be more useful and marketable in order to sell to third parties and generate income return to the Company with the details as follows:

### (1.2.1) Types of non-performing asset

In the past, the Company had non-performing asset from housing loan receivables, such as single-detached houses, townhomes, and condominiums, etc. Non-performing asset from corporate loan receivables, such as land, factory buildings, commercial buildings, and movable properties, etc. Since the Company has sold all non-performing asset from business loan receivables within the year 2018, therefore, non-performing asset at the end of 2021 - 2022 are completely from housing loan receivables. The details are as follows.

Table: Non-performing asset categorized by type of residence at the end of 2020-2022

	Non-performing asset					
	As at December 2021		As at December 2022		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Single-detached houses	17.81	81.85	59.60	70.63	41.79	66.74
Townhomes	3.06	14.05	12.79	15.16	9.73	15.54
Condominiums	0.89	4.10	7.17	8.50	6.28	10.02
Commercial building	-	-	4.82	5.71	4.82	7.70
Total	21.76	100	84.38	100	62.62	100

Most of the Company's non-performing assets at the end of 2021 - 2022 are located in Bangkok and its vicinity and a few are located in upcountry areas. The details are as follows:

Table: Non-performing asset categorized by location at the end of 2021-2022

	Non-performing asset					
	As at December 2021		As at December 2022		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Bangkok	9.2	42.28	34.22	40.56	25.02	39.95
Vicinity	11.28	51.84	44.31	52.51	33.03	52.75
Province	1.28	5.88	5.85	6.93	4.57	7.30
Total	21.76	100	84.38	100	62.62	100

### (1.2.2) Procurement and management of non-performing asset

The procurement and management of non-performing asset consists of 2 processes as follows:

#### a) Procurement process of non-performing asset

The Company focuses on investing in NPLs, not focused on NPA. In the past, the Company's non-performing asset came from the purchase of collateral of the Company's NPLs receivable from the auction of the Legal Execution Department and repayment with property only. Therefore, the process of procuring the Company's non-performing asset is similar to the process of legal execution to seize the collateral by auction.

### (1.3) Cash Collection

The Company has cash collection from business operations consisting of proceeds from repayment of receivable, proceeds from the auction of the receivable's collateral in the Legal Execution Department, proceeds from the sale of loans from the purchase of accounts receivable, and proceeds from sale of non-performing asset. Such cash collection has not been deducted interest expenses, cost and accrued interest of NPLs receivable, and cost of non-performing asset.

## **b) Management process of non-performing asset**

### **1) Monitoring improvements, maintenance and value creation to non-performing asset**

After the Company has received the transfer of foreclosed properties, the Asset Management Department will be responsible for inspecting the condition of the foreclosed properties according to the Company's checklist, for example: inspection of floors, ceilings, stairs, take photos of foreclosed properties as in condition before renovation, including coordinating with the juristic person of the foreclosed properties (if any) in order to inquire about the outstanding common expenses to assess the initial cost of improving the foreclosed properties to be ready for sale and prepare a request for approval of expenses in managing foreclosed properties. However, if the Asset Management Department finds that there is an intruder, the Company will initially proceed with the process of evicting the intruder, and then continue to investigate and repair.

### **2) Sale of non-performing asset**

When the non-performing asset are ready for sale, the Asset Management Department will collect relevant documents to fix the selling price, for example: application for approval of price announcements for sale, property appraisal manual, market price comparison data, and the cost of repairing, etc., those will be delivered to the authorized person for approval. Upon having an announced price, the Company will sell the foreclosed properties through various channel, such as consignment through the juristic person where the property is located, sales agents, the display of the foreclosed properties sign, brochures, and the sales channels through digital advertising media includes; real estate website, website and Facebook of the Company, etc.

### **3) Sign on sale agreement contract and ownership transfer**

When someone is interested in purchasing non-performing asset, the Asset Management Department will consider the price and conditions proposed by those interested, to review the conditions and the selling prices, as well as assessing the possibility of purchasing power of interested purchaser, the Company may be involved in providing advice on applying for a loan with a financial institution as a source of funds for purchasing assets. However, if the purchaser's offer has conditions and prices within the specified range, the Asset Management Department will request approval of the selling price. After that, the Company and the purchaser will sign a sale agreement contract where the purchaser deposits some of the security deposit and pays the rest and transfers ownership of the property on the same day. The Company has never had a policy to grant credit to purchaser of foreclosed properties or to installments for foreclosed properties.

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

### **(2.1) Competitive strategy**

The Company has established competitive strategies and policies aimed at promoting long-term competitiveness and managing NPL and NPA more efficiency. The details are as follows:

#### **1) Procurement of non-performing asset with appropriate rate of return**

The Company places great importance on procuring NPA as it is considered first line of success factor, if the Company is able to bid for NPA with reasonable cost, it will generate expected returns from cash flow, both receiving and selling collateral, enabling the Company being able to compete in the business. Therefore, for each NPA purchase auction, the Company will appoint a Debt Purchasing Team consisting of people with expertise from various departments, namely: Asset Management Department, Accounting and Finance Department, and Legal Department. They will study and verify the receivable's information, survey the collateral to assess the condition and market price, including the expected cash flow projection, which is partly considered based on statistics on the management of NPA of the Company, this is to summarize the purchase price of debt and the rate of return expected from the debt auction investment. Then, the Debt Purchasing Team will summarize the information submit to the authority to consider and

approve the auction price once again, step by step. This ensures that the Company has carefully considered every time before bidding for the utmost benefit of the shareholders.

In addition, the Company's procurement of NPA that are expected to generate appropriate returns, in addition to the skilled and skilled workforce, the Company's good relationship with financial institutions and other asset management companies will increase business opportunities NPA procurement aligned with the Company's policies, expertise and capital.

2) Shorten the period management of receivable.

The Company aims to manage NPA to receive repayment on time and close accounts with receivable as soon as possible to use the cash flow received from debt repayment to invest in acquiring NPA to manage and generate returns for the Company in the future.

Negotiating debt restructuring, the Company analyzes the debt repayment ability of each receivable, including cash flow from other sources that can be used for debt repayment in order to determine the repayment terms suitable for each receivable. After the debt restructuring has been completed, once the installments have begun, the Company will notify in advance of the due date, enabling receivable to pay on time and return to normal financial transactions, such as applying for refinancing with financial institutions and collateral with the company.

In addition to the cash flow received from receivable, the Company focuses on the turnover of foreclosed properties to return to cash flow as soon as possible. The Company prioritizes the process of participating in the auction process for the purchase of collateral, the collateral that the Company participates in the auction, if it is a residential type; the Company will consider location, potential market demand, and good condition in order to reduce the cost of improving the property condition to be ready for sale, at the same time, it is considered to increase the value of the assets, enabling the Company distributes the properties easily. In addition, advertisements for foreclosed properties are advertised through various digital media, such as advertising through websites related to the sale of real estate, website and Facebook of the Company, and real estate brokers, etc. The Company believes that such action will enable the Company to receive cash flow faster and reduce the cost of holding foreclosed properties as well. In the past, the Company has an average sale period of foreclosed properties for about 2 years and has never sold foreclosed properties at a loss price.

In addition, the Company strives to increase the efficiency of its internal operations in order to reduce the amount of time required to perform all stages of operations or to reduce operational errors that will prolong the time to receive cash flow by recruiting personnel with knowledge and expertise in legal processes related to collateral enforcement to increase the efficiency and speed of internal processes for collateral enforcement of NPA, and preparing relevant documents for court proceedings, etc.

3) Effective management of non-performing debt collection

Non-performing debt collection management is important matter, after the Company has entered into the debt restructuring agreement, the payment must be monitored regularly in accordance with the terms of the debt restructuring agreement. If the receivable defaults on repayment and is unable to follow up and collect debt within the period specified in the contract, it may cause the Company to lose financial opportunities for other operations or waste time and additional expenses to negotiate debt restructuring, this include court proceedings, it may also result to set aside more allowance for expected credit losses. In the past, the Company would follow up and collect debts of housing loan receivable and corporate loan receivable by itself and outsource third party to collect debt repayment of retail loan receivable. Since the Company has sold off all retail loan receivables in 2020, the Company currently only follows up on debt repayment by itself.

The Company therefore places importance on debt collection management by adhering to the debt collection practices according to the Debt Collection Act and relevant notifications, such as following up on debt collection without disturbing the receivable, use polite words and do not extort the receivable, charging fees or expenses for debt collection at the rate specified by law (the Company does not charge fees or expenses for debt collection, including no fees or



other expenses for debt restructuring), etc. In addition, the Company also places importance on developing specialized debt collection personnel with good human relations and communication skills communication, understanding the objectives of negotiations, due to each receivable will use different methods of communication with differences of age, education level, occupation, and other factors. Therefore, before the debt collection team starts work, to study of each receivable's information is important, including the Company has a notification service before the payment date through many channels, such as phone, SMS, and Line, and any other action under the Strict Debt Collection Act, etc. From the above policies and guidelines, the Company has never received any complaints about debt collection. The Company has approved Whistleblower Policy to determine the complaints recipients, complaint methods, fact-checking process, and protection measures to protect those who report information or clues, as well as receivable with complaints.

#### 4) Efficient information system

The management of NPA involves the management of a large amount of data, which is a complex and time-consuming process, as the Company growing continuously causing the amount of receivable's account information is continuously increasing. The information technology systems therefore play an important role to support the operations of the Company for utmost benefits.

The Company has developed the Debtor Portfolio Management System (DPMS) as a tool to increase efficiency in the Company's NPA management process. This system will be useful in the field of data storage, identification of the status of the receivable, systematically searching for receivable and collateral information, reduce errors in interest calculations, shorten working time, issuing various reports to aid analysis, and follow up on payments, etc. In addition, the Company also places importance on continuous improvement of the DPMS serve the company's usage, including developing knowledge about the use of such systems for employees for maximum efficiency.

In the third quarter of 2022, I VL Auditing Company Limited ("Internal Auditor" or "IVL") has audited the information system (Application Control); it was found that there were no issues of observation. Also, EY Office Company Limited ("Auditor" or "EY") has reviewed the general controls of the information technology system related to the processing of the Company's accounting data in December 2022; it was found that there were no issues of observation

#### 5) Regular personnel development

In the procurement and management of the Company's NPL by negotiating debt restructuring with receivable or related parties in order to obtain an satisfied agreement with all parties as much as possible, or any operations related to the court process require personnel with specialized knowledge, experience, and a variety of skills; both the analysis of various aspects, receivable's repayment ability, the ability to assess the value and liquidity of the collateral, including having good negotiation and communication skills in order to reach an agreement for all parties, etc.

The Company's personnel are important resources for the development of the organization to keep pace with the rapid changes and sustainable growth of the Company. Therefore, the Company recognizes the importance of continuous personnel development, enabling personnel more proficient in their work, reducing errors. Thus, the training program both In-House Training and Public Training are in place, to suitable for the skills development each employee, to enhance the knowledge and understanding of the roles, duties and responsibilities toward the value creation of the Company's personnel more efficient. It is also important to develop a good attitude and conscience in performing duties, promotion of teamwork skills, cultivating good consciousness for both inside and outside the organization, encourage the personnel to participate in reducing of non-performing debts, enabling the receivable go on operate business and the Company's return at an appropriate rate.

### **(2.2) Service and distribution channels**

The service channels of the NPA management business and the distribution channels of the Company's foreclosed property management are as follows:

- 1) Service channels for non-performing loans management business (NPLs receivables) include:
  - Channels for debt restructuring services: NPLs receivable able to negotiate for change debt restructuring conditions or request to change the conditions for new debt restructuring by contacting for preliminary negotiations via telephone before making an appointment to formally negotiate at the Company's head office.
  - Payment channels for NPLs receivable: After the debt restructuring has been completed, NPLs receivable able to pay through various channels, such as transfer or cashier's check, payment at any commercial bank branch nationwide, etc. However, if the receivable is unable to pay under the terms of the original debt restructuring agreement, the Company will consider whether to restructure the debt under the new conditions or will proceed with the court process.
- 2) Service channels for non-performing asset management business (NPA): The Company has a variety of sales channels for foreclosed properties, for example: consignment through the juristic person of the property located, sourcing sales agents, preparation of foreclosed property signs and brochures, creating sales channels through digital advertising media such as Website and Facebook etc. Upon the purchaser agrees to purchase foreclosed properties, the purchaser must make a cashier's check payment to the Company on the date of transfer of the foreclosed properties from the Company to the purchaser.

### (2.3) Target customers

Target customers of the NPLs management business and foreclosed property management business are as follows:

- 1) The NPLs receivable that the Company auctions from financial institutions or other asset management companies, namely:
  - (1) Corporate Loan Receivable; and
  - (2) Housing Loan Receivable;
- 2) Investors who purchase property for resale for those who want to purchase for living, or those who want land, commercial building, industry and others.

### (2.4) Pricing policy

Financial Advisor and I VL Audit Company Limited ("Independent Internal Auditor" or "IVL") has reviewed the formal policy and operating manuals relating to the determination of the purchase price of NPL and the determination of the price of foreclosed assets; suggestions have been made to make the aforementioned policies and operational manuals more prudent and concise. The Audit Committee Meeting No. 1/2022 held on February 23, 2022 and the Board of Directors Meeting No. 2/2022 held on February 23, 2022 have considered such suggestions and are of the opinion that appropriate. Therefore, it is deemed appropriate to revise the policy and operational manual, including the operational authority manual relating to the determination of the purchase price of NPL and the determination of the selling price of NPA in accordance with such recommendations, which can be summarized as follows

Pricing policy for NPLs management business will be considered from the investment decision, that is, when financial institutions announce to participate in the NPLs auction; the Company will initially consider the suitability of the debt portfolio to be consistent with the business plan. The Company will consider the debt that has been managed in the past, including considering the number of accounts receivable, quality of collateral, legal status, , management expenses, estimated time to receive cash flow, weighted in each scenario, the expected return on investment to determine the purchase price of NPLs that can compete with competitors in the market and still maintain the profit margin to be sufficient for expenses and various operations. The Company has established criteria and guidelines for preparing cash flow projections to determine the purchase price of each type of NPL, such as housing loan receivables, secured corporate loan receivables, and unsecured corporate loan receivables in the purchasing policy and determining the purchase price of NPLs.

The policy for determining the selling price of NPA is based on the appraised value by an independent appraiser licensed by the SEC Office, the market price in the vicinity, and expenses related to the sale of NPA, compare with the book value of NPA. Thereby, the sale price of NPA will be reviewed annually.

## **(2.5) Industrial Condition and Competition**

The overall economic situation of the country is one of the key factors affecting the growth of the NPLs management business. During the period of economic growth, there will be investment in both the public and private sectors; entrepreneurs need more sources of capital. At the same time, when there is an investment that causes employment, the purchasing power of consumers in spending, including the demand for investment in residential real estate increases accordingly. Therefore, it is an opportunity for financial institutions to issue more credit because consumers and entrepreneurs have the ability to request loans from various financial institutions. Therefore, when issuing from financial institutions increases, NPLs will increase in accordance with the total amount of loans in the financial institution's system. On the other hand, if the economy is in a recession, NPLs will grow at a higher rate compared to normal because there is a high probability that receivable won't be able to pay the amount of loans from various financial institutions has increased. Therefore, during the recession period, the chances that financial institutions, as loan providers, will sell NPLs through auctions to interested bidders will increase as well.

Over the past several years, financial institutions have tended to manage their NPLs by selling more NPLs due to several advantages, for example: human resources are not wasted on managing non-performing assets and financial institutions will receive cash back immediately to manage cash for further lending to other good receivable, and free of legal proceedings and NPA management, which is not the core business of financial institutions. Therefore, when the overall of NPLs in the economic system of financial institutions tends to increase, it is a business opportunity for the Company to acquire more NPLs for management.

The Company has procured NPLs for management in 2 types, namely; corporate loans and housing loans in the proportion of approximately 70.00 : 30.00 percent of the total from the purchase of receivables. From the growth of NPLs mentioned above, it is found that align with the Company's policy to focus on investing and procuring NPLs, both corporate loans and housing loans. Thereby the NPLs in the category of mortgage loans are secured assets and have seen high growth over the past 7 years, as for the category of corporate loans, the Company does not focus on investing in any particular business, but focuses on investing in companies with collateral or considering the ability to generate cash flow of corporate loan receivables repayment. Therefore, the overview of credit lending and the continuous growth trend of NPLs in the past will result in a large supply in the system; it is an opportunity for the Company to continue to grow by expanding its portfolio in managing NPLs.

## **Securities Information and Dividend Payment Policy**

### **The amount of registered capital and paid-up capital of the Company**

As of December 31, 2022, the Company has a total paid-up capital of 310 million Baht, divided into 620 million ordinary shares with a par value of 0.5 Baht per share.

## Shareholders

Shareholder structure as of April 28, 2022, which is the latest Book Closing Date, can be summarized as follows:

No.	Names	Shareholding (share)	Proportion (%)
1.	Mr. Suchart Boonbanjersri	284,066,620	45.82
2.	Mr. Tawee Kullertprasert	138,400,000	22.32
3.	Mr. Kobi Boonbanjersri	38,733,340	6.25
4.	Mr. Sompong Chonecadeedumrongkul	12,581,300	2.03
5.	Mr. Sompong Chonecadeedumrongkul by Daol Securities (Thailand) Public Company Limited	4,651,100	0.75
6.	Mr. Sataporn Ngarmrunpong	4,627,700	0.75
7.	Thai NVDR Company Limited	3,253,787	0.52
8.	Mr. Jittiporn Jantararat	3,250,000	0.52
<b>Total major shareholders</b>		<b>489,563,847</b>	<b>78.96</b>
<b>Other shareholders</b>		<b>130,436,153</b>	<b>21.04</b>
<b>Total shareholders</b>		<b>620,000,000</b>	<b>100</b>

## Contract between Shareholders

- None -

## Dividend Payment Policy

The Company has a policy to pay the dividend to shareholders at the rate of not less than 40.0% of the net profit from the separate financial statements after corporate income tax and all types of reserves as specified in the laws and regulations of the Company, such dividend payment is subject to change depending on necessity and other appropriateness of the Board of Director deems appropriate. The annual dividend payment shall be approved by the shareholders' meeting, except for interim dividends which the Board of Directors may approve from time to time when the Company has sufficient profit to do so. Then report to the shareholders' meeting for acknowledgment at the next meeting.





## 2. Risk Management

### 2.1 Risk Management Policy

The Company is aware of risk management which is part of good corporate governance. The Board of Directors has assigned the Risk Management Committee to oversee the establishment of a risk management system or process, as well as providing opinions on risk management both externally and internally in order to reduce the impact on the Company's business appropriately. The Company therefore has a policy to support a culture of risk management within the organization whereby management and employees at all levels will participate in risk management. The risk management process must be included as part of the operational plan preparation process and the operational plans of various departments. All departments are responsible for risk management to ensure that the Company's various activities will be able to achieve the organization-wide risk management objectives and maximize the benefits to the Company.

### 2.2 Corporate Risk Factors

Investing in the Company's ordinary shares carries risks, investors should carefully consider all information contained in these securities offer document and should exercise discretion in considering risk factors that may occur to the Company before making an investment decision.

The risk factors listed below are some of the most significant risks that could have an adverse effect on the Company and the value of its ordinary shares. In addition to the risk factors listed in this document, there may be other risks that the Company cannot currently foresee and which may be considered to have no significant impact on the Company's business operations; it may be a risk factor that is important in the future which such risks may have a significant impact on the business, revenue, profit, assets, liquidity, funding sources, operating results, financial status or business opportunities of the Company

In addition, forward-looking statements appearing in this document are subject to risks and uncertainties, such as the use of words; "believes", "expects", "plans", "wish" "approximately", or financial projections, future projects performance, estimates business, performance forecasts business, expansion plan, changes in laws related to the Company's business operations, government policies and others, these are based on the Company's current opinion and are not guarantees of future results or events. Therefore, actual results may differ materially from expectations or projections. For the risk factor information that is referred to or related to the overall economic or industrial situation of Thailand, such information is derived from information disclosed or excerpted from publications and other sources, which is a projection of future events based on the Company's current opinion; the Company does not review or certify the accuracy of such information in any way. Therefore, investment decisions should be carefully considered by investors.

Corporate risk factors can be divided into (1) Business risks of the Company (2) Management risks (3) Financial risks with the following details:

#### 2.2.1 Business risks of the Company

##### 2.2.1.1 Risk from acquiring non-performing loans at inappropriate prices

The Company procures non-performing loans ("NPLs receivable"), both secured and unsecured, from the purchase or transfer from financial institutions and financial business entrepreneurs to manage the debt restructuring process or the court process depending on the status of the receivable that the Company has transferred the claim from the former creditor. The aim is to solve bad debt problems with receivable for the repayment ability and continue their business efficiently. At the same time, the Company was able to generate return on investment in non-performing loans as set target. In this regards, one of the important factors for the Company to be able to generate return

on investment as planned is to determine the appropriate auction price of non-performing loans; since the non-performing loans does not have a fixed median price. Therefore, before bidding to purchase non-performing loans, the Company must conduct due diligence by considering information from financial institutions and financial business entrepreneurs who wish to sell such non-performing loans. The information received in terms of legal contract documents is limited; the Company will not be able to enter the area of the collateral property, which may result the Company being unable to know the exact internal condition of the property, including having to take into account the bidding price of competitors. Therefore, in the event that the Company is unable to review information and/or select non-performing loans effectively, it may result in the Company having a risk of evaluating the auction price at a higher than reasonable price. These factors may have a negative impact on the expectation returns of the Company from non-performing loans, its competitiveness, financial status, and the performance.

The Company therefore places importance on fix auction prices for non-performing loans. The c Debt Purchasing Team will set up a Due Diligence Team consisting of experts from various departments, such as the Asset Management Department, Accounting and Finance Department, and the Legal Department, etc. In order to examine and analyze receivable information covering all important aspects according to the guidelines set within a limited time, such as examination of the completeness and accuracy of receivable summaries received from financial institutions and financial business entrepreneurs, receivable history, business type, contract and other documents related to the receivable, receivable's case status, receivable's legal age, the existence and condition of collateral, the market price of neighboring collateral, etc. These include requesting additional information from the seller, analysis of competitive conditions, and the preparation of projections of net cash flows expected to be received from receivable in the future by considering to cover the expected expenses incurred based on the Company's historical statistics. The Company will use this information to determine the appropriate bidding price at a satisfactory return on investment. Any participation in the auction or purchase of non-performing loans must be screened by the Debt Purchasing Team and approved by the authorized person according to the level of approval authority, depending on the size of the investment value, taking into account the suitability of the rate of return of the investment and the investment risk. The Company is confident that it will set a commercially reasonable and competitive bid price for the acquisition of non-performing loans. In the past, the Company has been able to manage satisfactory non-performing loans, able to generate return on investment higher than the minimum rate of return set by the company all along.

#### **2.2.1.2 Risk from the Company's management ability to non-performing loans and the receivable's repayment ability**

Upon the Company has successfully transferred the right of claim in the receivable from the former creditor, the Company will manage the auctioned receivable by contacting the receivable to negotiate a new debt restructuring; or the receivable whose former creditor has filed a lawsuit in court, the Company will prepare a request for subrogation of the right to act on behalf of the former creditor, or in the event that the court has issued a judgment, the Company will assume the right to be the creditor according to the judgment, the Company can therefore proceed.

However, if the Company is unable to negotiate debt restructuring due to any reason or the receivable is fail of repayment according to the agreed terms; the Company may lose the opportunity to use the money received of repayment with other operations or waste time and additional expenses in negotiating a new debt restructuring. Once final tracking is reached, the Company may go through processes, such as court proceedings, forcing collateral assets, these processes are time-consuming, costly and must comply with the requirements of applicable laws, regulations or government policies, which the expected cash flow may not meet the target set by the Company. In some cases, the Company may not have the right to enforce the collateral property in the first place, or other creditors may have preferential rights over the said collateral, or the Company is unable to collect money from forcing collateral covering investment costs, or the Company has to investigate the property to sue for the difference, all of these incurs additional costs for the Company and reduces the expected returns. Therefore, the ability to inefficiently

manage non-performing loans within an appropriate timeframe and receivable's repayment ability did not meet the expectations of the Company is an important factor that has a negative impact on the Company's operating results and expected returns. Thus, in order to effectively manage non-performing loans, the Company not only focuses on managing after acquiring, but also prioritizes the investment selection process in non-performing loans with expertise and potential to improve debt restructuring. In considering auction for the purchase of non-performing loans each time, the Company must perform a due diligence, review of the non-performing loans carefully by analyzing; the type of debt, receivable's age, collateral value, financial status, business type, and payment history as mentioned in item 2.2.1.1, which will increase the opportunity to receive payment within the time frame assessed appropriately and more precisely.

For management after receiving the transfer of claims on non-performing loans, the Company will jointly negotiate a new debt restructuring with receivable by allocating payment periods align with the receivables ability repayment, it also emphasizes debt collection continuously and consistently with guidelines for debt collection practices according to the Debt Collection Act, and related announcements, such as debt collection in a manner that does not disturb the receivable, use polite words, and not extortion, etc. In addition, the Company also places importance on developing specialized debt collection personnel with good communication skills and understanding the objectives of negotiations. Therefore, the debt collection team must study the receivable's information before negotiating debt collection, including giving advance notice to the receivable before the payment due date. Furthermore, the Company has prepared a report as well as specifying causes and solutions in case of unable to collect debt as specified. A meeting of the Executive Committee is also held to closely monitor the collection results on a monthly basis for the improvement continuously.

In the event that the Company receives the right to claim from the former creditor who is in the court process, and the subrogation process is complete, or in the event that the court has ruled and there is an execution to sell the collateral by auction and use the proceeds from the auction as repayment; the Company must closely monitor the auction of such collateral in order to achieve the target price set by the Company. In the event that the auction price is lower than expected and the Company considers that there is an opportunity to create additional value from such collateral, the Company may auction the collateral by itself for further develop to foreclosed assets.

With experience in non-performing loans management business for more than 20 years, the Company was able to efficiently manage non-performing loans and collect debt according to the target or at a level close to the target all along.

### **2.2.1.3 Risk from failure of debt collection**

The Company's performance depends on the ability of debt collection under the debt restructuring agreement between the Company and each receivable. Since the receivable are classified as problematic debts from financial institutions and financial business entrepreneurs, such receivable often have problems with their financial status, liquidity, and their ability of repayment. Therefore, there is a risk from failure of debt collection according to the debt restructuring agreement.

The Company is aware of such risks and has arranged for the Asset Management Department to monitor debts closely by notifying receivable via phone or text message in advance of payment due date to encourage repayment as scheduled. In the event that the receivable defaults on the accumulated debt payment beyond the time frame specified by the Company, the legal process will begin as soon as possible by sending a Legal Notice, terminating the Debt Restructuring Agreement and notice of mortgage enforcement (if any) to the receivable immediately. As a result, the Company received the debt payment according to the legal process as soon as possible, including adjusting the interest rate to the default rate in order to maintain the rights that the Company should be legally entitled to. In addition, the Company has established a report on debt collection and receivable status submit to the Executive Committee on a monthly basis.

#### **2.2.1.4 Risk from purchasing unsecured business credit receivables**

Since in 2019, the Company purchased 2 large unsecured corporate loan receivables with a total investment value of 191.35 million Baht, representing 32.48% of total assets as of December 31, 2019. Investments in unsecured corporate loan receivables, if the receivable default of repayment, the Company will have to file a lawsuit against the receivable's other assets. The Company therefore emphasizes on determining the purchase price of receivable every time, especially the purchase of unsecured corporate loan receivable, and has established guidelines for examining relevant receivable information for consideration in determining the purchase price that is more stringent than the purchase of other types receivable. Criteria used by the Company in determining the purchase price of unsecured corporate loan receivables include the consideration of outstanding debt obligations, receivable's ability repayment, the amount of repayment is expected to be compared with the history of receivable made with the former creditor, business plan, future debt repayment plan according to the business rehabilitation plan and/or existing debt restructuring agreements, and the value of forced sale of unencumbered assets with other creditors in the similar status, etc. This includes analysis of financial statements and industry conditions by taking into account the impact on future cash flows and assessing risks in a comprehensive manner align with the expected returns.

In addition, if the purchase of such unsecured corporate loan receivables meets the concentration criteria according to the receivable concentration policy, that is, the size is greater than 10.00% of the loan from purchase of receivables and net accrued interest receivables, or more than 10.00% of the shareholders' equity, the Company must assess the risk of concentration before presenting to the authorized person for approval of the acquisition. As of the end of 2022, the Company has 2 unsecured corporate loan receivables, both of which are not more than 10.00% of the net loans from the purchase of receivables and accrued interest receivables of the Company.

Even though the Company has a good analysis and evaluation process for unsecured corporate loan receivables, there may be unsecured incidents of repayment according to the plan under the rehabilitation plan (if any) and/or existing debt restructuring agreement (if any). Therefore, in order for the Company's financial statements to be prepared on the basis of caution and reflects such potential risks, the Company has established a policy to set an allowance for expected credit losses ("ECL"); by taking into account factors and situations that may affect the expected future cash flows of receivable. Scenarios must be considered on a per-receivable basis, taking into account the principle of caution, various risks cover possible situations, and there must be sufficient and reliable supporting information, the Company requires that the suitability of the model and assumptions be reviewed at least once a year and such assumptions must be approved by the audit committee before being used; whereby such policies have been used in the preparation of financial statements for the year 2021 onwards. However, after setting ECL based on cash flow projections, the Company will consider ECL management overlay to cover accrued interest receivable of loans from purchase of receivables, except in the case of receivable entered into debt restructuring agreements and are still able to pay debts, and receivable waiting to receive money from the Legal Execution Department (In case of a third party has auctioned the property and paid the full amount).

According to the policies and guidelines for the purchase and management of unsecured corporate loan receivables and the policy on provision for expected credit losses ("ECL") mentioned above by taking into account various factors and circumstances that may affect the projected future cash flows of receivable. In preparing scenarios, each receivable must be considered, taking into account the principle of conservativeness, together with the current large unsecured corporate loan receivables have ability of repayment according to the business rehabilitation plan and/or debt restructuring agreement. Therefore, the Company is confident that such risk is reflected in the setting up of ECL in accordance with the policy of setting a reasonable allowance for expected credit losses in the Company's financial statements.



### **2.2.1.5 Risk from the increase in non-performing loans**

The amount of non-performing loans tends to increase according to the amount of credit granted by financial institutions that increases according to the country's economic expansion and tends to increase further in the event of an economic crisis. Non-performing loans in the commercial banking system (Gross NPLs) increased from 465.03 billion Baht in 2019 to 523.26 billion Baht in 2020, and 530.74 billion Baht in 2021 before dropping to 502.68 billion Baht in the third quarter of 2022, partly affected by the spread of the COVID-19 virus; the increase in the amount of non-performing loans is considered a business opportunity for the Company. However, if the Company purchases non-performing loans into the portfolio much higher and/or inconsistent and/or unsuitable for expertise organization size, and the size of the Company's capital could also have a negative impact on the operating results (The Company states its policy to maintain the debt to equity ratio in accordance with the loan agreements with financial institutions and debentures, which currently require the debt to equity ratio not exceeding 2.0 times.)

The Company is aware of such risks and therefore requires an annual business plan to be presented, comprising the framework of investment funds and the types of non-performing loans, including the annual manpower plan for the Board of Directors to consider the appropriateness.

In addition, the Company has developed a debt collection management system (DPMS) to enhance data management and support future business expansion by providing employees with a database of each receivable; it can be managed correctly according to the procedures and has up-to-date information. DPMS will support from the process of transferring rights, calculation of debt, debt restructuring, receiving payment, revenue recognition according to accounting standards, and collateral information management. The company continues to develop the DPMS system in various functions to be used in business operations with full functionality in all functions.

Therefore, the Company believes that the purchase of non-performing loans of the Company will be appropriate and consistent with expertise, organization size, and the size of the company's capital, which enabling the Company to grow with efficiency, stability, and sustainability in the future

### **2.2.1.6 Risk from competition among operators in the industry**

The business of asset management companies is under the scope, rules and conditions stipulated in the Emergency Decree on Asset Management Companies B.E. 2541 and its amendments and under the supervision of the Bank of Thailand. There are a total of 83 companies permitted to establish as asset management companies (information from the Bank of Thailand as of December 31, 2022). The companies interested in doing this business partly from having existing businesses that are conducive to business operations, such as used to run a debt collection business or a law firm and expanded the scope of business to additional non-performing loans management or a foreign juristic person establishing an asset management company in Thailand, another part may cause by private companies that see business opportunities, especially during the COVID-19 crisis or economic crisis, etc. The non-performing loans management business has a tendency to grow continuously, the risk of competition among new operators is increasing both in the form of asset management companies and financial entrepreneurs who are not financial institutions. This may cause the likelihood of winning an auction to purchase non-performing loans as the number of bidders may increase, competition in terms of price and investment availability may intensify. In addition, the Company is unable to procure additional non-performing loans as planned, which will affect profitability, financial position and long-term growth of the Company.

However, to operate the non-performing loans management business, the entrepreneurs must have a license to operate the business, be ready in terms of investment capital, and have experience and specific expertise, such as consideration of the purchase price of non-performing loans and value and liquidity of collateral, potential for debt restructuring negotiations, legal proceedings, and auction of collateral, including the supervision of foreclosed properties and the sale of foreclosed properties, etc. These processes will require personnel skills, as well as estimating the period and cost of debt management align with actual operations. Therefore, if the new entrepreneur is incomplete

without the aforementioned qualifications may affect the cost of management higher than other competitors or the competitiveness is not ready to compete with existing entrepreneur; as can be seen from many private asset management companies that have been established but are unable to make a profit and are not managed continuously. Therefore, the Company estimates that there are not many opportunities for new entrepreneurs to enter the market and compete fiercely; as in the past, the Company has created good relationships with financial institutions and financial business entrepreneur to increase the opportunity to procure non-performing loans, with the executives having more than 20 years of experience in the financial business and team having more than 8 years of experience in the non-performing loans management business, as well as having a standardized database and working system. The Company therefore believes that it can compete in the industry effectively.

In addition, the Company has considered that there may be more new entrepreneurs in the future, the value of non-performing loans from financial institutions in the economic system has grown steadily. According to data over the past 10 years, Gross NPLs of financial institutions have increased from 266.12 billion Baht to 530.74 billion Baht in 2021, representing a CAGR of 7.15% per year. Therefore, when the overall picture of non-performing loans of financial institutions in the economic system tends to increase, it becomes a business opportunity to acquire more non-performing loans for management as well. The Company is confident that there will be many financial institutions to manage their own non-performing loans by continuously selling to the market in the future and sufficient for the entrepreneurs in the non-performing loans management business. Therefore, the risk of having no additional non-performing loans to manage or having insufficient assets against the market is low.

#### **2.2.1.7 Risk from concentration of non-performing loans of the Company**

- **Loans from purchase of receivables and accrued interest receivables net of large corporate loan receivables**

The Company has one receivable with a proportion of more than 10.00% of the credit from the purchase of receivables and net accrued interest, of which one is a secured corporate loan receivable with the proportion of net purchase credit and accrued interest receivables was 44% of the net purchase credit and accrued interest receivables at the end of 2022. For the reasons mentioned above, the Company has a concentration of non-performing loans in corporate loan receivables, especially large corporate loan receivables. If the economy slows down and affects the receivable's industry, it may also affect the performance and ability of repayment, which will impact on the Company's performance

The Company has established a receivable concentration policy to determine the investment framework for the purchase of new receivable and monitored criteria for receivable purchased in order to provide a framework for managing the risk of receivable concentration. A secured receivable is considered a Large Borrower Concentration if the total amount from purchase of receivables and net accrued interest receivable is more than 30.00% from purchase of receivable and net accrued interest of the Company. An Unsecured receivable is considered a Large Borrower Concentration if the total amount from purchase of receivables and net accrued interest receivable is more than 10.00% from purchase of receivables and net accrued interest of the Company or more than 10.00% of the Company's shareholders' equity. The Risk Management Committee will take part in providing opinions for the decision making of the Executive Committee or the Board of Directors (Depending on the case) in approving the purchase of new receivable and monitoring to be large borrower according to the aforementioned criteria. It also establishes criteria for considering quantitative indicators, such as payment history, performance, and financial status of the receivable, etc; and qualitative indicators such as receivable's industry situation, and the legal status of the receivable, etc; as a guideline to track large borrower and reports to the Executive Committee on a monthly basis and to the Risk Management Committee and the Board of Directors on a quarterly basis. In this regard, the Company has two receivable classified as large borrower according to the aforementioned policy that require more attention than usual, both of which are unsecured corporate loan receivable.

Unsecured corporate loan receivables are receivable that the Company prioritizes since the purchase, with more stringent criteria for consideration. In the case of secured corporate loan receivables, it is considered that there is a potential for debt restructuring and repayment to the Company. The Company may consider several factors in combination, such as business plan, estimated cash flow is expected to be sufficient to gradually pay debts to the Company, industry conditions related to the receivable's business, payment history, in the event of bankruptcy, the receivable must share unencumbered assets with other creditors in the same status, etc. For the Company's investments in secured corporate loan receivables, it was found that the collateral covers loans from purchase of receivables and accrued interest receivables, in the event that the receivable is unable to pay debt according to the debt restructuring conditions and/or forcing the collateral to be auctioned, the Company has an opportunity to receive repayment from the sale of such collateral. In addition, upon the Company has purchased corporate loans receivables, the Company reviews the risk of each receivable on a quarterly basis and setting up an allowance for expected credit losses ("ECL") covering the potential increase in risk of each receivable, when the situation has changed from the Company's estimates.

From the above details, it can be found that the Company has 2 large unsecured corporate loan receivables, it is an ongoing business. The aforementioned large business loan receivables are in the construction materials industry and information and communication technology industry. In the past, both receivables have been affected by the covid-19 situation, so they have requested to negotiate to adjust the debt repayment plan to reduce the amount of payment in each installment and would like to extend the repayment period in the year 2020. The Federation of Accounting Professions has announced accounting guidelines on temporary relief measures for businesses providing assistance to receivable affected by Thai economy; as a result, the original effective interest rate does not reflect the expected cash flow to be received from that loan. The Company can use the effective interest rate (CEIR) to calculate the present value of debt restructuring loans, effective from January 1, 2020 to December 31, 2021. Subsequently, the Federation of Accounting Professions issued accounting guidelines on for assistance to receivable affected by the COVID-2019 situation, effective form January 1, 2022 to December 31, 2023, with requirements for debt restructuring that were more stringent than the previous version, requiring that a debt restructuring with conditions to reduce the receivable's repayment burden rather than extending the repayment period, such as reduce accrued interest, reduce the contractual interest rate, which lowers the real interest rate, so that relief can be exercised when the debt restructuring is completed and the original effective interest rate does not reflect the use of the new effective interest rate.

For the two large corporate loan receivable, the Company provides assistance by using the effective interest rate recalculated in accordance with the temporary relief measures issued by the professional condition. If the assistance period has expired, the Company will use the newly calculated effective interest rate as used to calculate the recognition of income of the two large corporate loan receivables. If in the future, the two large corporate loan receivables restructure their debts with more relaxed terms, resulting in changes in the expected cash flow forecasts, the Company will consider whether it is necessary for the Company to set up additional ECLs in order to have a more appropriate ECL and cover potential risks.

In 2021, the Company has considered establishing the ECL of the two large unsecured corporate loan receivables when there is a change in the projected cash flow expected to be received from the loan from the purchase of those receivables, it discounted the forecast of the amount to be received in the future based on historical data and adjusted with current information and projections of future economic conditions, this includes using reasonable judgment in estimating expected credit losses. The Company has applied a Scenario-Based model to calculate ECL in order to cover various factors and situations that may affect the expected future cash flow of the receivable.

However, there may be factors, such as changes in economic conditions that may affect the receivable's industry, change on government policies, and the situation of the COVID-19 that affects the assumptions and may affect the calculation of ECL to increase or decrease.

In addition, the Company requires a close monitoring of concentrated the large loan receivables, regularly assessing and monitoring the value of collateral as well as closely monitoring real estate market conditions by adjusting strategies to suit situations that may change in each period.

- **Loans from purchases of receivables and accrued interest receivables, net of housing loan receivables**

The Company does not have loans for purchase of receivables and net accrued interest receivables in the category of housing loan receivables that are concentrated in the top 10 major receivable. In addition, all housing loan receivables are all secured loan receivables, in which case the receivable fails to pay debt according to the debt restructuring conditions and/or forced auction of the receivable's collateral, the Company has an opportunity to receive debt repayment from the sale of such collateral.

#### **2.2.1.8 Risk from inappropriate collateral auction price assessment**

When the legal process reaches the stage of selling the receivables collateral by auction, the Legal Execution Department will sell property by auction in order to pay the Company the proceeds from the sale of such property. The Legal Execution Department will determine the minimum price used in the auction, if a third party auctions such assets at a low price, it will cause the Company as a creditor to lose benefits. Therefore, the Company sends representatives to participate in the auction every time to maintain the rights of the Company by fixing a minimum acceptable price as a basis for participation in the auction. If the price bid by a third party is lower than the minimum price set by the Company, the Company will auction the property as foreclosed property for later management and sale.

However, if the Company mistakenly assesses the minimum value of the collateral assets sold by public auction and bids them at a price that is too high, the Company may face problems in selling such assets. This may affect the operating results and liquidity of the Company.

Scenario Based is the consideration of factors and situations that may affect the expected future cash flow of the receivable, such as past information and industry trends, which will be considered separately because information, risks, events, factors that may affect both historical information and forward-looking information differ for each receivable.

However, the Company requires a thorough minimum appraisal of the collateral asset by considering the current asset price appraised by an independent asset appraiser licensed by the SEC, the market price of collateral assets in the vicinity that the Company surveyed by itself, and expected returns from the auction of collateral. However, the auction price of the collateral will be approved in accordance with the scope of authority according to the debt and collateral value of the receivable, taking into account the appropriateness of the rate of return. The Company is therefore confident that it can assess the collateral auction price that is commercially reasonable and competitive. In addition, if the auction price of collateral in the Legal Execution Department is lower than the target, the Company will bid for such collateral by managing it as the Company's foreclosed assets, with value creation by improving the foreclosed properties to be in good condition, marketable to sell and generate income back to the Company

#### **2.2.1.9 Risk from the quality of non-performing asset**

The Company's auction of collateral assets sold by public auction as foreclosed assets may cause risks related to the quality of foreclosed assets such as such foreclosed properties may not marketable, it may cause the sale of such foreclosed properties to take longer than expected, or may incur more renovation costs than expected, etc.

However, the Company states its policy since the purchase of non-performing loans that it will auction secured housing loans worth approximately 2.00 – 10.00 million Baht, which is a range of high liquidity, including requiring the Asset Management Department to inspect the collateral by itself before requesting approval to purchase non-performing loans, to ensure that the nature and condition of the collateral are not different from the information received from financial institutions. Therefore, when such collateral assets are sold by public auction and such assets are purchased as foreclosed properties of the Company, the Company believes that has information and knows



such assets well to be able to appraise the assets, including the cost required to improve and maintenance costs appropriately. The Company also arranges for an annual appraisal of foreclosed properties by an independent appraiser licensed by the SEC Office in accordance with the Bank of Thailand's regulations to review the value of foreclosed properties which will lead to the determination of appropriate strategies for managing and determining the selling price of the Company's foreclosed properties. It also requires the Asset Management Department to inspect the foreclosed properties regularly to ensure that are in good condition at all times. In the past, the Company took an average of 2 years to sell foreclosed properties.

#### **2.2.1.10 Risk from decreasing the value of real estate collateral**

Most of the collateral is immovable property, i.e., vacant land, land with buildings, and detached houses, etc. The collateral value is one of the assumptions used to calculate the rate of return that the Company expects to receive from the receivable. Therefore, if the real estate market is decline and the prices are falling, the Company may incur a risk of return, operating results, and financial position not as expected.

To mitigate such risks, the Company regularly reviews collateral prices in order to know changes in collateral increases or decreases, and as information for management plans for receivable affected by changes in collateral values in the future. The Company assesses non-performing loans every 3 years and non-performing assets every 1 year by using independent property appraisers licensed by the SEC. In addition, changes in the increase or decrease in the value of collateral are the assumptions used to review the projected cash flows expected to be received from receivable, so that the Company can set up an adequate allowance for expected credit losses according to the condition of the collateral, current market price, and the amount of the expected change in credit losses is recognized as an impairment gain or loss in the statement of income, which reflects the actual performance and financial position of the Company at that time.

However, most of the collateral is real estate located in Bangkok and its vicinity, with most values being around 2.00 – 10.00 million Baht, which is a price level that is easily transferable and has relatively high trading liquidity. In addition, if considering the ratio of loans from the purchase of receivables and accrued interest receivables to the value of collateral for secured receivable, it is found that the average is about 32.63 - 43.53 percent in 2019 – 2021, this shows that the value is higher than the high proportion of loans from purchase of receivables and accrued interest receivables. Most of the collateral is assets located in potential locations, such as Bangkok and its vicinity, etc. It is expected that if there is a decrease in the value of real estate, there will be no significant burden in setting up an allowance for expected credit losses in the future. In the past, the Company took an average of 2 years to sell foreclosed properties

#### **2.2.1.11 Risk from intruders in the non-performing assets**

Most of the Company's foreclosed properties are real estate, i.e., vacant land, single-detached houses, townhomes, and condominiums. The average of selling foreclosed properties is approximately 2 years. Therefore, the management of foreclosed properties after the assets have been transferred to the Company's ownership, may suffer from the former property owner refusing to leave the area despite the judgment and seizing the property for sale by auction, or there may be an international invasion to invade the property, causing damage to assets, additional expenses for repair, the delay in selling the said property is more than the specified period. As a result, the return rate is expected from the sale of foreclosed properties decreased and negatively affecting the financial status and the Company's operations.

To reduce the risk of intruders taking advantage or damaging the foreclosed properties, the Company has set up a budget for the maintenance of the foreclosed properties strictly. Upon receiving the transfer of ownership of the foreclosed properties, the Company will survey and inspect the condition of the foreclosed properties and if it is found that the former owner or a third party who invades does not agree to leave the area; the Company will

sue against trespassers to maintain its right to claim damages in the event of damage to its foreclosed properties, posting a notice to move out of the area within 30 days. On the other hand, the Company has negotiated for residents to move out of the area as soon as possible, or if unsuccessful, the Company may have to rely on legal measures to resolve the problem. For the case where the Company considers that the foreclosed properties are located in a risky area that may be intruded, such as vacant land; the Company may build a temporary fence to prevent intruders, or in some cases where the Company deems it necessary to hire a security guard to take care of foreclosed properties, etc.

In addition, during the waiting period for those who are interested in purchasing foreclosed properties, an Asset Management Department staff must inspect the foreclosed properties at least twice a month. Prepare inspection reports and take pictures of foreclosed properties to report to executives as well as coordinating with government agencies if witnessing invasion by third parties to protect the interests of the Company.

#### **2.2.1.12 Risk from information technology (IT) systems malfunctioning**

Information technology system (IT) is one of the important factors in the operation as the Company uses IT systems in every process of business operations, from bidding to purchase non-performing loans, contract preparation, checking and generating receivable information, repayment, debt collection, preparation of accounting and financial systems as well as storing various data, especially the database of receivable and collateral to the issuance of various reports, such as daily, monthly and annual debt collection reports, etc. The Company uses the Debt Collection Management System (DPMS) which was developed by the Company in 2018 by hiring third parties to write programs to manage data and support future business expansion, so that the employees have a database system of each receivable to be able to manage properly according to the procedures and have up-to-date information. The DPMS system will support from the transfer of rights, debt calculation, debt restructuring, debt repayment, income recognition according to accounting standards, collateral information management and legal information management. However, the Company continues to develop the DPMS system in various functions to be able to operate the business fully in all functions and to manage the receivable information that tends to increase according to the expansion of the investment portfolio in non-performing loans effectively.

In addition, the Company has purchased an instant IT system for the operations, namely payroll system, accounting system, electronic document system, email system, and cloud system to increase the efficiency of management systematically, reduce operational time, and develop competitiveness in various fields. At the same time, the IT system has risks that may arise in many forms, such as the system may be damaged by cyber threats, computer virus, personnel, electrical problems, fire, various internal and external factors; as well as system crashes, lost data, destroyed, or illegally modifying information by unauthorized persons that may cause damage to the IT system, etc. This will affect the efficiency of the Company's operations, causing disruption and lack of continuity, resulting in errors, leakage of confidential information, and may incur loss of correction costs and responsibility.

However, the Company realizes the importance of IT system by arranging for an audit of the efficiency of the system's operation as well as setting up an internal control policy and data security to prevent data loss or leakage, such as prevents data from being modified in the system by unauthorized persons, controlling the accuracy of importing information into the system, checking user access, license review, authentication of access to information, including risk assessment and auditing of the system both at the general control level and at the system level by external auditors, etc. The Company also has an annual IT emergency backup plan as well as a standard backup system to back up various data regularly in case of unexpected events. In addition, the Company has an Information Technology Department and employs external experts who understand the system in management; when the system crashes, the team will be able to investigate and fix it in a timely manner. The company has continuously developed various IT systems to support the Company expansion, including improvements and modifications to the system serve changing needs.

#### **2.2.1.13 Risk from contract or collateral being lost or damaged by fire or natural disasters**

The Company operates the business of managing non-performing loans, therefore, there is a contract to transfer the right to claim, debt restructuring agreement, title deed, and legal documents, such as settlement agreement, mortgage contract, and judgment, etc. which is considered the main asset in non-performing loans management business in the event that such document is lost or damaged by fire or natural disasters, such as floods may have a negative impact on the business and performance of the Company.

However, the Company has a policy to maintain significant information and documents, that is, documents are systematically stored in a strong room, including the use of the debt collection management system (DPMS) and the cloud system (Google Cloud) to store various data, where the database is stored both on-site and off-site backup centre, including significant information that can be retrieved even if the original document is lost, fire, or theft. The debt collection management system (DPMS) and the cloud system (Google Cloud) are continuously and consistently tested and backed up by establishing system access and security policies, which can be assured that important information of the company will be kept properly.

#### **2.2.1.14 Risks from changes in laws, rules and regulations related to business operations and changes in financial reporting standards**

The Company is an asset management company whose operations are under the scope, rules and conditions stipulated in the Emergency Decree on Asset Management Companies B.E. 2541 and its amendments, Bank of Thailand announcement, Ministerial Regulations, Civil and Commercial Code and Civil Procedure Code, including compliance with relevant accounting standards and others related to the Company's business operations (collectively referred to as the rules and laws related to the Company's business operations). The Company may be affected directly and indirectly by changes in rules and regulations related to business operations. Especially if it's sudden or in a short period of time and/or not in accordance with the assumptions in the normal case as expected by the Company or known from the government sector or government agencies in advance, such as regulations on the management of non-performing loans and foreclosed assets, protection of personal information, applicable tax regulations, debt restructuring, valuation of collateral assets, collection of accounts receivable, bad debt write-off, and tax regulations and accounting systems, etc. In addition, the Federation of Accounting Professions of Thailand may revise the accounting standards and reporting requirements to prepare additional financial statements in the future which the Company may have to adopt, or if it deems appropriate, the Company may adopt it before such amendment is enforced. Such changes could materially and negatively affect the Company's business, financial position, and operating results, both in the short and long terms; if the Company lacks follow-up and is not prepared to deal with such changes.

However, the Company has reduced such risks by continuously monitoring information on changes in regulations and laws related to the Company's business operations; supporting training and educating employees about regulations and laws related to each job position. If employees have comprehensive such knowledge, they will be able to perform their duties properly as an important force to keep up with changes in rules and laws related to the Company's business operations in a timely manner. Such changes are compiled and reported to the Risk Management Committee, which is responsible for advising, monitoring and studying the impacts of changes in laws and regulations closely by analyzing preventive approach to ensure that the Company's operations comply with the laws and regulations of government agencies, whereby such information will be used to prepare plans to support changes and business plans in the future.

#### **2.2.1.15 Risk from of complaints or prosecution arising from debt collection that does not comply with the Debt Collection Act B.E. 2558**

Although the follow-up of debt repayment as specified in the debt restructuring agreement is an important factor affecting the Company's performance, the receivable is protected under the Debt Collection Act. 2015, under the supervision of the Debt Collection Supervisory Committee, such as notification of indebtedness to a person other than the receivable, sending documents or any other media containing messages, signs, symbols or the Company's name that can be understood as debt collection from the receivable, negotiating by misleading receivable as being insulting, threatening or using harsh words, debt collection outside the period, i.e., Monday to Friday from 8:00 a.m. to 8:00 p.m. and public holidays from 8:00 a.m. to 6:00 p.m. etc. If the Company's employees fail to comply with such laws, the Company may be sued for debt collection actions that do not comply with the law and negatively affect its reputation, business financial status, performance, and business opportunities.

The Company is aware of operating business in accordance with relevant laws. Therefore, organized training on the Debt Collection Act, B.E. 2558 and regularly review knowledge and understanding of the aforementioned laws. In addition, the Company also places importance on developing specialized debt collection personnel with good interpersonal and communication skills in communicating and understanding the objectives of negotiations. Therefore, before debt collection, the debt collection team must study the receivable's information every time. In the past, the Company has always complied with the Debt Collection Act B.E. 2558 and has never been complained or prosecuted arising from debt collection.

## **2.2.2 Management Risk**

### **2.2.2.1 Risk form relying on executives and personnel with business expertise**

The non-performing loans management business is a business that requires executives and personnel with knowledge and expertise, as well as the experience of executives and personnel in operations. In particular, analyzing and evaluating non-performing loans with skills in debt restructuring negotiations or knowledge of procedures and processes in litigation with receivable. Therefore, if the Company loses personnel in the aforementioned work or insufficient personnel or unable to recruit qualified and suitable personnel to replace such personnel, the Company may incur additional costs for hiring and training new personnel, which may affect the ability of operation.

However, the Company is aware of the risk of relying on executives and personnel with specific expertise of the Company. The Company therefore places importance on sustainable personnel development by regularly organizing various training courses which will be included in the annual training plan. In addition, other training courses are provided specifically for personnel of each position in order to encourage employees to develop their skills and knowledge to work more efficiently. This includes reducing reliance on any particular employee along with creating a good working atmosphere, promote the quality of life and provide appropriate welfare for employees each level as well as the creation of various incentives, such as bonuses and allowances etc.

In addition, the Company has prepared a succession plan and recruitment process to determine the successor recruitment guidelines by specifying the necessary characteristics and capabilities that can operate and expand the business sustainably, using recruitment strategies from personnel within the Company for loyalty and morale of personnel. The Nomination, Remuneration and Corporate Governance Committee considers the remuneration and the Human Resources Department will determine the guidelines for creating successors in accordance with the Company's target, with evaluations for each position every year. From the aforementioned approaches that the Company has continuously implemented, it is confident that it can recruit sufficient personnel for the current and future operations.



#### 2.2.2.2 Risk from major shareholders influencing management policy

Upon offering of ordinary shares in the Market for Alternative Investment (mai), the group of major shareholders of the Company, Boonbanjersri, will hold 52.06% of the total number of shares sold. In addition, the Boonbanjersri group is also an executive and authorized director of the Company. As a result, the aforementioned group of major shareholders has the power to manage and control almost all-important votes, whether in the matter of appointing directors or seeking resolutions on other matters that require majority votes of the Shareholders' Meeting, unless the law or regulations require not less than three-fourths of the shareholders attending the meeting and having the right to vote be obtained, such as capital increase, capital reduction, sale or partial or full business transfer. Therefore, the remaining shareholders who attend the meeting and have the right to vote are at risk of not being able to gather votes to check and balance the management of matters proposed by major shareholders to the meeting for consideration.

However, the Company is aware of such risks and to operate the business with transparency with checks and balances, the management structure has been established by competent personnel and the scope of operations has been defined. The delegation of authority to directors and executives is clear to ensure that the Company's business operations are transparent. The Company has directors who are not representatives from the Boonbanjersri group, amounting to 7 people out of a total of 8 directors. In addition, the Company has appointed 4 independent outsiders to join the Board of Directors from a total of 8 members, with 3 independent directors serving as members of the Audit Committee to check and balance decisions and consider approving various items before presenting to the Shareholders' Meeting. The Company has clearly defined the scope of authority and duties of the Board of Directors, the Audit Committee, and the Executive Committee; if it is necessary to enter into a transaction with a person who may have a conflict of interest, the Company will strictly comply with the procedures for approval of related party transactions and the regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand.

Furthermore, the Company has hired an independent internal auditor who is an outside expert reports directly to the Audit Committee, whose primary duty is to supervise the internal control system to ensure that meets the specified system. In addition, the Company has consistently adhered to and complied with the Principles of Good Corporate Governance; this is to ensure the shareholders of transparency and balance of power in the management of the company. Once the Company has been listed on the Market for Alternative Investment (mai), it has a duty to disclose information and comply with relevant rules and regulations of the Securities and Exchange Commission and the Market for Alternative Investment (mai), such as connected transaction and the acquisition and disposition of the Company's assets, etc., for the utmost benefit of the Company and all shareholders.

### 2.2.3 Financial Risks

#### 2.2.3.1 Liquidity Risk

Good financial liquidity management is the ability of repayment and obligations upon maturity, which is important for the non-performing loans and foreclosed assets management business; because each investment from financial institutions and the auction from the Legal Execution Department requires a high investment amount. If the Company is unable to obtain sufficient funds at reasonable costs and in time for demand, it may cause damage and affect the Company's ability to acquire non-performing loans and foreclosed assets. In addition, the Company is obligated to be responsible for various operating expenses, such as employee expenses, debt collection expenses, expenses related to court proceedings, building, location, and equipment expenses, including repayment and interest to lenders, both individuals and financial institutions. While the cash flow of the Company comes from cash received from receivable and from the sale of foreclosed properties; if the Company's cash flow is not consistent with expenses, the Company may lack of liquidity and fail of repayment and obligations upon maturity. This may affect the confidence of loan sponsors and decrease the chances of obtaining loans for investment in the next auction of non-performing loans, including continuing to affect the growth, financial position, and performance of the Company in the long term.

The Company therefore always places importance on maintaining sufficient liquidity by formulating a plan to manage the Company's liquidity to be sufficient for business operations in the short, medium, and long terms, as well as sourcing sources of fund in accordance with the investment plan with financial costs within the acceptable level of the Company. The Company has prepared Cash Flow Projection, Liquidity Gap Analysis, and Scenarios by setting "What If" to analyze the impact on liquidity. If there is a change in cash flows depending on the behavior of the receivable under different assumptions according to economic conditions and unusual events that may occur; it is a assistance for executives and relevant departments for acknowledgement the status and existing risks, including preparing sources of funds to maintain the liquidity of the Company.

In addition to the liquidity management plan, the Company pays attention to debt collection each month in order to have cash inflows according to the projected estimates, to ensure that the Company has sufficient cash flow to operate the business without liquidity problems by following up and informing in advance before the due date on a monthly basis. There is a comparison of the actual collection with the set estimates, evaluate and analyze the causes of differences that occur, and regularly report the results of debt collection to the executives in order to formulate strategies of higher collections, such as special discounts for receivable with good installments or early installments, etc. The Company set aside sufficient cash reserves to pay its obligations within 3-6 months and held a quarterly meeting of the Risk Management Committee to monitor the status and manage the Company's liquidity risk.

In addition, the Company has always had a good relationship with financial institutions as can be seen from the past that the Company was able to comply with the loan conditions and repay debts beyond the conditions specified by the financial institutions and was able to extend the loan agreement continuously. Therefore, the Company is confident that it will receive continuous financial support from financial institutions, which is one of the important sources of funds for the Company to have sufficient liquidity.

#### **2.2.3.2 Risk from being unable to comply with the conditions in the loan agreement with financial institutions and debentures**

The Company has to spend a lot of money in acquiring non-performing loans and non-performing assets, therefore sufficient funding sources for acquiring non-performing loans and non-performing assets are necessary for the Company is growing steadily.

However, in the past, the Company was able to comply with the conditions in the loan agreement from financial institutions, including maintaining financial ratios as specified by financial institutions. In addition, the Company has assigned financial officers to be responsible for coordinating with financial institutions and regularly review to ensure that there will be no violations of the conditions specified in the loan agreement. As in the past, the Company complied with the conditions of the debentures and was able to maintain the financial ratios according to the terms and conditions of the debentures, with the interest-bearing debt to equity ratio is lower than the stipulated bond rights ratio of 2.0 times.

#### **2.2.3.3 Risk from Interest Rate Volatility**

Interest rate risk is the risk arising from changes in market interest rates that may be affected by various economic conditions, inflation, and the monetary policy actions of the Bank of Thailand and central banks of major countries around the world. This may directly affect the direction and level of interest rates if changes in market interest rates increase, affecting the Company's paid interest rates on a floating rate basis, without adjusting the receiving interest rates accordingly. As a result, the Company has to bear the cost of higher interest expenses. On the other hand, if the market interest rate decreases but the interest rate does not change, there may be a decrease in the interest burden, which will benefit the Company's operating results as well.

The Company manages to mitigate the risk from interest rate volatility by maintaining the relationship between the structure of financial assets and financial liabilities sensitive to interest rates over different periods at an acceptable level.

In addition, the Company closely monitors the direction of interest rate changes and plans for financial cost management as well as conducts risk analysis on a quarterly basis through the Risk Management Committee in order to keep operations at an acceptable level.

#### **2.2.3.4 Risk from improperly estimating the allowance for expected credit losses (“ECL”)**

According to Thai Financial Reporting Standards No. 9 (TFRS 9), once the Company purchases a new credit portfolio, it must prepare a cash flow forecast that is expected to be received from receivables in the future to calculate the effective credit risk-adjusted initial interest rate (CEIR) for recording revenue recognition and to use as a discount rate in calculating the present value of expected cash flows (PV) to set aside an allowance for expected credit losses each receivable (ECL). The Company is required to record an allowance for expected credit losses in case of changes in expected cash flows from receivables. However, the appropriate CEIR and ECL calculations require the preparation of reasonable cash flow projections based on historical data and adjusted with current facts and projections of future economic conditions, which requires the discretion of the estimation officer. Therefore, if the Company has insufficient historical data, for example, the Company may have too little information about certain industries, available information may not complete the business cycle, publicly available information may be limited, etc. The fact that the estimating officer has a bias in the discretion in preparing the cash flow projection may result in an inaccuracy in the assessment of the debt service ability of some receivable, and this may cause the allowance for expected credit losses to be underestimated.

In order to determine the appropriate assumptions for the preparation of expected cash flows for the calculation of the initial CEIR and ECL. The Company has established guidelines for calculating CEIR and ECL in the Asset Management Department’s operating manual and the Expected Credit Loss Policy; stating practical guidelines for each type of receivable, namely housing loan receivables and corporate loans receivables, each type of receivable is further divided into unable to improve debt restructuring, able to improve debt restructuring, secured receivable, and unsecured receivable. There is also a guideline for making assumptions about the timing and related expenses according to the type and status of the receivable, where the determination of such criteria is to reduce the use of discretion in the preparation of the receivable’s cash flow projections.

However, in the case of secured and unsecured large corporate loan receivables, although there are rules for complying with policies and operational manuals, they may still require more discretion than other types of receivables because corporate loan receivables are different and more complicated than housing loan receivables. Therefore, in estimating expected cash flows, a Scenario Based approach is used, in which several scenarios are modeled and weighted for each scenario is different. In addition, to ensure that the assumptions used in the preparation of such cash flow projections are not influenced by the estimation officer or any person, the Company therefore requires that various hypothesis models and weights be presented for approval to the Audit Committee before actual use. The models and assumptions must be reviewed by the Audit Committee for suitability with that receivable or must be adjusted to suit changing circumstances at least once a year.

In addition, each quarter, the Company will present the ECL setting information to the Executive Committee for approval on a quarterly basis before using such information in preparing the quarterly financial statements. The Audit Committee will review the ECL establishment once again before approving the Company’s financial statements at the Audit Committee meeting quarterly.

## 3. Driving Business for Sustainability

### 3.1 Sustainability Policy and Targets

The Company realizes the importance of conducting business in accordance with the Sustainable Development Goals (SDGs) of the United Nations and intends to conduct business with environmental, social, and governance responsibility (ESG). It focuses on conducting business with care for stakeholders, economy, society and the environment with morality and ethics and adhering to the principles of corporate governance in accordance with relevant laws and practices.

In this regard, the Board of Directors Meeting (Public Company) No. 1/2021 held on October 15, 2021 has approved the Environmental, Social and Governance Policy, which covers 6 areas as guideline for conducting business along with environmental, social and governance responsibility.

#### (1) Fair Operating Practices

The Company focuses on conducting business with honesty, integrity, fairness, ethics and determination to compete in accordance with the principles of business ethics, laws and principles of equal trade competition, including refusing any behavior that interferes with fair competition, such as seeking confidential information of competitors, requesting, receiving, and not giving any benefit in a dishonest manner, etc. In addition, the Company also respects the intellectual property rights of others by requiring personnel to comply with laws or regulations on intellectual property rights, for example: using copyrighted computer programs legally, etc. The Company has the campaign to promote and create a subconscious mind for the Company's personnel at all levels toward social responsibility.

#### (2) Respect for Human Rights

The Company has a policy to support and respect the protection of human rights by treating related parties, whether employees, communities and society with respect for human values, considering the equality and freedom, without violating fundamental rights and discrimination, whether in matters of race, nationality, religion, language, skin color, sex, age, education, physical condition or social status. It also ensures that its business is not involved in human rights violations, such as child labor and sexual harassment. In addition, the Company has promoted compliance with human rights regulations by providing an expressing opinion and complaint channel for those who have been damaged from rights violations arising from the Company's business operations and conducting appropriate remedy.

In order to effectively respect human rights, the Company has created a body of knowledge on human rights and instilled awareness in its personnel to strictly comply with human rights practices or principles.

#### (3) Fair Treatment of Employees

The Company realizes the human resources development and fair treatment of labor which are factors that increase business value and enhance the competitiveness and sustainable growth of the Company in the future. The Company has established policies and guidelines as follows.

- (3.1) Respect employees' rights according to human rights principles and comply with labor laws.
- (3.2) Provide employment processes and fair employment conditions, including remuneration and merit evaluation under a fair performance evaluation process.
- (3.3) Promote personnel development by organizing training, and seminars, including supporting academic training in various related fields to develop knowledge, competence, and potential of personnel, as well as instill moral, ethical, and teamwork attitudes in personnel.
- (3.4) Provide various welfare benefits for employees as required by law, such as social security, etc., and other than required by law, such as health insurance and personal accident insurance, etc., including providing various types of assistance to employees.



- (3.5) Provide annual health check-up services for personnel at all levels, considering risk factors based on position, age, and gender and working environment of each individual.
- (3.6) Ensuring that employees work safely and hygienically in the workplace by providing measures to prevent accidents and strengthening employees' safety awareness, including providing training and promoting good hygiene and maintaining a hygienic workplace at all times.
- (3.7) Provide employees an opportunity to express their opinions or make complaints about unfair treatment or inappropriate actions within the Company, including protecting employees who report such matters.

#### **(4) Customer Responsibility**

The Company aims to develop the services of the Company and its affiliates for the highest satisfaction and benefit of customers, adhere to treat customers with responsibility, honesty and care as if they were family members. The Company has established policies and guidelines as follows:

- (4.1) The Company realizes the quality and efficiency of the Company's services in order to provide customers with the most quality and efficient services.
- (4.2) The Company adheres to fair marketing by stating its policy for customers to receive accurate information about the Company's services without distortion and ambiguity, limiting the customer's information rights for accurate and sufficient information for decision-making.
- (4.3) The Company respects the right of customers to express their opinions and to receive complaints about the quality of services efficiently in order to serve customer needs promptly.
- (4.4) The customer information will be kept confidential by the Company, the use of such information is forbidden.

#### **(5) Environmental Management**

The Company aims to reduce negative impacts on the environment, thus emphasizing on environmental management covering 4 important aspects, namely; energy management, water management, waste and pollution management, and GHG management. The Company has strictly controlled the operation of the Company and its subsidiaries in compliance with the laws related to environmental preservation with the objective of preserving and avoiding environmental damage by providing an environmental protection system, as a guideline and as a tool for the operations. In this regard, the Company has guidelines for the Company and its subsidiaries as follows:

- (5.1) Establish energy conservation and management as part of the Company's operations.
- (5.2) The personal at all level of the Company are requested to realize the controlling the amount of indirect GHG emissions from energy consumption within the organization by reducing the energy consumption that generate heat and steam, such as air conditioners, vehicle, etc.
- (5.3) Establish a policy to reduce waste and cooperate in the proper disposal of waste.
- (5.4) Risks and impacts in relation to the environment, health and safety are assessed prior to any investment or joint venture. The Company operates under the concept of caring and preserving the environment.
- (5.5) Establish a guideline for efficient and effective use of natural resources, materials or equipment.
- (5.6) Establish a natural resource conservation measure, such as reducing energy consumption, complying with the 3R policy (Reduce, Reuse, Recycle), etc.

#### **(6) Social or Community Development**

The Company is aware of its responsibility towards the community and society and therefore has a policy to provide assistance and social development as follows:

- (6.1) The Company states its policy to support and provide appropriate assistance to society and the community.
- (6.2) The Company provides an opportunity for communities and stakeholders to participate in expressing their opinions on various projects that may affect the community, including offering opinions or complaints as a result of the Company's operations.

- (6.3) The Company cooperates in the implementation of international standards or agreements in various matters with the aim of preventing or reducing environmental impacts.
- (6.4) The Company states its policy to provide educational support to youth by supporting scholarships and various learning skills equipment to schools.
- (6.5) The Company places great importance on responding to events that affect communities, society, and the environment resulting from its operations with speed and efficiency.
- (6.6) The Company encourages employees to be conscious and responsible for the environment and society.

The Company has integrated the United Nations Sustainable Development Goals (UN SDGs) into its business strategy and has formulated policies in accordance with the internal and external context in economic, social and environmental dimensions in order to formulate strategies to drive the economy sustainably based on good corporate governance as follows:

Economics	Social	Environment
Sustainable economic development	Create a valuable society	Maintain the balance of the environment
<ul style="list-style-type: none"> <li>• Create added value based on operational excellence for responsible asset management and development</li> <li>• Grow the business and increase the return on investment</li> <li>• Develop and create long-term business competitiveness</li> <li>• Protect the interests of stakeholders throughout the business value chain</li> </ul>	<ul style="list-style-type: none"> <li>• Protect human rights by considering equality and freedom without discrimination throughout the value chain</li> <li>• Comply with labor laws and provide welfare exceeding the legal requirements</li> <li>• Create valuable jobs while promoting human resource development</li> <li>• Improve the quality of life of people in society for good well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Systematically manage the impacts of climate change</li> <li>• Supporting sustainable energy reduction</li> <li>• Preserve and protect natural resources according to the 3R (Reduce, Reuse, Recycle)</li> <li>• Reduce negative impacts on the environment throughout the business value chain</li> </ul>
Governance		
Management with excellence and transparency		

- Operate business with honesty and business ethics
- Anti-corruption
- Risk Management and Business Opportunity

The Company has established the sustainable development goals as follows:

Sustainable Development Goals	
<p>Reduce GHG Emissions</p> <p>2025 Goal by</p> <p><b>50%</b></p>	<p>Reduce Energy Consumption</p> <p>2025 Goal by</p> <p><b>50%</b></p> 
<p>Reduce Water Consumption</p> <p>2025 Goal by</p> <p><b>50%</b></p> 	<p>Reduce Paper Consumption</p> <p>2025 Goal by</p> <p><b>50%</b></p> 
<p>Increase the proportion of successful debt settlement negotiations</p> <p>2025 Goal by</p> <p><b>20%</b></p> <p><b>Zero Complaints</b> on social and environmental issues</p>    	<p>Employee Training Hours</p>    <p>Not less than</p> <p><b>12</b> hours/person/year</p>

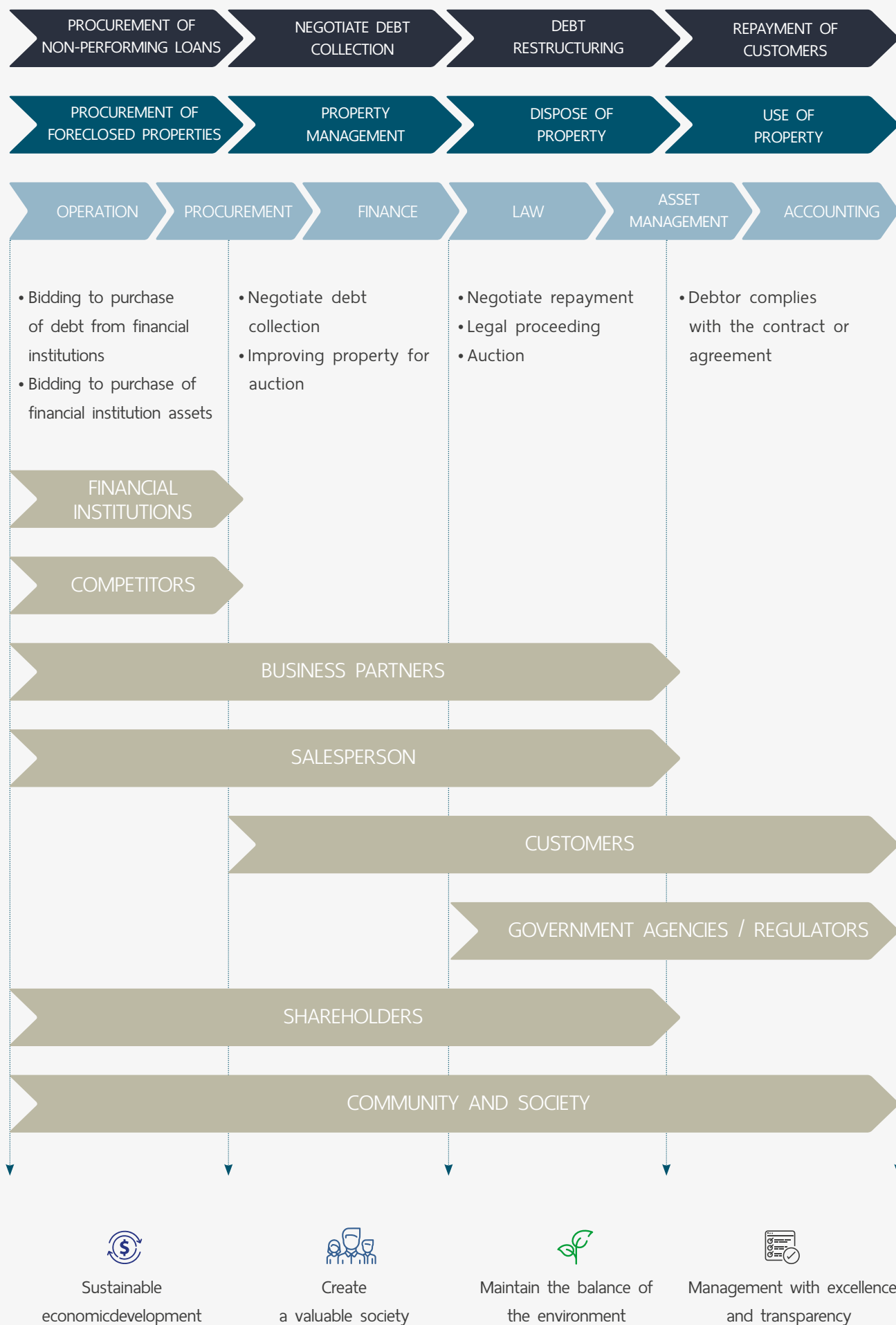
#### SUSTAINABLE DEVELOPMENT GOALS



## 3.2 Stakeholder Impact Management Throughout the Value Chain

### 3.2.1 Business Value Chain

The Company emphasizes the participation of stakeholders in the value chain, which communicates through various channels with stakeholders on a regular basis. To create an understanding of various issues that are of interest to the business and receive opinions, needs or expectations of stakeholders to integrate with the decision-making process toward the development of important issues according to Sustainability Commitment. It consists of sustainable economic development, create a valuable society, and maintain the balance of the environment under management with excellence and transparency, conducting business towards sustainability in accordance with the Sustainable Development Goals through the activities related to the main process and supporting activities.



### 3.2.2 Stakeholder analysis in the business value chain

The Company prepares and analyzes stakeholders in the business value chain to determine stakeholder expectations and guidelines for responding such expectations and established sustainability issues in accordance with the Sustainable Development Goals (SDGs) of the United Nations. Therefore, stakeholders in the business value chain are divided into 8 groups, namely; (1) Financial Institutions (2) Competitors (3) Government Agencies/Regulators (4) Business Partners (5) Employees (6) Customer (7) Shareholders and (8) Community and Society.





Engagement Creation	Stakeholder Expectations	Response Approach
(1) Financial Institutions: Commercial Banks		
<ul style="list-style-type: none"> <li>Regular communication through electronic media and telephone</li> <li>Meet-up activities</li> </ul>	<ul style="list-style-type: none"> <li>Operate business in accordance with corporate governance principles and law under appropriate risk management</li> <li>Fair and reasonable price</li> <li>Compete with fairness and transparency</li> <li>Payment of interest and repayment of principal correctly on time</li> <li>Trade secret protection</li> <li>Potential for business growth</li> </ul>	<ul style="list-style-type: none"> <li>Operate business with transparency and governance under the principles of good corporate governance</li> <li>Achieve good performance and develop business growth potential to revitalize and drive the economy sustainably</li> <li>Payment of interest and repayment of principal correctly on time</li> <li>Systematic, concise and prudent risk management</li> <li>Disclose accurate, complete, transparent and verifiable information</li> </ul>
(2) Competitors: Asset management companies, both state-owned enterprises, belong to various commercial banks, and private companies		
<ul style="list-style-type: none"> <li>Meet-up activities</li> <li>Group meeting</li> <li>Marketing activities</li> <li>General information</li> </ul>	<ul style="list-style-type: none"> <li>Compete in business fairly and transparently</li> </ul>	<ul style="list-style-type: none"> <li>Operate business with transparency and governance under the principles of good corporate governance</li> </ul>
(3) Business Partners: Product manufacturers and distributors		
<ul style="list-style-type: none"> <li>Organizing meetings, seminars or activities to build relationships</li> <li>Listening to opinions, suggestions and complaints</li> <li>Regular communication through electronic media and telephone</li> </ul>	<ul style="list-style-type: none"> <li>Fair, transparent procurement process and business ethics</li> <li>Fair and timely compensation</li> <li>Collaboration and coordination to achieve common targets</li> </ul>	<ul style="list-style-type: none"> <li>Prepare a handbook of criteria for recruiting business partners under selection criteria in social, environmental and governance issues with a clear audit process as specified in the code of conduct</li> <li>Carry out fair, transparent, verifiable</li> </ul>








Engagement Creation	Stakeholder Expectations	Response Approach
(4) Employees: Employees of Knight Club Capital Asset Management Public Company Limited		
<ul style="list-style-type: none"> <li>• Listening to opinions, suggestions and problems</li> <li>• Receiving employee complaints through complaint channels</li> <li>• Annual performance appraisal</li> <li>• Engagement Survey</li> <li>• Personnel training and development</li> <li>• Meetings or seminars within the organization</li> </ul>	<ul style="list-style-type: none"> <li>• Fair compensation, welfare and benefits</li> <li>• Stability and career advancement</li> <li>• Knowledge development</li> <li>• Working environment and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate compensation and other benefits</li> <li>• Treat all employees fairly</li> <li>• Improve the welfare structure to suit and meet the needs of employees</li> <li>• Prepare employee training and development plans to create opportunities for career growth</li> <li>• Create a good, safe and conducive working environment</li> </ul>
(5) Customers: Business Loans, Housing Loans and Retail Credit		
<ul style="list-style-type: none"> <li>• Meeting, listening to opinions, suggestions and problems</li> <li>• Documentation of property or service</li> <li>• Providing financial advice and literacy to customers through online and electronic channels</li> <li>• Customer satisfaction survey</li> <li>• Receiving complaints through complaint channels</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible, equal and fair customer service</li> <li>• Quality of property and services</li> <li>• Protecting and preserving customer confidentiality and privacy</li> <li>• Financial advice and literacy</li> <li>• Listening to customer problems and solving problems</li> </ul>	<ul style="list-style-type: none"> <li>• Define standard and operating guidelines to serve customers responsibly</li> <li>• Improve and develop assets responsibly and environmentally friendly</li> <li>• Announcement of the policy on confidentiality, privacy, as well as the security of personal information for all employees to strictly comply</li> <li>• Promote good corporate governance and code of conduct for employees to deliver quality, honest, and transparent assets and services to customers</li> </ul>
(6) Government Agencies/Regulators: Bank of Thailand, SEC, SET and regulatory agencies and/or related to the business operations of the Company		
<ul style="list-style-type: none"> <li>• Meeting to clarify policies and guidelines for supervision</li> <li>• Accepting inspections from various regulatory agencies</li> <li>• Preparation of report data for submission to supervisory agencies and accepting feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting business in accordance with the principles of corporate governance and compliance with the law under appropriate risk management</li> <li>• Efficient management</li> <li>• Stability of the economy</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare business policies and guidelines in accordance with the laws, rules and regulations related to business operations</li> <li>• Comply with laws, rules and regulations related to business operations properly and appropriately</li> <li>• Conducting business with transparency and good governance under the principles of good corporate governance, taking into account social and environmental impacts</li> <li>• Develop work processes and provide resources and information to be readily available for regular review</li> </ul>

Engagement Creation	Stakeholder Expectations	Response Approach
(7) Shareholders: Shareholders, Investors, Analyst		
<ul style="list-style-type: none"> <li>• AGM Meeting</li> <li>• Annual Report</li> <li>• Quarterly performance announcement</li> <li>• Receiving complaints from shareholders, investors, analysts through complaint channels</li> <li>• Regular communication through electronic media and telephone</li> <li>• Public disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• High and sustainable return on investment</li> <li>• Business growth</li> <li>• Good corporate governance</li> <li>• Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate return on investment and dividend payment</li> <li>• Develop business growth potential to create long-term investment value</li> <li>• Operate business with transparency, good governance under the principles of good corporate governance, and comply with business ethics</li> <li>• Systematic, concise and careful risk management</li> <li>• Disclose accurate, complete, transparent and verifiable information</li> </ul>
(8) Community and Society: Community and society around the Company, Community and society around the property, Community and general society		
<ul style="list-style-type: none"> <li>• Organizing activities with communities and society</li> <li>• Participation in community and social development</li> <li>• General information</li> </ul>	<ul style="list-style-type: none"> <li>• Operating business with good corporate governance coupled with social and environmental responsibility</li> <li>• Support the well-being and create a good quality of life for the people in the community</li> <li>• Social responsibility</li> <li>• Revitalize and drive the country's economy</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible Asset Management</li> <li>• Responsible property management and environmentally friendly development</li> <li>• Providing financial literacy to people in the community</li> <li>• Conserve energy, promote valuable use of resources, and systematically manage waste and pollution to reduce environmental impact</li> <li>• Create a valuable career</li> <li>• Disclose accurate, complete, transparent and verifiable information</li> </ul>

The Company collects key issues from representatives of corporate stakeholders based on their recommendations, interests and expectations by considering information from the contexts that impact sustainable business operations in economic, social, and environmental dimensions, the internal context consists of; business goals and plans, also the internal context consists of; directions and goals of sustainable development of the country, Sustainable Development Goals (SDGs), business risks in sustainability issues (ESG Risk), emerging risks that may have a significant impact on the business in the short, medium, and long terms with the importance of the organization to its stakeholders. In order to determine guidelines for implementing strategies to respond the sustainability issues, including considering the importance of issues and the scope of impact on stakeholder groups in accordance with the SDGs Sustainable Development Goals as follows:

Key sustainability issues	Importance of issues	Scope of Impact								SDGs
		Internal	External							
		Employees	Financial Institutions	Competitors	Business Partners	Customers	Government Agencies/Regulators	Shareholders	Community and Society	
Governance Dimension										
1	Corporate Governance	Manage the organization with good corporate governance, ethics in accordance with correct and transparent ethical principles	✓	✓	✓	✓	✓	✓	✓	
2	Risk Management	Manage operational risks, sustainability risks and emerging risks	✓	✓		✓	✓	✓	✓	
3	Responsible Business Value Chain Management	Responsible business value chain management by considering economic, social, environmental and governance impacts	✓	✓		✓	✓			  
Economic Dimension										
4	Innovation Development	Applying technology to develop properties and services in a responsible and environmentally friendly manner	✓			✓	✓			
5	Economic Development	Responsible development of non-performing assets to revitalize and drive the economy	✓	✓		✓	✓	✓	✓	 
Social Dimension										
6	Human Rights	Respecting and addressing human rights issues related to stakeholders	✓			✓	✓			 
7	Personnel Development	Educate and develop employees' potential to grow in their careers and create valuable jobs	✓							 

Key sustainability issues		Importance of issues	Scope of Impact								SDGs
			Internal	External							
			Employees	Financial Institutions	Competitors	Business Partners	Customers	Government Agencies/Regulators	Shareholders	Community and Society	
8	Improving the quality of life of people in society	Participation in community and social development by improving the quality of life	✓							✓	
มิติสิ่งแวดล้อม (Environment)											
9	Responding to Climate Change	The analysis assesses opportunities and risks of climate change to reduce GHG emissions	✓					✓		✓	
10	Efficient use of resources and reduction of waste	Supporting sustainable production and consumption by using resources efficiently and reducing waste in accordance with the 3Rs	✓					✓		✓	
11	Energy Management	Conserve energy and support renewable energy	✓					✓		✓	
12	Water Management	Promote efficient use of water to reduce the risk of water shortage crises	✓					✓		✓	

### 3.3 Sustainability Management – Environmental Dimensions

#### 3.3.1 Environmental Guideline and Policy

The Company is committed to reducing negative impacts on the environment, thus giving importance to environmental management covering 4 important areas, namely; energy management, water management, waste and pollution management, and GHG management. The Company has established environmental management as one of the key issues in the Environmental, Social and Corporate Responsibility Policy which has been approved by the Board of Directors (Public Company) No. 1/2021 held on October 15, 2021 as disclosed in item 3.1 Sustainability Policy and Targets.

Furthermore, the Company has established a target to reduce GHG emissions from business operations by 50% in 2025 from 2020 (Year 2020 as the base year).

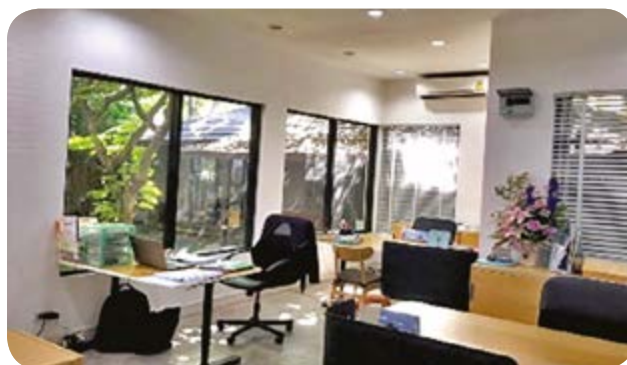
### 3.3.2 Environmental Dimension Performance

#### (1) Energy Management

In 2021 (January 1 – December 31, 2021), the Company had a total electricity consumption of 53,118 kWh, decreased by 21% from the base year (Year 2020, electricity consumption was 67,311.21 kWh) and has established a target to reduce electricity consumption within the Company by 50% in 2025 compared to the base year.

The Company recognizes that employees at all levels able to participate in energy management immediately by reducing the electricity consumption, starting from raising awareness and cooperation among stakeholders within the organization and extending to external stakeholders. Raising awareness and cooperation of employees by announcing policies that state its intention and commitment to reduce negative impacts on the environment through effective energy management, including establishing guidelines for employees as a part of energy conservation, campaigning to create attitudes and ideas for energy conservation by turning off electrical appliances in the office when not in use.

In addition, the Company realizes that the design and arrangement of the office has a significant effect on energy conservation, also the office building is designed with good ventilation and the use of suitable materials able to reduce energy loss as well. Therefore, the Company has designed the office to receive natural light, plant trees to provide shade around the office and prevent heat from entering the building, resulting in effective reduction of energy consumption from lighting and air conditioning systems. In addition, the Company also selects energy-saving electrical appliances with a high-efficiency label, Green Label, Energy-Saving Label No. 5, and ongoing monitors electrical equipment or replaces it in case of inefficiency.



#### (2) Water Management

In 2021 (January 1 – December 31, 2021), the Company had a total water consumption of 4,156 CBM, increased by 113% from the base year (Year 2020, water consumption was 1,949.9 CBM) and has established a target to reduce water consumption within the Company by 50% in 2025 compared to the base year.



### (3) Waste and Pollution Management

Most of the wastes generated from the Company's business operations are office equipment, such as paper, printing ink, stationary equipment, and food waste, where the paper is the largest amount of waste.

In 2021 (January 1 - December 31, 2021), the Company had a total paper consumption of 280 reams or 705.6 kg, increased by 6% from the base year (Year 2020, paper consumption was 263 reams or 663.62 kg) and has established a target to reduce paper consumption within the Company by 50% in 2025 compared to the base year.

The Company has established guidelines to support the use of paper and other resources worthily for maximum benefit with the 3Rs strategy as follows: Reduce is to reduce consumption, use sparingly, or reduce waste generation, Reuse is to extend lifespan, Recycle is processing for reuse.

The Company focuses on responsible production and consumption for the benefit of the public with the target of reducing waste to landfills due to the generation of methane, one of the global warming gases. The Company has therefore introduced a "food waste disposal machine to produce fertilizer" in the organization. The innovation uses biotechnology to decompose food waste, reducing the amount of food waste by up to 80-90% within 24 hours. Therefore, the food waste to fertilizer machine is an important helper that reduces the amount of waste, methane gas, and provides the Company with good quality organic fertilizers for nourishing trees around the office building. In addition, the Company has guidelines for employees to jointly reduce general waste, especially plastic waste, which is a global issue through campaigns to raise awareness of the value of existing resources among employees by starting the concept of waste management from oneself. Employees are encouraged by the Company to carry cloth bags for their belonging, carry their own water bottle, use a personal lunch box, reduce the use of plastic spoons, forks or straws, and refuse plastic bags from stores, including encouraging employees to be aware of waste separation and adding value from recyclable waste.

### (4) GHG Management

The Company encourages employees to understand the Carbon Footprint of the Organization and therefore supports the establishment of a GHG management system for employees' acknowledgment of the concept, data collection methods, assessment, monitoring, and verification of GHG emissions or absorption of the organization, toward ongoing planning of activities to reduce GHG emissions within the organization according to international standards. On November 29, 2022, the Company has assessed and prepared the carbon footprint of the organization covering both Direct GHG Emissions (Scope 1) and Energy Indirect GHG Emissions (Scope 2) and Other Indirect GHG Emissions (Scope 3) as verified by ECEE Company Limited. There are follow-up guidelines in accordance with the requirements for calculating and reporting the organization's carbon footprint established by Thailand Greenhouse Gas Management Organization (TGO) (Public Organization), 5<sup>th</sup> revision (January, 2021) with appropriate online verification methods and in accordance with the guidelines for the verification of the organization's carbon footprint during the epidemic situation of the Coronavirus 2019 (COVID-19) of the TGO, the Company has been registered and issued a Carbon Footprint Organization Certificate from the TGO on November 29, 2022.



In 2021 (January 1 - December 31, 2021), the Company has GHG emissions from Scope 1: Direct GHG Emissions from the Company's activities, Scope 2: Energy Indirect GHG Emissions, such as electricity consumption, and Scope 3: Other Indirect GHG Emissions, such as traveling by employee's personal vehicles are equal to 4 tonCO<sub>2</sub>e, 23 tonCO<sub>2</sub>e, and 134 tonCO<sub>2</sub>e, totaling 161 tonCO<sub>2</sub>e respectively, a 22% reduction from the base year (Year 2020 was 209 tonCO<sub>2</sub>e).

The Company has established guidelines, strategies and goals for energy efficiency to support the organization's GHG emission reduction by establishing a carbon footprint management working group to collect data and calculate the carbon footprint of the organization, follow up report, request for carbon footprint certification, define plans and goals to reduce the amount of carbon footprint of the organization, improve technology efficiency, use of resources, guidelines suitable for business, communicate and raise awareness for employees to use resources worthily, and review policies, goals, guidelines and operational plans annually.

### 3.4 Sustainability Management - Social Dimensions

#### 3.4.1 Social Guideline and Policy

The Company emphasizes compliance with laws, rules and regulations related to social management including respect for human rights, fair treatment of labor/employees, customer responsibility, and social or community development. The aforementioned issue has been identified as one of the key issues in the environmental, social and governance policy, which has been approved by The Board of Directors Meeting (Public Company) No. 1/2021 held on October 15, 2021 as disclosed in item 3.1 Sustainability Policy and Targets.

#### 3.4.2 Social Dimension Performance

##### (1) Employees and Labor

The Company realizes that sustainable business growth requires an important driving force to increase the competitiveness of the organization, where "Human Resource" is the key to driving such an organization. The Company aims to enhance the potential of employees at all levels without discrimination such as race, color, gender, language, religion through various training programs and continually creating a good working environment within the organization, taking into account the fair treatment of employees. In addition, the Company has formulated an effective personnel development plan through a performance appraisal system to manage the performance of employees at all levels, aiming to develop their operational capabilities, providing career advancement and employee welfare as required by law, and create an environment and work safety with guidelines for developing and enhancing the potential of employees as follows:

- Provide fair compensation
- Develop personnel skills
- Develop high potential employees
- Provide career advancement
- Create organizational engagement
- Promote quality of life and well-being

The Company has developed a human resource development plan through basic training courses in performing their duties and real estate business management strategies courses to enhance their capabilities and create future leaders. In this regard, all employees are provided equal opportunities to develop their potential. In 2022, the number of training hours of employees divided into operations and managers are 8 hours/person/year, and executive employees are 47 hours/person/year, **the average training hours are 17 hours/person/year**. The Company has established targets to provide training for employees at all levels not less than 12 hours/person/year.

In addition, the Company is committed to solving the problem of non-performing loans of financial institutions to improve the quality of life of people in society with responsibility and respect for human rights. In 2022, **the Company's debt reconciliation ratio was 11.4% and there were no complaints on social, environmental and human rights issues**. The Company has established a target to increase the proportion of successful debt settlement negotiations by 20% in 2025 without complaints on social, environmental and human rights issues.

## (2) Community and Society

The Company's non-performing loans management business is considered one of the key elements in the economy that will solve problems at the micro level, i.e. resolving debtors' financial problem of financial institutions to restart once again, and at the macro level, i.e. resolving problems for financial institutions experiencing non-performing debts can reissue loans to the economy. The debtor's debt restructuring is an opportunity for the debtor to be released from debt and be able to restart a new life or new business once again. It is considered to assist the debtor and those around them have a good quality of life which will result in a better quality of society. Therefore, it can be said that the Company's non-performing loans management business is beneficial to society in the form of CSR in process.

In addition, the Company also places importance on giving back to society, communities and the environment in the form of CSR after process continuously, for example:

- In January 2018, the Company has delivered educational equipment, sports equipment and office equipment to Ban Sok Noi School, the Kindergarten - Primary School located at Phayayen, Pakchong, Nakhon Ratchasima.



- In July 2021, the Company has donated Oxygen High Flow to the frontline medical personnel through the Siriraj Foundation in the amount of 200,000 baht as part of delivering assistance in dealing with the coronavirus disease 2019 (COVID-19).



- In November 2022, the Company has donated 200,000 baht to the Police Hospital Foundation to support the construction of an Operating Room.



## 4. Management's Discussion and Analysis (MD&A)

The Management's Discussion and Analysis regarding the Company's financial position and performance is based on the Company's financial statements for the year ended December 31, 2021 and 2022 which have been audited by a Certified Public Accountant and approved by the SEC office. The Company's performances presented herein are not indicative of the expected results of operations in the future.

Investors should study the Management's Discussion and Analysis regarding the Company's financial position and performance together with the financial statements and notes to the financial statements of the Company, including information about the Company's business operations in other parts of this registration statement for the offering of securities of the Company.

Analysis of the Company's performance for the year ended December 31, 2022

### Performance

Detail	2022		2021		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Interest income <sup>1/</sup>	122.18	71.66	103.92	82.64	18.26	17.57
Interest expenses	(33.90)	(19.88)	(15.61)	(12.41)	(18.29)	117.17
Net interest income	88.28	51.78	88.31	70.23	(0.03)	(0.03)
Net profit from debt repayment	18.53	10.87	24.04	19.11	(5.51)	(22.92)
Profit from the sale of foreclosed properties	5.95	3.49	2.09	1.66	3.86	184.69
Profit from sale of credit from purchase of accounts receivable	57.61	33.79	11.15	8.87	46.46	416.68
Other operating income	0.12	0.07	0.16	0.13	(0.04)	(25.00)
Total operating income	170.49	100.00	125.75	100.00	44.74	35.58
Total other operating expenses	41.57	24.38	34.45	27.40	7.12	20.67
Expected credit losses (reversal)	32.52	19.07	25.61	20.36	6.91	26.98
Operating profit before income tax	96.40	56.55	65.69	52.24	30.71	46.75
Income tax	(19.16)	(11.24)	(13.27)	(10.55)	(5.89)	44.39
Net profit for the period	77.24	45.31	52.42	41.69	24.82	47.35
Basic earnings per share (baht/share)	0.14		0.11			

Remark: 1. Interest income is income from loans, purchase of receivables and interest income from banks

### Operating Income

	2022		2021		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
1) Non-performing loans management business income						
1.1) Interest income from loans for purchase of receivables						
- Business loan receivables	111.53	65.42	86.01	68.40	25.52	29.67
- Mortgage loan receivables	10.45	6.13	17.86	14.20	(7.41)	(41.49)
Less Interest expenses	(33.90)	(19.88)	(15.61)	(12.41)	(18.29)	117.17
<b>Net interest income from loans for purchase of receivables</b>	<b>88.08</b>	<b>51.67</b>	<b>88.26</b>	<b>70.19</b>	<b>(0.18)</b>	<b>(0.20)</b>

	2022		2021		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
1.2) Net profit from debt repayment						
- Business loan receivables	4.90	2.87	11.21	8.91	(6.31)	(56.29)
- Mortgage loan receivables	13.63	8.00	12.83	10.20	0.80	6.24
<b>Net profit from debt repayment</b>	<b>18.53</b>	<b>10.87</b>	<b>24.04</b>	<b>19.11</b>	<b>(5.51)</b>	<b>(22.92)</b>
1.3) Profit from sale of credit from purchase of accounts receivable	57.61	33.79	11.15	8.87	46.46	416.68
<b>Non-performing loans management business income 1) = 1.1) + 1.2) +1.3)</b>	<b>164.22</b>	<b>96.33</b>	<b>123.45</b>	<b>98.17</b>	<b>40.77</b>	<b>33.03</b>
2) Profit from the sale of foreclosed properties	5.95	3.49	2.09	1.66	3.86	184.69
3) Other operating income 1/	0.32	0.18	0.21	0.17	0.11	52.38
<b>Operating income</b>	<b>170.49</b>	<b>100.00</b>	<b>125.75</b>	<b>100.00</b>	<b>44.74</b>	<b>35.58</b>

Remark: 1. Other operating income consists of interest income from the bank, refund of court fees, etc.

The Company's operating income for the year 2022 was 170.49 million Baht, of which the Company's operating income came from 2 main businesses, namely 1.) NPLs Management Business 2.) NPAs Management business. In 2022, the income from the 2 main businesses amounted to 164.22 million Baht and 5.95 million Baht, equivalent 96.32% and 3.49% of total operating income, the remaining is from other operations.

- NPLs Management Business

Income from NPLs Management Business comes from 3 parts, namely net interest income from loans for purchase of receivables, net profit from debt repayment, and profit from sale of credit from purchase of accounts receivable, with the following details

1. **Net interest income from loans for purchase of receivables** is from loans for purchase of receivables net of interest expenses. The details are as follows.

**Interest income from loans for purchase of receivables (Before deducting interest expenses)**

In the 2022, interest income from loans for purchase of receivables was 121.98 million Baht, of which interest income from business loan receivables and mortgage loan receivables, an increase of 18.11 million Baht, or 17.44% YoY.

- Interest income from loans for purchase of business loan receivable was 111.53 million Baht, an increase of 25.52 million Baht YoY, mainly due to the Company purchasing more non-performing loans in the category of business loans in 2022.
- Interest income from loans for purchase of mortgage loan receivables was 10.45 million Baht, a decrease of 7.41 million Baht YoY, mainly due to during the year 2022, there were many mortgage loan debtors able to close accounts, receiving payment from the debtor, and receiving money from the auction of the debtor's collateral in the Legal Execution Department, and there are some companies bidding to purchase into the Company's NPA, causing interest income from mortgage loan receivables decreased. However, even in 2022, the Company will purchase more housing loan receivables, but the revenue of such debtors has not been recognized.



## Interest expenses

Table: Details of interest expenses

	2022		2021		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Interbank and money market items	6.55	19.32	5.83	37.35	0.72	12.35
Issued debt instrument and loan	25.93	76.49	9.28	59.45	16.65	179.42
Lease liabilities	0.44	1.30	0.50	3.20	(0.06)	(12.00)
Others	0.98	2.89	-	-	0.98	100.00
Total interest expenses	33.90	100.00	15.61	100.00	18.29	117.17
Interbank and money market items at the end of the period	109.68		89.37		20.31	
Debt instrument issued at the end of the period	347.32		149.79		197.53	

In 2022, interest expenses were 33.90 million Baht, an increase of 18.29 million Baht, or 117.17% YoY, mainly due to an increase in interest expenses on issued debt instrument and interbank and money market items (loans from financial institutions). Since in April 2022, the Company has issued more debt instrument in the amount of 350 million Baht and has borrowed an increase of 100 million Baht to invest in the purchase of non-performing loans.

2. Net profit from debt repayment: The Company recognizes net profit on debt settlement for business loan receivables and mortgage loan receivables when the proceeds exceed the cost paid and accrued interest.

In 2022, the Company had a net profit from debt repayment was 18.53 million Baht, a decrease of 5.51 million Baht, or 22.92% YoY, mainly due to receiving money from the auction of collateral of debtors in the Legal Execution Department, and the debtor can close the account with the Company.

3. Profit from sale of credit from purchase of accounts receivable

In 2022, the Company had a net profit sale of credit from purchase of accounts receivable was 57.61 million Baht, an increase of 46.46 million Baht, or 416.68% YoY, mainly due to during the year 2022, the Company has negotiated debt restructuring with the debtor and sold off the loan from the purchase of such debtor.

- Profit from the sale of foreclosed properties

In 2022, the Company had a profit from the sale of foreclosed properties were 5.95 million Baht, an increase of 3.86 million Baht, or 184.69% YoY, due to the sale of foreclosed properties increased.

- Other operating income

Mostly, other operating income comes from interest received from bank deposits and other income. In 2022, other operating income was 0.32 million Baht, an increase of 0.11 million Baht YoY.

## Other operating expenses

Details	2020		2021		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Employee expenses	21.46	51.62	17.48	50.74	3.98	22.77
Directors' remuneration	1.28	3.08	1.29	3.75	(0.01)	(0.78)
Expenses related to buildings, premises, and equipment	3.79	9.12	3.29	9.55	0.50	15.20
Tax expense	1.97	4.74	2.97	8.62	(1.00)	(33.67)
Other expenses	13.07	31.44	9.42	27.34	3.65	38.75
<b>Total other operating expenses</b>	<b>41.57</b>	<b>100.00</b>	<b>34.45</b>	<b>100.00</b>	<b>7.12</b>	<b>20.67</b>

Other operating expenses consist of employee expenses, directors' remuneration, expenses related to buildings, premises, and equipment, tax expense, and other expenses were 41.47 million Baht, an increase of 7.12 million Baht, or 20.67% YoY. The expenses from other operations in 2022 equivalent to 24.38% of total operating income, with the following details:

#### Employee expenses

Employee expenses of the Company include salaries, bonuses, employee benefits, and expenses, liabilities, employee benefits, etc. In 2022, employee expenses were 21.46 million Baht, 3.98 million Baht, or 22.77% YoY, mainly due to annual salary increases, increases in employee benefit provisions, and a slight increase in the number of employees.

#### Directors' remuneration

Directors' remuneration in 2022 was 1.28 million Baht, where remuneration came from meeting allowances only.

#### Expenses related to buildings, premises, and equipment

Expenses related to buildings, premises, and equipment includes various depreciation, utility bills, security guard, and local maintenance taxes and property taxes, etc. In 2022, expenses related to buildings, premises, and equipment were 3.79 million Baht, a slight increase of 0.50 million Baht YoY, mainly due to an increase in amortization of computer software, such as Debt Collection Management System (DPMS) and depreciation of office improvements.

#### Tax expense

Tax expense includes specific business tax and stamp duty were 1.97 million Baht, a decrease of 1 million YoY, due to a decrease in specific business tax payments.

#### Other expenses

Other expenses included purchase of non-performing loans data, audit fee, internal audit fee, consulting fees, including the cost of listing in the SET, etc. In 2022, other expenses were 13.07 million Baht, an increase of 3.65 million Baht, or 38.75% YoY, mainly due to the increase in expenses related to the listing on the SET.

#### Expected credit losses ("credit loss")

In 2022, expected credit losses were 32.52 million Baht, an increase of 6.91 million Baht, or 26.98% YoY, mainly due to the establishment of credit losses on the interest income recognized during the period of debtors who have not restructured their debts or are not in the status waiting for payment from the Legal Execution Department.

#### Net profit

Net profit for the year 2022 was 77.24 million Baht, an increase of 24.82 million baht or 47.35% compared to 2021, mainly due to an increase of profit from the sale of loans from the purchase of receivables. However, there was an increase in credit loss on interest income recognized during the year.

Financial position analysis for the year ended December 31, 2022

Details	2022		2021		Increase (Decrease)	
	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)	Mil. Baht	Percentage (%)
Assets	1,726.56	100.00	735.82	100.00	990.74	134.64
Liabilities	631.54	36.58	275.21	37.40	356.33	129.48
Shareholder's equity	1,095.02	63.42	460.61	62.60	634.31	137.73

### Total assets

The Company has total assets of 1,726.56 million Baht, an increase from the end of 2021 in the amount of 990.74 million Baht, or 134.64%, mainly due to:

- Interbank and money market items – bank deposits increased by 159.43 million Baht, or 136.61% compared to the end of 2021, mainly due to the receipt of money from the initial public offering (IPO) in the amount of 576.49 million Baht, issuing debentures 350 million Baht, receiving debt payments from debtors, and paid for the purchase of non-performing loans.
- Net loans from the purchase of receivables and accrued interest receivables increased by 767.05 million Baht, or 135.62% compared to the end of 2021, mainly due to the 2022, the Company has purchased and transferred new non-performing loans in the amount of 930 million Baht, at the same time, loans for purchases of receivables and accrued interest receivables have decreased from receiving debt payments from debtors. accounts receivable closing and acceptance of the transfer to be foreclosed properties
- Properties foreclosed increased by 62.61 million Baht, or 287.73% compared to the end of 2021, due to the transfer of collateral of debtors that the Company acquired from the auction of collateral at the Legal Execution Department, an increase of 88.89 million Baht, and partly were sold during the year.

### Total liabilities

The Company has total liabilities of 631.54 million Baht, an increase from the end of 2021 in the amount of 356.33 million Baht, or 129.48%, mainly due to:

- Interbank and money market items (Loans from financial institutions) increased by 20.31 million Baht, or 22.72% compared to the end of 2021, mainly due to additional borrowing during the year of 100 million Baht and repayment of the loan according to the loan agreement.
- Debt instruments issued increased by 197.53 million Baht, or 131.87% compared to the end of 2021, mainly due to during the year 2022, the Company issued new debt instruments increased by 350 million Baht, and there is a repayment of debt securities due in the year in the amount of 150 million Baht.
- Other payables - purchase of loans to debtors increased by 145.80 million Baht, or 100% compared to the end of 2021, due to the Company buying and receiving transfers of non-performing loans paid as Aval.

### Equity

As of December 31, 2022, the Company had equity of 1,095.02 million Baht, an increase of 634.41 million Baht, or 137.73% from the end of 2021, mainly due to the capital increase from the initial public offering (IPO), and an increase in net profit from operations for the period. However, on August 10, 2022, the Board of Directors' Meeting approved a total dividend payment of 23.50 million Baht.



## 5. General Information and Other Key Information

### 5.1 General Information

#### 5.1.1 The Company

Company Name	:	Knight Club Capital Asset Management Public Company Limited
Head Office	:	285/1 Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok 10310
Business Type	:	Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales
Registration Number	:	0107564000367
Phone	:	0-2957-5601-2
Facsimile	:	0-2957-5601-2 cont. 13
Website	:	www.kccamc.com

#### 5.1.2 Reference Persons

##### 1. Securities Registrar

Company Name	:	Thailand Securities Depository Company Limited
Head Office	:	93 The Stock Exchange of Thailand Building, 14 <sup>th</sup> floor, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Phone	:	0-2009-9000 TSD Call Center: (66) 2009-9999
Facsimile	:	0-2009-9991
Website	:	www.set.or.th/tsd

##### 2. Auditor

Company Name	:	EY Office Company Limited
Head Office	:	193/136-137 Lake Ratchada Office Complex, 33 <sup>rd</sup> floor, Ratchadaphisek Road, Khlong Toei, Khlong Toei, Bangkok 10110
Phone	:	0-2264-0777
Facsimile	:	0-2264-0789-90

##### 3. บัณฑิตผู้สอบบัญชี

Company Name	:	Mr. Tawee Kullertprasert and Miss Pranitra Akkarawinek
Head Office	:	285/1 Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok 10310
Phone	:	0-2957-5601-2

### 5.2 Other Key Information

- None -

### 5.3 Legal Disputes

As of December 31, 2022, the Company does not have any legal disputes or litigation in any manner that has a negative impact on the assets are more than 5% of the shareholders' equity according to the financial statement as of December 31, 2022, as well as not have any legal disputes that may significantly affect the Company's business operations, including not arising from the Company's normal business operations.



The background of the slide is a dark, blue-tinted photograph of a city skyline. Overlaid on this is a complex, white, abstract line pattern that resembles a series of concentric, overlapping circles or a woven mesh, creating a sense of depth and movement. The pattern is most prominent in the upper left and center of the image.

Part 2

# Corporate Governance



## 6. Corporate Governance Policy

### 6.1 Overview of Corporate Governance Policy and Practices

The Board of Directors realizes the importance of good corporate governance as important factor that promotes the Company's operations to be efficient, transparent and verifiable, creating confidence among all concerned parties. As a result, the business grows sustainably which will create utmost benefit to all stakeholders from employees, investors, shareholders and all stakeholders. At the Board of Directors' Meeting (Public Company) No. 1/2021 held on October 15, 2021 approved a Good Corporate Governance Policy for the Board of Directors, executives and employees to adhere as good practices, to elevate the existing operations with a clear standardized system and distribute the practices at all levels toward foster a true corporate governance culture. The policy covers important content from role structure, committees' responsibilities, and the management principles of all executives are transparent and verifiable as a guideline for managing the organization. This to create confidence in every operation of the Company with fairness and taking into account the best interests of the Company, shareholders and stakeholders, and sustainable value creation serve the expectations of the business sector and investors. The Company has adopted the Corporate Governance (CG Code) of 2017 (8 principles of practice) as a guideline for determining the Company's Corporate Governance Policy, with the following details:

Principle 1	Establish Clear Leadership Role and Responsibilities of the Board
Principle 2	Define Objectives that Promote Sustainable Value Creation
Principle 3	Strengthen Board Effectiveness
Principle 4	Ensure Effective CEO and People Management
Principle 5	Nurture Innovation and Responsible Business
Principle 6	Strengthen Effective Risk Management and Internal Control
Principle 7	Ensure Disclosure and Financial Integrity
Principle 8	Ensure Engagement and Communication with Shareholders

## Principle 1

### Establish Clear Leadership Role and Responsibilities of the Board

#### 1. Principle

- 1.1. The Board of Directors demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the Company, and strengthen good governance, covering (1) defining core objectives (2) determining of strategies, operational policies, as well as the allocation of key resources to achieve objectives and goals; and (3) monitoring, evaluating, and reporting on performance. In addition, to achieve sustainable value creation, the Board of Directors should exercise its leadership role and pursue the following governance outcomes:

- competitiveness and performance with long-term perspective;
- ethical and responsible business;
- good corporate citizenship; and
- corporate resilience

In addition, the Board of Directors should establish objectives for sustainability in accordance with the values creation for the Company, all stakeholders, society, and the environment as a whole.

- 1.2. The Board of Directors is responsible for ensuring that all directors and executives perform their responsibility with duty of care, duty of loyalty, and ensure that operations are in compliance with the laws, regulations, and resolutions of the Shareholders' Meeting.
- 1.3. The Board of Directors should demonstrate a thorough understanding of scopes, duties, and responsibilities to determine its structure that is appropriate and necessary to lead the organization towards the defined objectives and core goals. The Chairman of the Board of Directors and the Chief Executive Officer has different duties and responsibilities, whereby the Board of Directors clearly defines their authority and supervises the Chief Executive Officer and the management to perform their duties as assigned.
- 1.4. Principles for performing duties of the Board of Directors shall adhere to the following principles:
- 1.4.1. Demonstrate and implement the governance and risk appetite of the company;
- 1.4.2. Perform duties according to "Accountability", "Duty of Loyalty", and "Duty of Care" according to Thai laws and regulatory standards;
- 1.4.3. Avoiding any conflict of interest that may cause such conflict of interest, as well as establishing and enforcing measures to control and avoid conflicts that may arise from personnel coordinating with third parties or other organizations;
- 1.4.4. Dedicate enough time and energy to carry out their responsibilities;
- 1.4.5. Avoid participating in the day-to-day management of the Company, except for executive directors;
- 1.4.6. Obtain management information to allow the Board of Directors perform its duties to achieve its goals, and it is the responsibility of the Board of Directors to decide what type of information is required;
- 1.4.7. Do not participate in decision-making in which the directors or related persons have interests, resulting in inability to fully perform their duties, including not complying with relevant laws or official requirements;
- 1.4.8. Supervise the Company's executives by virtue of their authority and duty to inquire and obtain clear explanations from the executives, as well as requiring them to receive sufficient information to judge the executives' performance in sufficient time.
- 1.4.9. Keep confidential business information of the Company and customer, not using such information to seek benefits either intentionally or unintentionally, unless consented by the Company or required by law.

## Principle 2

### Define Objectives that Promote Sustainable Value Creation

#### 1. Define objectives and main goals of the business

The Board of Directors ensures that the Company has clearly defined objectives and main goals, and ensures that the Company has wide communication of driving to the same direction, in the form of strengthen the objectives and main goals reflected in the work of employees and corporate culture outcome.

The Board of Directors plays an important role in formulating policies to supervise the work process with appropriate and sufficient resources to ensure that the operations comply with the specified policies, including monitoring, controlling and inspecting the implementation of such policies. The Board of Directors attaches importance to creating innovations with business value creation along with creating benefits for customers or related parties and being socially and environmentally responsible.

#### 2. Preparation of annual strategies and plans

The Board of Directors ensures that annual strategies and plans are prepared that are consistent with the objectives or main goal with appropriate use of innovation and technology, to build competitiveness and serve the needs of stakeholders, based on social and environmental responsibility through annual review.

#### 3. The Role of Stakeholders

The Company emphasizes the rights of stakeholders, either internal stakeholders, such as shareholders, executives and employees of the Company, or external stakeholders, such as creditors, customers, business partners, competitors, government sector, society, and communities, etc. The Company realizes that the feedback of stakeholders will be beneficial to the Company's operations. Thus, complying with relevant laws and regulations to protect the rights of such stakeholders as well. In addition, the Company's business operation takes into account the rights of all stakeholders in accordance with the following guidelines:

##### 3.1. Shareholders

The Company aims to treat shareholders equally, protect their interests, and not take any action that violates or deprives the rights of shareholders.

##### 3.2. Employees

Employees are considered as one of the key resources for the growth of an organization. The Company will treat employees equally and fairly in terms of opportunities, remuneration, welfare, and potential development by having a recruitment process and fair merit consideration.

##### 3.3. Customer / Debtor

The Company treats customers/debtors honestly and fairly, strives to create satisfaction and confidence to customers/debtors, takes care and takes responsibility for services, including debt collection, whereby debtor shall be treated well in accordance with the standards set by laws or regulations. On the part of customers, they must receive services that are suitable according to the standards as professional wise people in the same business group should be treated in terms of price and service quality must be reasonable and fair. In addition, the Company shall comply with the conditions and agreements made with customers/debtor strictly, maintain good and sustainable relationship with customers/debtor seriously. The use of customer/debtor information must be within the scope of the policy set by the company.

### 3.4. Business Partners and Creditors

The Company is aware of equality, fairness, not taking advantage and honesty in business operations, protecting benefits of business partners and creditors with business ethics, not request, receive or pay any benefits that are dishonest in trading with business partners. The Company has a power manual to consider and approve procurement according to the credit limit to achieve flexibility in doing business with business partners. The terms and conditions specified in the contracts or agreements that the Company has entered into with the counterparties and creditors have been properly followed.

### 3.5. Competitors

The Company is committed to fair competition with regard to ethics and laws relating to commercial competition practices and adheres to the rules of fair competition, not make any agreements with competitors or any person that has the nature to reduce or limit trade competition.

### 3.6. Government Sector

The Company emphasizes the transparency and straightforward conduct in dealing with government officials or entities to avoid actions that may induce government or government officials to act inappropriately, that may result in inappropriate actions and conflict with good management principles.

### 3.7. Community, Society, and Environment

The Company emphasizes the community, society and the surrounding environment, being part of the community development, society and the environment for sustainability. The Company continually creates wide awareness of social, community, and environmental responsibility with the personnel at all level by promoting awareness of social and environmental responsibility, participation in community and social development.

### 3.8. Preparation of social responsibility reports

The Company has disclosed activities and innovations that promote the Company's sustainable development along with social responsibility and has reported in the social responsibility section.

### 3.9. Whistleblowing Channels

The Company states its policy to protect and provide fairness to employees or stakeholders who report information about fraud or non-compliance with laws, rules, regulations, the Company's regulations and whistleblower policy. Under the policy, employees or third parties can file complaints through the complaints recipients in writing. Employees or third parties who make complaints should identify themselves by sending through the following methods:

- Email of the Audit Committee: AC@kccamc.com
- The Complaint Channels

Register to:	Knight Club Capital Asset Management Public Company Limited Audit Committee / Board of Directors / Company Secretary
Tel:	0-2-9575601-2
E-mail:	whistleblower@kccamc.com
Mail:	285/1, Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok 10310

In addition, the Company has provided a complaint box within the office, supervised by the Human Resources Department, which will be opened once a month to screen the issues and submit to the executives for further consideration. In the case of a letter to the Chief Executive Officer, it will be sent directly to the Chief Executive Officer without opening the seal.

Suggestions will be compiled, screened and reported to executives and the Board of Directors for further resolution.

## Principle 3

### Strengthen Board Effectiveness

#### 1. Determine and review the Board of Directors' structure

The Board of Directors responsible for determining and reviewing the Board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives.

The Board of Directors states its structure with Board Diversity, an appropriate to size, complexity, nature of business, and risk. Consisting of leadership, professional skills, knowledge, competence, experience in business and related businesses, skill matrix, and in accordance with the Company's business strategy, whereby at least one director with knowledge or experience in accounting and finance. The Board of Directors has an appropriate number in accordance with the resolution of the Shareholders' Meeting, with a scope of duties and responsibilities with appropriate checks and balances, where any person or group cannot have unrestricted power.

#### 2. Board of Directors

The Board of Directors selects an appropriate person as the Chairman of the Board and ensures that the compositions of the Board of Directors are conducive to independent decision-making. The Board of Directors plays an important role in corporate governance for the utmost benefit of the Company and also has responsibilities to all stakeholders and shall be independent from the management. The Chairman of the Board's roles and responsibilities are different from those of the Chief Executive, whereby the two positions shall be held by different individuals.

#### 3. Overseeing the policies and operations of companies in the business group and other businesses in which the Company has significantly invested.

The Board of Directors ensures that there is a framework and mechanism to supervise the policies and operations of the companies in the business group and other businesses in which the Company invests significantly. The Company classifies relationships according to shareholding and controlling power as follows:

##### 3.1. Subsidiaries

It shall have the same meaning as the definition under the Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551 Re: Determination of Definitions in Notifications Regarding the Issuance and Offer for Sale of Securities (including that will be amended or replaced) ("Announcement No. Kor Jor. 17/2551")

##### 3.2. Associate

It shall have the same meaning as the definition under the Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551, refers to an issuer company or its subsidiary has the power to participate in decision-making on the financial and operating policies of the Company, but does not have control over such policies, and is not considered a subsidiary or a joint venture.

#### 4. Performance Evaluation

The Board of Directors has conducted a formal annual performance evaluation of the Board of Directors, Sub-committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the Board of Directors. In this regard, the performance appraisal shall be performed as follows:

4.1. The Board of Directors and Sub-committees will conduct self-evaluation at least once a year.

4.2. Methods for evaluating the performance of the Board of Directors and Sub-committees include: (1) Self-Assessment as a whole and individually (2) Cross-Assessment. The criteria, procedures, and assessment results are disclosed in the annual report.

4.3. The Board of Directors may consider inviting outside consultants to establish guidelines and make recommendations on the performance evaluation of the Board of Directors and Sub-committees and disclose such actions in the annual report.



## 5. Business Comprehension

The Board of Directors ensures that each individual director understand their roles and responsibilities, the nature of the business, the Company's operations, relevant law and standards, and other applicable obligations. The Board of Directors supports all directors in updating and refreshing their skills and knowledge necessary relating to the performance of duties as a director of the Company on a regular basis as follows:

- 5.1. The Board of Directors supports educating the Company's directors in performing their duties by training courses organized by the Thai Institute of Directors Association (IOD) related to directors at least 1 course, i.e., Director Accreditation Program (DAP) or Director Certification Program (DCP).
- 5.2. The Board of Directors ensures that the management organizes the internal training courses for Company's directors in order to enhance their knowledge in relation to the Company's business operations and their responsibilities as directors.
- 5.3. Every time a new director is appointed, the Board of Directors ensures that the Company provide beneficial documents and information to the performance of new directors, including an orientation introducing business characteristics, business guidelines, regulations related to new directors
- 5.4. The Board of Directors ensures that the Company discloses training and development information for directors in various reports in accordance with good corporate governance principles, such as annual reports.

## 6. Company Secretary

The Board of Directors is responsible for ensuring that the Board of Directors' operations run smoothly with access to necessary information and the Company Secretary having the necessary and appropriate knowledge and experience.

The Board of Directors has appointed a person with appropriate qualifications and experience as the Company Secretary by defining the roles, duties and responsibilities in accordance with the requirements of the law and best practices. The Company Secretary will supervise the operations of the Board of Directors, the management, and the Company in accordance with the requirements of the law, rules and regulations of the relevant departments, and Articles of Association. In addition, supporting the operations of the Board of Directors, Sub-Committee, and management in accordance with the guidelines of Good Corporate Governance. The Company Secretary's qualifications and experience will be disclosed in the Company's annual report and website.

## Principle 4

### Ensure Effective CEO and People Management

#### 1. Nomination and Development of the Executive

##### 1.1. Nomination

Nomination and Appointment of the directors, sub-committee, and the Chief Executive Officer, the Nomination, Remuneration and Corporate Governance Committee will be responsible for recruiting persons serve the positions both internal and external according to the Succession Plan. Then, present to the Board of Directors or the Shareholders' Meeting (as the case may be) to consider and approve the appointment in accordance with the requirements and regulations of official agencies related to the Company's business

##### 1.2. Succession Plan

The Board of Directors states its policy to establish a Succession Plan due to the implementation of such a plan is an important element of personnel strategic planning. The Board of Directors ensures that the Company has policies, plans and processes linked to the vision, mission, business goals, and organizational culture for the succession of executive positions without obstacles. In addition, replacement personnel have been prepared to ensure continuity of the Company's business operations by reporting the results of the Succession Plan to the Board of Directors at least once a year.

## **2. Executives holding positions in other companies**

The Chief Executive Officer shall work full time. Any positions held by the Chief Executive Officer and the Company's executives in other companies shall be reported to the Board of Directors.

## **3. Determining appropriate compensation and evaluation structures**

The Board of Directors ensures that an appropriate compensation and evaluation structures are in place, consideration of remuneration in the form of salary and remuneration based on performance is appropriate and comparable to other companies in the similar industry for fairness. In addition, in order to increase the ability to deal with various situations, aiming for a "Flat Organization", which will be more flexible in doing business because it reduces work processes and makes decisions faster.

## **4. Structure and relationship of shareholders that may affect the management**

The Board of Directors understands the structure and relationship of shareholders that may affect the management and operation of the business as follows:

### **4.1. The Equitable Treatment of Shareholders**

The Company gives importance to every shareholder of the Company by stating its policy to treat all shareholders equally, whether they are major or minor shareholders, executive or non-executive shareholders as well as foreign shareholders. The Company encourages the preparation of the meeting invitation letter in both Thai and English and published on the Company's website at least 28 days prior to the meeting date. It also provides an opportunity for shareholders to participate by proposing significant matters included in the agenda of Annual General Meeting of Shareholders and nominating persons with appropriate knowledge, abilities and qualifications for election as a director in advance in order for the Board of Directors to arrange the agenda proposed by the shareholders to be included in the agenda of the Shareholders' Meeting.

### **4.2. Proposal of AGM Agenda**

The qualifications of shareholders who wish to propose the above agenda are in accordance with Section 89/28 of the Securities and Exchange Act B.E. 2535 (as amended) ("Securities Act B.E."), stating that one or more shareholders holding shares and having voting rights in aggregate shall not be less than five percent of the total voting rights of the Company have the right to propose an agenda to be included in the agenda of the above-mentioned shareholders' meeting by specifying the objectives and details of the proposed matter, together with useful information for consideration. For the nomination of a person to be considered for selection as a director, the details of that person and other useful details including the consent of such person must be provided. The person who will be nominated shall be fully qualified according to the Public Company Limited Act B.E. 1992 (as amended), Securities and Exchange Act as well as the regulation of the Securities and Exchange Commission, the Capital Market Supervisory Board, the Stock Exchange of Thailand, and the Company's Article of Association. This includes other qualifications as specified by the Company, i.e., knowledge, competence, expertise and experiences that are beneficial and appropriate to the nature of the business, to perform duties as a director with honesty, morality, ethics, and being able to regularly attend the Board of Directors' meetings, etc.

The Company will disclose such matter to the shareholders through dissemination channels of the Stock Exchange of Thailand and the Company's website.

Proposals to be included in the agenda of the Annual General Meeting of Shareholders and/or the name of any person to be nominated as a director of the Company, the Nomination, Remuneration and Corporate Governance Committee will consider and present to the Board of Directors for consideration and summary of opinions for inclusion in the agenda of the meeting. It is assumed that the opinion of the Board of Directors is final.

At Annual General Meeting of Shareholders, the Company provides opportunities for all shareholders equally. Before commencing, the chairman of the meeting will clarify the exercise of voting rights and counting methods, it also allows meeting attendees to express their opinions, suggestions, and inquire question on each agenda in appropriate and sufficient time, whereby the meeting will be run sequentially by the chairman of the meeting. In addition, shareholders will not be deprived of the right to study the information disclosed in accordance with various requirements, including the right to attend the meetings, for example, no agenda was added to the meeting without informing the shareholders in advance, so that the shareholders had the opportunity to study the information pertaining to the meeting agenda before making a decision, etc.

#### 4.3. Use of Inside Information Policy

The Company strictly supervises the use of inside information to prevent the exploitation of inside information for oneself or others in a wrongful way (Abusive self-dealing) in order to ensure fairness to all stakeholders. The Company has established guidelines for keeping inside information of the Company and for preventing the use of inside information for personal gain in the Use of inside Information Policy, including the Policy to Report on Securities Holdings.

#### 4.4. Entering into a transaction with a related party

The Company has established a transparent and verifiable approach to management of interests, especially in considering transactions between the Company and major shareholders, directors, executives or related party. There is Connected Transaction Policy and Principles on trade agreements with general commercial conditions between the Company and directors, executives or related persons to control transactions with connected persons or may be connected to the Company in accordance with the Securities and Exchange Act and other relevant laws.

### 5. Human Resources Management

The Board of Directors ensures that human resources management have appropriate amounts of knowledge, skills, experience and motivation.

#### 5.1. Executive Development

The company has continuously developed the potential of employees by organizing training regularly at all levels, either inside or outside the organization, covering several areas, such as leadership and collaboration. In addition, focusing on learning from experience and others, whereby the Company will provide necessary training courses for each executive position.

#### 5.2. Employee Development

The Company states its policy to develop employees continually, focusing on learning from inside and outside the organization to enhance the knowledge, competency and necessary skills of employees. It is beneficial to companies that have quality personnel, capable of creating quality works for the Company.

### Principle 5

#### Nurture Innovation and Responsible Business

##### 1. Prioritize and Promote Innovation

The Board of Directors places importance on innovation that creates value for the business along with benefits for customers or related parties and is socially and environmentally responsible.

##### 2. Social and Environmental Responsibility

The Board of Directors supervises that the management operates business with social and environmental responsibility and is reflected in the operational plan to ensure that all departments of the organization are in accordance with the objectives, main goals, and strategic plans of the business.

### 3. Resource allocation and management

The Board of Directors ensures that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its objectives.

### 4. Governance of Information Technology

The Board of Directors establishes a framework for governance of enterprise IT that is aligned with the Company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives.

### 5. Supporting the creation of innovations that create value for the company and to create business opportunities along with creating benefits for customers or related parties with social and environmental responsibility.

The Board of Directors supervises that the management operates business with ethical responsibility towards society and the environment, reflected in the action plan to ensure that management manages resources efficiently and effectively, taking into account the impact and development of resources along the value chain. In addition, information technology management and risk governance are consistent with the Company's objectives, main goals and strategic plans in a sustainable manner.

#### 5.1. Treatment of Stakeholders

The Board of Directors emphasizes equitable treatment of stakeholders to ensure that stakeholders receive full, fair and appropriate rights. The Board of Directors has established guidelines for the treatment of each group of stakeholders as follows:

- 5.1.1. Shareholders – The Board of Directors supervises business operations with transparency, free from corruption, taking into account the long-term sustainable growth of the performance based on the potential and capability of the Company in order for the Company's value creation, either increased share value and attractive dividend payment.
- 5.1.2. Employees – The Board of Directors ensures that all employees are encouraged and developed their abilities to achieve their highest performance potential by providing suitable and fair employment conditions and career advancement opportunities with compensation suitable for one's potential, open for comments, promote teamwork, treat employees with courtesy, and respect for the individual
- 5.1.3. Customers / Debtor – The Board of Directors will supervise customers/debtors systematically, quickly, accurately, fairly, and in accordance with the criteria set by the law and related agencies in order for good service that meets the needs of each individual as well as create utmost satisfaction for customers/debtors and maintain good relations by taking into account fairness, including ensuring that debt collection is polite and paying attention to the confidentiality of information.
- 5.1.4. Business partners and Creditors - The Board of Directors will ensure that the Company operates business with business partners and creditors in long term sustainable manner as a good business alliance, and ensures that the Company has regulations for dealing with business partners and creditors, such as procurement, employment, rental and hire-purchase of all types, strictly, cautiously and concisely complying with rules and conditions with business partners and creditors in order to achieve fairness to all parties. In addition, the operation is transparent, free from corruption, verifiable and mutually beneficial as well as ensuring that the Company repayment all types of loans and interests on time.
- 5.1.5. Competitors – The Board of Directors ensure that the Company conducts its business on the basis of free competition with fairness, straightforwardness, honesty, without corruption, not destroying, damaging, obstructing or limiting competitors' business operations.
- 5.1.6. Investors – The Board of Directors ensure that the Company discloses correct, complete and sufficient information for investors' decision making within the timeframe or as appropriate.

5.1.7. Official authority - The Board of Directors ensures that the Company operates its business by strictly adhering to the laws, rules, regulations and regulations of the relevant authorities and providing good cooperation with the authorities.

5.1.8. Community, Society and Environment - The Board of Directors ensures that the Company operates its business in parallel with corporate social responsibility by supporting various activities of society and the environment sustainably as well as create good relationships with the communities in which the Company is located. In addition, such activities of participation in social and environmental responsibilities are disclosed in the annual report.

#### 5.2. Compliance with international human rights principles

The Board of Directors places importance on the equality of employees without any action that violates human rights, do not discriminate against people on the grounds of differences in origin, race, language, age, education, institution, gender, disability, physical condition or health, person's status, and economic or social status.

#### 5.3. Non-infringement of intellectual property

The Board of Directors ensures that the Company does not violate the copy rights and intellectual property rights, unless the Company has been legally authorized by the copyright owner.

### Principle 6

#### Strengthen Effective Risk Management and Internal Control

##### 1. Corporate Risk Management

At present, the Company is expanding its business, resulting in changes both internally and externally, resulting in rapid growth. Those changes carry risks of uncertainty that may affect the performance of the Company's goals or objectives. Therefore, the Company has established an integrated enterprise risk management to reduce or prevent losses that may arise from various risks, it also gives reasonable assurance that the Company will be able to achieve its goals and objectives. The Risk Management Policy is established as part of the Company's overall policy to determine the allocation of resources and risk management activities in accordance with the main strategy to achieve its objectives. The Risk Management Policy has been approved by the Board of Directors' Meeting (Public Company) No. 1/2021 on October 15, 2021, whereby the Risk Management Committee was appointed, the roles, duties and responsibilities as specified in the Risk Management Committee Charter.

##### 2. Internal Control

###### 2.1. 2.1. Anti-Corruption and Bribery

2.1.1. The Board of Directors attaches importance to the prevention and suppression of corruption, anti-Corruption, and bribery within the Company. Therefore, supervising the Company to establish policies, standards, and relevant operating procedures with measures to reduce damages caused by corruption.

2.1.2. The Board of Directors places importance on enhancing efficiency and effectiveness in the prevention and suppression of corruption, as well as establishing prevention measures from outsiders committing illegal acts with the Company, including having safety protection measures for the whistleblowers. At the Board of Directors' Meeting (Public Company) No. 1/2021 held on October 15, 2021 has considered and approved Whistleblower Policy and Anti-Corruption Policy.

2.1.3. The Board of Directors recognizes the importance of prohibiting giving or accepting bribes for business benefits or prohibiting bribery in any business dealings, either public and private sectors. At the Board of Directors' Meeting (Public Company) No. 1/2021 on October 15, 2021 has considered and approved Anti-Corruption Policy, which contains provisions on gifts, entertainment and anti-bribery for employees as a guideline.



## 2.2. Whistleblowing

- 2.2.1. The Board of Directors oversees the preparation of a Whistleblowing Policy and announcements related to employee and third-party grievances for the Company's stakeholders to communicate, report clues or make complaints in case of wrongdoings are arising, for example: illegal practice, unethical conduct, embezzlement, and corruption. Therefore, channels are provided for stakeholders to conveniently notify clues or file complaints, either in writing or through the Company's website or via telephone.
- 2.2.2. The Board of Directors ensures that there are policies and procedures in place to forward information or complaints to relevant departments for investigation, and the Company's actions will be informed later. This includes establishing protection measures for the whistleblowers from harassment, malice, punishment, demotion or intimidation from notifying clues or making complaints.
- 2.2.3. The Board of Directors ensures that the Company has a process and channel for receiving and dealing with whistleblower by disclosing the process and channel on the Company's website or in the annual report.

In this regard, the Whistleblower Policy has approved by the Board of Directors' Meeting (Public Company) No. 1/2021 held on October 15, 2021

## 3. Conflicts of Interest Management

The Board of Directors emphasizes transactions that may have conflicts of interest or connected transactions. In considering such transactions, the Board of Directors will ensure that the Company operates in accordance with the requirements and rules of relevant agencies by requiring that these transactions be considered as if they were transactions with third parties (Arm's Length Basis), any stakeholder in any transaction will not be involved in the approval process for such transaction. In addition, the Board of Directors will ensure that the Company has a policy for conducting transactions with persons who may have conflicts of interest in order to be treated fairly, transparently and in accordance with the regulations of relevant agencies, and ensure that information is disclosed accurately and completely.

In this regard, the Connected Transaction Policy and Conflict of Interest Prevention Policy has approved by the Board of Directors' Meeting (Public Company) No. 1/2021 held on October 15, 2021

## 4. Preventing Inside Information

- 4.1. The Board of Directors ensures that the Company has written policies and guidelines for the preservation and prevention of the use of inside information, this includes information that has not been disclosed to the general public that is material to changes in the price or value of securities, and ensure that there is a serious practice to prevent directors, executives, and employees from using positions that have the opportunity to access inside information of the Company, including a person involved, according to the definition set by the authorities, exploits such information for himself or others.
- 4.2. The Company's directors and executives are obligated to comply with the Company's Reporting of Securities Holding Policy

In this regard, the Use of Inside Information Policy and Reporting of Securities Holding Policy has approved by the Board of Directors' Meeting (Public Company) No. 1/2021 held on October 15, 2021

In 2022, the Board of Directors has reviewed the Reporting of Securities Holding Policy by improving the policy, measures and procedures align with the CG Code as follows:

- Amendment/adding the topic of securities holding report

### *Reporting on changes*

The first four directors and executives of the company are obligated to prepare a report on changes in securities holding according to Form 59-2 of the SEC Office by requiring to notify the Company Secretary. The persons with duties as assigned by the Board of Directors were informed in 2 rounds as follows:

- Before every purchase, notify the Company Secretary at least 1 day in advance.
- After every transaction, notify the Company Secretary within 3 business days from the date of purchase, sale, transfer or acceptance of transfer of securities and submit to the SEC Office according to Section 59 of the Securities and Exchange Act.

## 5. Business Ethics and Code of Conduct

The Board of Directors is aware of good conduct to maintain and promote the honor and reputation of the Company. Therefore, Business Ethics and Code of Conduct have been prepared for the directors, executives, and employees, so that everyone understands the Company's ethical standards and use as a guideline for proper conduct, demonstrate morality and ethics in daily work that will lead to building credibility and trust among stakeholders.

In this regard, the Business Ethics and Code of Conduct has approved by the Board of Directors' Meeting (Public Company) No. 1/2021 held on October 15, 2021

## Principle 7

### Ensure Disclosure and Financial Integrity

#### 1. Disclosure and Transparency

The Board of Directors places importance on the disclosure of information that affects the decision-making of investors and stakeholders to provide accurate, complete, timely, reliable and transparent information, including financial and general reporting according to the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as other significant information that affects the stock price of the Company, all of which affect the decision-making process of investors and stakeholders of the Company. The Company has disclosed the information to shareholders, investors and the public through various channels of the Stock Exchange of Thailand and on the Company's website. [www.kccamc.com](http://www.kccamc.com), including the preparation of annual registration statements (Form 56-1) and annual reports.

The Board of Directors is responsible for the Company's financial statements and financial information as well as the management discussion and analysis (MD&A) disclosed in the annual report. Such financial statements have been prepared in accordance with financial reporting standards used in Thailand by consistently selecting appropriate accounting policies, including sufficient disclosure of information in the financial statements. In this regard, the Audit Committee will review the quality of financial reports and internal control systems, including sufficient disclosure of important information in the notes to the financial statements and report to the Board of Directors.

The Board of Directors ensures that the auditor's remuneration and other service fees are disclosed, including the remuneration of directors and executives to reflect the duties and responsibilities of each person.

As for investor relations, the Company's investor relations department is responsible for disclosing necessary and important information to shareholders, investors and securities analysts for accurate and efficient analysis. An Analyst Meeting is organized to answer questions about the Company's operating results at least once a year as well as join Opportunity Day regularly. This year, investor relations work can be summarized as follows.

1. Welcoming Company Visits or Conference Calls, a total of 4 times.
2. Participation in Opportunity Day organized by SET, a total of 3 times.
3. Organized the Investor Meeting, a total of 4 times.

In order to be a communication channel between the Company and shareholders and investors, the Company's investor relations can be contacted through the following:

To: Ms. Panittra Akarawinek and Mr. Tawee Kullertprasert  
 Address: Knight Club Capital Asset Management Public Company Limited  
 285/1, Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok 10310  
 Tel: 02-9575601 Cont. 12  
 E-mail: [ir@kccamc.com](mailto:ir@kccamc.com)

## 2. Disclosure Guidelines

- 2.1. The Board of Directors shall supervise the Company to disclose information, both financial and non-financial information relating to the business and operating results of the Company that is true, accurate, complete, sufficient, reliable, and timely. It demonstrates the actual business and financial status of the Company, so that the stakeholders can receive sufficient information through various channels and the Company's website both in Thai and English formats.
- 2.2. The Board of Directors ensures that the Company discloses important information to the public in accordance with the rules and regulations of disclosure of information of the Stock Exchange of Thailand, Securities and Exchange Commission, including the principles of good corporate governance in its entirety.
- 2.3. The Board of Directors places great importance on the relationship with both institutional and retail investors in the local and international. It takes into account the accuracy, completeness, quality and sufficiency of the Company's information disclosed to investors, analysts, etc., to be accurate, transparent, thorough and up-to-date. The Board of Directors ensure that the Company's management has regular meetings with investors and securities analysts by providing an explanation of the operating results at least once a year as well as regularly attending seminars with both local and international investors and securities analysts in order to create confidence in the Company's operations toward good long-term relationships.
- 2.4. The Board of Directors ensures that the Company prepares Management Discussion and Analysis (MD&A) to accompany the disclosure of quarterly financial statements in order for investors to be informed and more understand the changes that occur in the financial position and performance of the Company each quarter, in addition to the numbers in the financial statements alone.
- 2.5. The Board of Directors has established an Investor Relations Unit to communicate with investors, securities analysts, etc., to be informed of the Company's information, both financial and general information, with accuracy, completeness, and up-to-date compliance with laws or regulations for the investment decisions- making, toward a good image for the Company.
- 2.6. The Board of Directors ensures that the Company disclose the general information on the website or the annual report, either Thai and English formats, so that shareholders, investors, the public or interested parties can conveniently access the Company's information.

### Principle 8

#### Ensure Engagement and Communication with Shareholders

##### 1. Ensure Engagement and Communication with Shareholders

The Board of Directors ensure that shareholders have the opportunity to participate effectively in decision-making involving significant matters as well as ensuring that the disclosure of meeting resolutions and the preparation of minutes of the shareholders' meeting are accurate and complete in accordance with basic rights.

- 1.1. The Board of Directors emphasizes the preservation of shareholders' rights and promote the exercise of rights, covering basic rights, includes trading or transferring of shares, having the profit sharing of the business, obtaining sufficient information, including the right to attend and vote at the Shareholders' meeting to appoint or remove directors and appoint an auditor. This includes other matters that affect the Company, such as dividend allocation, capital reduction or increase, approval of connected transactions, defining or amending the Articles of Association and Memorandum of Association, etc. The Company will not take any action that violates or diminishes the rights of shareholders.
- 1.2. The Board of Directors oversees and facilitates shareholders to receive complete information about the Company via the Company's website that shareholders or general investors can access easily, conveniently and quickly, for example: the Company's performance, explanation and analysis of financial statements, trust rating results, and minutes of the Shareholders' Meeting, etc.

## 2. Right to attend the shareholders' meeting and vote

- 2.1. The Board of Directors encourages all groups of shareholders, including retail and institutional investors, and foreign shareholders to attend the Annual General Meeting of Shareholders, which is scheduled to be held once a year within not more than four months from the end of the Company's fiscal year as required by law (or if there is an urgent need, the Board of Directors may hold an extraordinary meeting of shareholders on a case-by-case basis).
- 2.2. The Board of Directors ensures that the Company delivers the invitation letter both Thai and English formats, together with the Board of Directors' opinions in each agenda with information on the date, time, venue, it was provided with explanations or resolutions requested as specified in the notice of the meeting in advance, so that shareholders have sufficient information and time to consider. The notice of the Shareholders' Meeting and related papers should be fully translated into English and published on the Company's website at the same time as the Thai version in advance in a timely manner and sufficient for decision-making.
- 2.3. In the event that shareholders are unable to attend the meeting in person, the Board of Directors encourages shareholders to fully exercise their rights by providing proxy forms in which shareholders can cast their votes. At least one independent director shall be nominated as an alternative for proxy of shareholders.
- 2.4. In the Shareholders' Meeting, the Board of Directors ensures that the Company to set up proper procedures by promoting the use of technology for shareholder registration, vote counting, and results display, so that the meeting can be carried out easily, fast, and accurate.
- 2.5. The Chairman of the Board of Directors, Chairman of Sub-Committees, Directors and Sub-Committees are responsible for attending the Shareholders' Meeting to answer questions and provide information to shareholders.
- 2.6. In the Shareholders' Meeting, the Chairman of the Meeting shall inform the rules and regulations used in the meeting, including voting procedures and resolutions for each agenda by allocating appropriate time and encouraging shareholders to have the opportunity to fully express their opinions and ask questions at the meeting on matters related to the Company.
- 2.7. The Board of Directors ensures that an independent person/volunteer at the Shareholders' Meeting will be representative for counting vote by disclosing the voting results to the meeting, whereby the resolution of the meeting will be recorded in the minutes of the meeting
- 2.8. The Board of Directors ensures that a resolution is casted for each item in the event that there are several items on the agenda.
- 2.9. The Board of Directors ensures that the Company records the minutes of the Shareholders' Meeting accurately and completely with the name of attendance of directors and meeting attendees. The minutes shall include vote counting methods, displaying of results and voting results for each agenda of approval, disapproval and abstention as well as providing an opportunity for shareholders to be inquire, whereby questions asked and answers provided during the meeting shall be recorded in the minutes
- 2.10. The Board of Directors ensures that the Company discloses the resolutions of the Shareholders' Meeting on the Company's website on the next business day and publishes the minutes of the meeting in both Thai and English within 14 days from the date of the Shareholders' Meeting on the Company's website.

## 3. The Rights of Shareholders

The Company realizes the basic rights of shareholders as investors and as the owner of the Company, such as the right to buy, sell, transfer the securities, the right to receive profit sharing from the Company, the right to receive sufficient information, the right to attend Shareholders' Meetings, the right to express opinions, the right to participate in decision-making on important matters, such as the dividend allocation, appointment or removal directors, appointment of auditor, approval of important transactions that affect the direction of the Company's business, amendment to the Memorandum and Article of Association of the Company, etc.

## 6.2 Code of Conduct

The Board of Directors aims to conduct business correctly and fairly in accordance with the principles of good corporate governance. The Company has prepared the Code of Conduct and Business Ethics which is announced in writing ("Code of Conduct"), so that all directors, executives and employees are obligated to comply with, not neglect or ignore when encountering non-compliance with the Code of Conduct to show the intention to conduct business with transparency, morality, responsibility to stakeholders, social and environmental considerations. The Code of Conduct has been specified in various areas, such as treat each other, giving or receiving property, conflict of interest, the Company's transactions, government transactions, environment, health and safety, procurement, marketing communications, competition, doing international business, treatment of information and property, political action, etc.

The Company has announced and notified all directors, executives and employees to acknowledge the Code of Conduct as a good practice, so that promote transparency of corporate governance and create confidence among investors and related parties. The Board of Directors shall review the Code of Conduct annually for appropriateness and consistency with the business environment.

Code of conduct for business operations of the Company are as follows:

1. Respect international human rights laws and principles;
2. Political neutral;
3. Avoid any matters that cause conflicts of interest;
4. Do not disclose the Company's confidential information and do not use for personal gain;
5. Avoid the risk of providing factually inaccurate, misleading or incomplete information that may lead to misunderstanding;
6. Respect intellectual property;
7. Use information technology correctly;
8. Anti-corruption; and
9. Anti-money laundering

*(Additional details of the Code of Conduct is shown in the Attachment 5)*

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

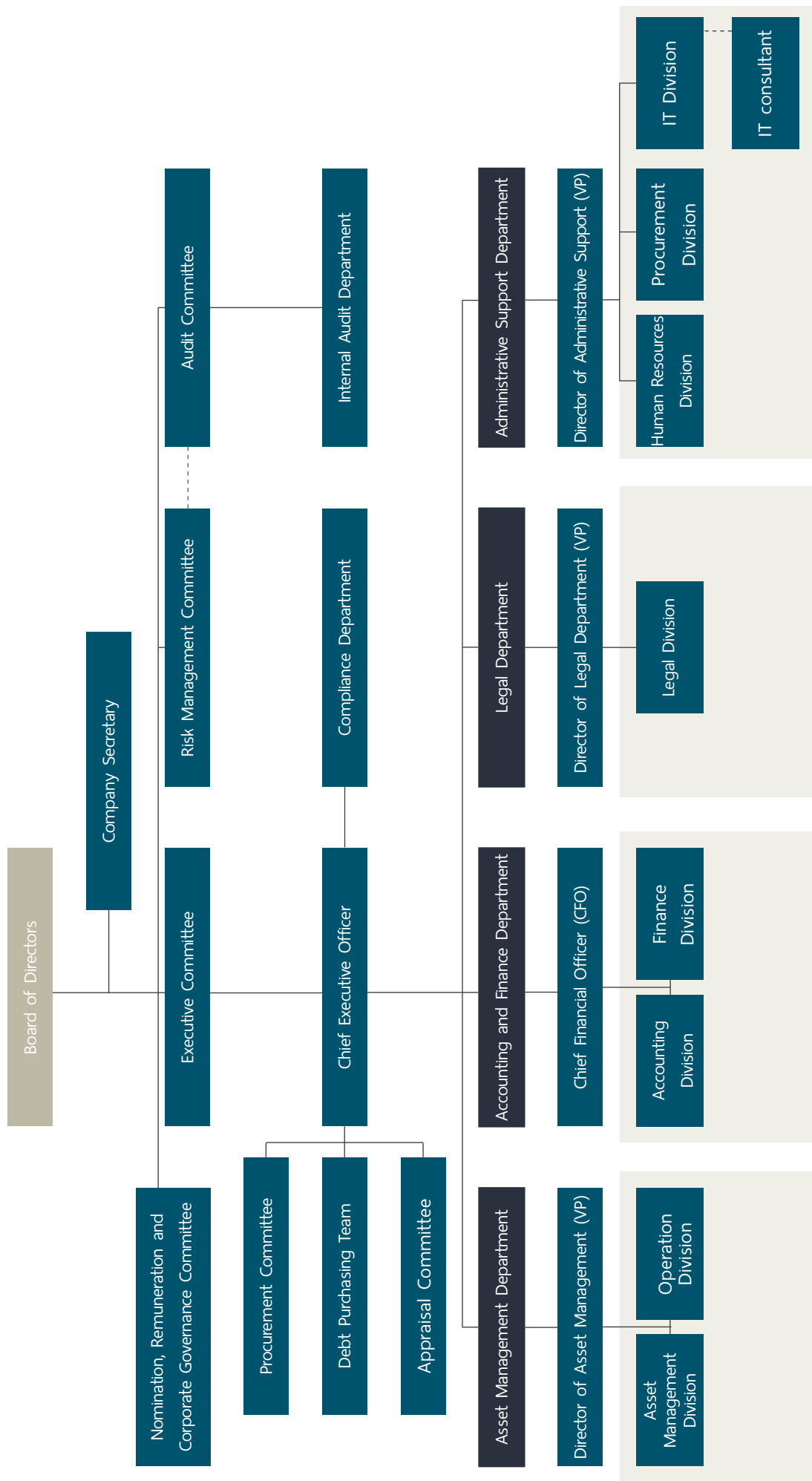
The Company regularly reviews and improves its Good Corporate Governance Policy to ensure that it is suitable for the Company in terms of nature of business, organization size, financial status, and practical application. The Board of Directors Meeting (Public Company) has reviewed the Good Corporate Governance Policy and the charter of the Board of Directors and sub-committees annually.



# 7. Governance Structure and Key Data on the Board of Directors, Sub-Committees, Executives, Employees and Others

## 7.1 Governance Structure

As of December 31, 2022, the Company's corporate governance structure is as follows:



As of December 31, 2022, the Company's corporate governance structure consists of the Board of Directors and 4 sub-committees, namely (1) Audit Committee (2) Executive Committee (3) Risk Management Committee and (4) Nomination, Remuneration and Corporate Governance Committee as the aforementioned diagram.

The Company's corporate governance structure states that the Board of Directors shall balance and monitor the work of the management. The Board of Directors is determined to consist of independent directors according to the announcement of the Capital Market Supervisory Board, numbering 4 out of the total 8 members of the Board of Directors, which is not less than one-third of the total number of the Board of Directors and not less than 3 persons. There is an Audit Committee consisting of 3 members who are independent to perform duties as specified in the announcement of the Capital Market Supervisory Board and the regulations of the Stock Exchange of Thailand.

In this regard, all directors and executives are fully qualified and do not possess any prohibited characteristics or indicating inappropriateness to be entrusted with managing a publicly held business under the Public Limited Company Act. 2535 (as amended), Securities and Exchange Act B.E. 2535 (as amended) and related notifications of the Capital Market Supervisory Board including the Emergency Decree on Asset Management Company B.E. 2541 and related Bank of Thailand notifications.

## 7.2 The Board of Directors

### 7.2.1 The Board Composition

- The Board of Directors consists of 4 independent directors out of the total 8 members of the Board of Directors, representing 50% of the total number of the Board of Directors.
- The Board of Directors consists of 6 non-executive directors out of the total 8 members of the Board of Directors, accounting for 75% of the total number of the Board of Directors.
- The Chairman of the Board is an independent director, held by different individuals with the Chief Executive Officer. Therefore, he performs his duties independently and has a clear separation of duties and responsibilities.
- The Board of Directors consists of 1 female director out of the total 8 members of the Board of Directors, representing 12.5% of the total number of the Board of Directors.

### 7.2.2 The Board Information and the Authorized Director

As of December 31, 2022, the Board of Directors consists of 8 members as follows:

Name	Position
1. Mr. Manit Nitiprateep	Chairman of the Board / Independent Director / Member of Audit Committee
2. Mr. Prin Bholnivas	Director / Independent Director / Chairman of the Audit Committee
3. Mr. Boonyong Tansakul	Director / Independent Director / Member of Audit Committee / Chairman of the Risk Management Committee / Chairman of the Nomination, Remuneration and Corporate Governance Committee
4. Mr. Prasopchoke Aranyakanon	Director / Independent Director / Member of the Nomination, Remuneration and Corporate Governance Committee
5. Mr. Suchart Boonbanjerdski <sup>2/</sup>	Director / Chairman of Executive Committee / Member of the Nomination, Remuneration and Corporate Governance Committee
6. Mr. Kanokkit Navasiri <sup>1/</sup>	Director / Member of Executive Committee / Member of Risk Management Committee
7. Mr. Tawee Kullertprasert <sup>2/</sup>	Director / Member of Executive Committee / Member of Risk Management Committee / Chief Executive Officer
8. Ms. Panittra Akarawinek <sup>2/</sup>	Director / Member of Executive Committee / Member of Risk Management Committee / Chief Financial Officer / Company Secretary

Remark: Ms. Areerat Sornnarin has been appointed as an Accountant and is not considered a director and executive as defined in the SEC's announcement.

1/ Such person was appointed as the Company's director by the 2022 Annual General Meeting of Shareholders held on March 15, 2022.

2/ Such person is an Authorized Director.

Mrs. Tipwadee Jitrungphakorn is the Secretary of the Board of Directors.

## **Authorized Director**

Mr. Suchart Boonbanjerd Sri, Mr. Tawee Kullertprasert, and Ms. Panittra Akarawinek, two out of three directors are authorized to collectively sign with the Company's seal affixed.

### **7.2.3 Roles, Duties, and Responsibilities**

#### **Roles, Duties, and Responsibilities of Chairman of the Board**

The Chairman of the Board is responsible for supervising and monitoring the performance of the Board of Directors to ensure efficiency and achievement of the organization's objectives and main goals. Promote corporate culture with ethics and good corporate governance, as well as encourage directors to exercise prudent judgment and express independent opinions. Meanwhile, the Chairman of the Board acts as the Chairman of the Board of Directors' Meeting and the Chairman of the Shareholders' Meeting.

#### **Roles, Duties, and Responsibilities of the Board of Directors**

- To consider and approve the vision, mission, policy and business strategy of the Company to ensure that the Company operates in the best interests of shareholders and stakeholders in the long run under expertise and ethics in operations.
- Monitoring, evaluating, and supervising the performance reports of the management in order to check, balance, and take responsibility for the Company's performance to shareholders.
- To establish objectives, core goal, short-term goals, visions, principles and business models that create value for the business in order to be sustainable, ethical, respecting rights and being responsible to shareholders and stakeholders for the benefit of society.
- To establish strategies, operational policies, and approve work plans and budgets, as well as allocate key resources to achieve objectives and goals to be able to compete with good operating results, taking into account medium- and long-term impacts, adaptable under changing factors
- Follow up, evaluate, and supervise the reporting of the business performance as well as the strategy of the business to be consistent with the objectives and core goals by creating value for the business, society and stakeholders as a whole.
- To supervise the directors and executives to perform their duties responsibly, cautiously and honestly to the organization and ensure that the operations are in accordance with the laws, regulations, resolutions of the Board of Directors' Meeting and resolutions of the Shareholders' Meeting.
- To create and drive an ethical corporate culture, behave as a role model as a leader in corporate governance.
- To demonstrate a thorough understanding of scopes, duties, and responsibilities of the Board of Directors. Clearly define the roles and responsibilities of Executive Committee, Chief Executive Officer, and management and monitor the proper performance of its duties.
- To consider and approve the defining of principles, policies and operational guidelines for directors, executives and employees, such as Corporate Governance Policy, Risk Management Policy, Investment Policy, Business Ethics, Data Usage Control Policy, Charter, Company Articles of Association, and Anti-Corruption Policy, etc.
- To supervise the business according to the principles of good corporate governance (CG Code) in order to create sustainable value for the business.
- To consider and approve the appointment of the Audit Committee, Board of Directors, other committees as appropriate. Also, the Chief Executive Officer presented by the Nomination, Remuneration and Corporate Governance Committee, including determining the scope of authority, duties, and considering and approving the remuneration of the Chief Executive Officer.
- In the event that the Board of Directors assigns the Executive Committee, Sub-Committees, Chief Executive Officer or any other person to act on behalf of the Board of Directors on any matter. Such assignment shall be made in writing or clearly recorded as a resolution of the Board of Directors in the minutes of the Board of Directors' Meeting. The scope of authority and duties of the attorney is clearly specified.

- However, such delegation shall not be in the manner that the Executive Committee, sub-committees, and the Chief Executive Officer can consider and approve transactions that may have conflicts of interest with any other interests made with the Company or its subsidiaries (if any). Unless the approval of the transaction is in accordance with the policies and criteria considered and approved by the Board of Directors.
- The Board of Directors may authorize one or more directors or any other persons to act on behalf of the Board of Directors under the control and supervision of the Board of Directors. Or may authorize such person to have power within the period that the Board of Directors deems appropriate. The Board of Directors may cancel, revoke, change or amend such authorization as it deems appropriate.
- However, such delegation shall not be in the manner that the person can consider and approve the transaction in which he/she may have conflicts of interest, or there may be any other conflicts of interest made with the Company or its subsidiaries (if any). Unless it is an approval of an ordinary business transactions and in accordance with general commercial conditions or in accordance with policies and criteria considered and approved by the Board of Directors. This is subject to the rules, conditions and procedures prescribed in relation to connected transactions and acquisition or disposal of important assets of listed companies under the Notification of the Capital Market Supervisory Board and/or any other announcements of relevant agencies.
- The Shareholders' Meeting shall be held as an Annual General Meeting within 4 months from the end of the Company's fiscal year, including delivering documents to invite Shareholders' Meetings.
- Hold at least 6 Board of Directors per year and preferably a full meeting when considering resolutions on significant matters or transactions, the significant items should include; an acquisition or disposal of assets of the Company and its subsidiaries that impact on the Company significantly, property purchases or sales transactions, investment project expansion, consideration and approval of connected transactions according to the rules of the Stock Exchange of Thailand, and determining the level of operational authority and policies for financial management and risk management of the business, etc.
- To ensure that there is a clear and transparent process and management regarding the transactions between the Company and connected persons, and the acquisition or disposition of the Company's assets to prevent conflicts of interest. There must be a transaction approval process as well as information disclosure in accordance with the rules and procedures prescribed in the Securities and Exchange Act B.E. 2535 (as amended) ("Securities Act") as well as the rules and regulations of the Stock Exchange of Thailand.
- To establish reliable accounting, financial reporting and auditing systems, as well as maintain a document storage system that can verify the correctness of information later with effective and efficient internal control, internal audit and risk management.
- To arrange for financial statements at the end of the accounting period of the Company in order to present the financial position and operating results of the previous year accurately, completely, and correctly in accordance with the generally accepted financial reporting standards and audited by the Company's certified auditor and reviewed by the Audit Committee before proposing to the Shareholders' Meeting for consideration and approval.
- Directors and executives are requested to report the Company on their own interests or related persons, which are related to the management of the Company or its subsidiaries in accordance with the rules, conditions and procedures prescribed by the Capital Market Supervisory Board.
- Directors and executives shall be jointly liable to persons trading the Company's securities for any damages arising from disclosure of information to shareholders or public with materially false statements or concealing material facts that should have been disclosed as required by the Securities and Exchange Act. Unless such directors and executives can prove that their positions are unable to know the information or the lack of information that should be disclosed.

## 7.3 Sub-Committees

### 7.3.1 Audit Committee

As of December 31, 2022, the Audit Committee consists of 3 Audit Committee members, all of whom are independent directors with complete qualifications as specified by the Company. (Additional detail on the qualification of Audit Committee are shown in the Section 2.3 (8) Corporate Governance Milestones) The details are as follows:

Name	Position
1. Mr. Prin Bholnivas	Chairman of the Audit Committee / Independent Director
2. Mr. Manit Nitiprateep	Member of Audit Committee / Independent Director
3. Mr. Boonyong Tansakul	Member of Audit Committee / Independent Director

Mrs. Tipwadee Jitrunghakorn is the Secretary of the Audit Committee.

In this regard, Mr. Prin Bholnivas, the Chairman of the Audit Committee, has knowledge and experience in reviewing the reliability of financial statements. He graduated with a Master's degree in Accounting (M.B.A.) from the University of Wisconsin - Madison (USA) and Bachelor's Degree in Accounting (B.B.A.) from Thammasat University with more than 30 years of experience in accounting and finance.

#### Roles, Duties, and Responsibilities of the Audit Committee

- To ensure the accurate and reliable financial reports, as well as adequate information disclosure by coordinating with auditors and executives who are responsible for preparing both quarterly and annual financial reports in order to comply with financial reporting standards.
- To consider and approve the quarterly and annual review of financial information by a certified public accountant prior submit to the Stock Exchange of Thailand.
- To ensure the Company has an appropriate and effective internal control system and internal audit system. Review and provide opinions on the internal audit plan and consider the independence of the internal audit department as well as approve the appointment, transfer, termination and annual performance evaluation of the head of the internal audit department or any other department responsible for internal auditing.
- To report the results of the internal audit to the Board of Directors on a quarterly basis, stating the opinions of the Audit Committee on various internal audit matters, adequacy of the internal control system and other reports.
- To review the efficiency and effectiveness of good corporate governance and risk management processes.
- To consider, select, nominate, appoint, and terminate the Company's auditors, recommend remuneration of the Company's auditor to the Board of Directors to consider before proposing for approval at the Shareholders' Meeting, and at least once a year, attend the private meeting with an auditor without management
- The Audit Committee shall attend a meeting with the Shareholders' Meeting to clarify matters concerning the Audit Committee or the appointment of the auditor.
- To review the Company's compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand and the laws related to the Company's business.
- To review connected transactions or transactions that may have conflicts of interest to ensure compliance with the laws and regulations of the Stock Exchange of Thailand. This is to ensure that such transactions are reasonable and in the best interests of the Company and to consider the disclosure of information in accordance with the laws and regulations of the Stock Exchange of Thailand.
- To review the appropriateness of the implementation of the self-assessment form regarding anti-corruption measures in entering Certification Process signed by the Chairman of the Audit Committee.



- To review and comment on policies related to good corporate governance of the Company; this includes but is not limited to the Conflict of Interest Policy, Connected Transactions Policy, Environmental, Social and Governance Responsibility Policy, Anti-Corruption Policy, Risk Management Policy, and Insider trading Policy
- To investigate facts and progress of complaints, which imply corruption received by the Audit Committee through the process of complaints and whistleblowing according to anti-corruption measures, protection and fairness policy to informers or whistleblowers about corruption or non-compliance with laws, rules and regulations of the Company. and code of conduct for business operations of the Company.
- To perform any other tasks as assigned by the Board of Directors and approved by the Audit Committee, such as reviewing financial management and Risk Management Policy, compliance with the business ethics of the executives, and reviewing with the Company's executives in the important reports that shall be presented to the public as required by law, such as Management discussion and analysis (MD&A), etc.
- To prepare a report of the Audit Committee to be disclosed in the Company's annual report signed by the Chairman of the Audit Committee and shall contain at least the following information:
  1. Opinions on the accuracy, completeness and credibility of the Company's financial reports.
  2. Opinions on the adequacy of the Company's internal control system.
  3. Opinions on compliance with the Securities and Exchange Act and requirements of the Stock Exchange of Thailand or laws related to the Company's business.
  4. Opinions on the suitability of an auditor.
  5. Opinions on transactions that may have conflicts of interest.
  6. The number of Audit Committee's Meetings and the attendance of such meetings by each member of the Audit Committee.
  7. Opinions or overall observations received by the Audit Committee from performing their duties according to the Audit Committee Charter.
  8. Any other reports that shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.
- When the Audit Committee is notified by the auditor in the case of suspicious circumstances that the Chief Executive Officer or any person responsible for the Company's operations has committed an offense under the Securities and Exchange Act. The Audit Committee shall report the results of the preliminary audit to the Board of Directors within 30 days from the date of notification from the auditor before reporting to the Securities and Exchange Commission.
- In performing the duty of the Audit Committee, if there is the following transaction or act which could extremely affect the Company's financial position and the Company's performance. The Audit Committee shall report to the Board of Directors for improvements within the period of time that the Audit Committee deems appropriate.
  1. Transaction which leads to conflict of interest
  2. Dishonest, extremely unusual or remiss internal control system
  3. Breaking the securities and exchange law, regulations of the exchange or laws relating to business of the Company

In the event that the Audit Committee has reported such transactions and has discussed with the Board of Directors and executives that improvements must be made within the specified period. If the Board of Directors or management fails to make a corrective action without reasonable grounds, one of the Audit Committee members may report the findings directly to the Securities and Exchange Commission or the Stock Exchange of Thailand.

- To consider and approve the Audit Committee Charter before proposing to the Board of Directors for approval and reviewing the suitability at least once a year.
- To consider and review the qualifications of the person assigned to Chief Financial Officer (CFO) / Accountant in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- To summarize the duties of the Audit Committee to the Board of Directors.

### 7.3.2 Executive Committee

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

Name	Position
1. Mr. Suchart Boonbanjerd Sri	Chairman of Executive Committee
2. Mr. Tawee Kullertprasert	Member of Executive Committee
3. Ms. Panittra Akarawinek	Member of Executive Committee
4. Mr. Kanokkit Navasiri <sup>1/</sup>	Member of Executive Committee

Remark: 1/ Such person was appointed as an Member of Executive Committee by the Board of Directors Meeting No. 7/2020 on November 12, 2020

Mrs. Tipwadee Jitrunghakorn is the Secretary of the Executive Committee.

#### Roles, Duties, and Responsibilities of the Executive Committee

- To propose goals, policies, business plans, including business strategies and annual budgets of the Company, business expansion, financial planning, as well as consideration of management proposals to the Board of Directors for further approval.
- To consider policies and business plans of the Company as proposed by the Chief Executive Officer to present to the Board of Directors. Whereby, supervising the business operations and monitor the Company's performance in accordance with the policies, work plans, targets and budget approved by the Board of Directors with efficiency and effectiveness.
- To consider and approve important investment expenditures specified in the annual expenditure budget as assigned by the Board of Directors or as approved by the Board of Directors in principle.
- Approve any actions according to the Authorities of Table approved by the Board of Directors.
- To consider the Company's performance, the proposed interim dividend or annual dividend payment, and the allocation of profit as a legal reserve to the Board of Directors for consideration before proposing to the Shareholders' Meeting for further approval.
- To consider and approve policies, rules and regulations for work and operations of the Company.
- To consider and approve the annual manpower plan, the increase of manpower during the year of executive personnel, the human resource management for executives, and approve the Company's annual bonus to present to the Board of Directors.
- Have the power to authorize one or more persons to perform any task under the supervision of the Executive Committee, or may authorize such person to have power for a certain period of time as the Committee deems appropriate, which may cancel, revoke, change or amend the person authorized or authorized as it deems appropriate.

However, the delegation of authority and responsibilities of the Executive Committee shall not be the delegation or sub-delegation that allows the authorized person of the Executive Committee approve transactions that he/she may have conflicts of interest with the Company, subsidiaries and / or related companies. The aforementioned issues shall be presented to the Audit Committee and/or the Board of Directors (depending on the case) for consideration and approval. The Executive Committee and persons who may have conflicts will not have the right to vote in the Board of Directors' Meeting on such matter. Unless it is an approval of an ordinary business transactions and in accordance with general commercial conditions according to the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies

- To strengthen and drive employee motivation, as well as determine appropriate employee welfare benefits.
- To perform other duties as occasionally assigned by the Board of Directors.

### 7.3.3 Risk Management Committee

As of December 31, 2022, the Risk Management Committee consists of 5 members as follows:

Name	Position
1. Mr. Boonyong Tansakul	Chairman of Risk Management Committee
2. Mr. Kanokkit Navasiri	Member of Risk Management Committee
3. Mr. Tawee Kullertprasert	Member of Risk Management Committee
4. Ms. Panittra Akarawinek	Member of Risk Management Committee
5. Mr. Kobi Boonbanjerd Sri	Member of Risk Management Committee

Mr. Warut Horsuwan is the Secretary of the Risk Management Committee

#### Roles, Duties, and Responsibilities of the Risk Management Committee

- To consider and propose a Risk Management Policy and define a risk management framework to cover 4 areas, namely Financial Risk, Operational Risk, Strategic Risk, and Compliance Risk and propose to the Board of Directors for consideration and approval.
- To consider, review, and approve the Risk Appetite or Risk Tolerance from the acceptable risk level and present to the Board of Directors for approval.
- Corporate governance, development and implementation of risk management frameworks and policies on an ongoing basis, enabling the Company have an efficient risk management system throughout the organization and continually comply with the specified measures.
- To review the risk management report to monitor material risks to ensure that the organization has adequate and appropriate risk management.
- To coordinate with the Audit Committee on significant risks together with the Internal Audit Office as an auditor to ensure that the Company has an appropriate internal control system to the risk management, including the risk management system has been appropriately applied and implemented throughout the organization.
- To prepare, revise and update the Enterprise Risk Management Manual to be proposed to the Board of Directors' Meeting for consideration and approval.
- To report to the Board of Directors on the key risks and risk management regularly, at least once a quarter.
- To provide advice and consultation to the Sub Risk-Management Committee (SRAM) (if any) and/or working groups related to risk management as well as considering appropriate guidelines to correct various information relating to the development of the Company's risk management system.
- To consider and approve sub-committee and/or additional personnel, or substitute in the Risk Management Sub-Committee (if any) and/or working groups related to risk management as appropriate, including determining the roles, duties and responsibilities of the working group for the benefit of its objectives.
- Any other operations related to risk management assigned by the Board of Directors.

#### 7.3.4 Nomination, Remuneration and Corporate Governance Committee

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

Name	Position
1. Mr. Boonyong Tansakul	Chairman of the Nomination, Remuneration and Corporate Governance Committee
2. Mr. Suchart Boonbanjerd Sri	Member of the Nomination, Remuneration and Corporate Governance Committee
3. Mr. Prasopchoke Aranyakanon	Member of the Nomination, Remuneration and Corporate Governance Committee

Mrs. Watcharaporn Kanchanaphi is the Nomination, Remuneration and Corporate Governance Committee

#### Roles, Duties, and Responsibilities of the Nomination, Remuneration and Corporate Governance Committee

- To promote the Company's good corporate governance by establishing criteria and policies for recruiting and determining remuneration for Company directors, sub-committees and the Chief Executive Officer.
- To consider, recruit, and propose the suitable persons to serve as directors, sub-committees and Chief Executive Officer.
- To review and determine the remuneration for Company directors, sub-committees, and the Chief Executive Officer in an appropriate, transparency, and fairness manner to create confidence among shareholders and stakeholders.
- To formulate a criterion for strengthening the Company's internal operations with efficiency, transparency, credibility and accountability.
- To create knowledge and understanding of good corporate governance principles, and supervise directors, executives, and employees in the organization to properly comply and create awareness in realizing the importance to practice.
- To consider the policy, criteria, and guidelines for the recruiting qualified person to serve as the Company's director, sub-committee and Chief Executive Officer, including nominating qualified persons to present to the Board of Directors' Meeting and/or the Shareholders' Meeting for consideration and appointment.
- To consider review the policy and criteria on remuneration and benefits for Company's directors, sub-committees and Chief Executive Officer.
- To consider the remuneration of directors, sub-committees, and the Chief Executive Officer by comparing with the similar industry, experiences, duties, scope of roles and responsibilities, business expansion, financial position, performance, and in accordance with the strategy and long-term goals of the Company in order to motivate management and to retain qualified persons.
- To propose the Board of Directors' Meeting to consider and propose the determination of remuneration and benefits for directors and sub-committees to the Shareholders' Meeting for further approval, on an annual basis.
- To propose the Board of Directors' Meeting to consider and approve the remuneration and benefits of the Chief Executive Officer.
- To propose the Board of Directors the criteria, methods, and procedures for evaluating the performance of Company directors, sub-committee, and Chief Executive Officer.
- To provide a development project for the Company's directors, sub-committee, and Chief Executive Officer as well as the succession plan of executives and review such projects and plans annually.
- To supervise the orientation of new directors to understand roles, duties and responsibilities, as well as to provide information about the Company's policies and business practices.
- To consider and establish the Corporate Governance Policy, which includes but is not limited to Anti-Corruption Policy, including business ethics requirements as well as to consider, review, and revise such policies on a regular basis, then presented to the of the Audit Committee's Meeting and/or at the Board of Directors' Meeting.

- To provide advice to the Board of Directors and the management to ensure that their operations are in accordance with good corporate governance and anti-corruption principles.
- To support the dissemination of culture and good governance activities.
- To appoint working groups to perform relevant duties as necessary and appropriate.
- To perform any other tasks as assigned by the Board of Directors.

## 7.4 Executive Management

### 7.4.1 Names of Executives

As of December 31, 2022, the executives consist of 5 members as follows:

Name	Position
1. Mr. Tawee Kullertprasert	Chief Executive Officer
2. Ms. Panittra Akarawinek	Chief Financial Officer
3. Mr. Kobi Boonbanjerd Sri	Director of Asset Management
4. Mr. Prakrit Prasertying	Director of Legal Department
5. Mrs. Watcharaporn Kanchanaphi	Director of Administrative Support

### Roles, Duties, and Responsibilities of the Chief Executive Officer

- To supervise operations of the Company as a whole in accordance with the objectives of business operations as assigned by the Board of Directors. It also carries out and performs missions as assigned by the Board of Directors and in accordance with the policies of the Board of Directors, issuing regulations, announcements, memorandums to ensure that the operations are in accordance with the policies of the Board of Directors.
- To formulate strategies and business plans present to the Board of Directors, to operate in order to achieve the goals according to the strategies and business plans approved by the Board of Directors and/or authorization for general commercial conditions, this include transactions in which the Chief Executive Officer is authorized by the Board of Directors to seek new business opportunities and investments related to the core business of the Company. To use of property rights, any other rights and assets of the Company to create any obligations with juristic persons or financial institutions present to the Board of Directors for approval. To approve the payment of normal operating expenses in the amount approved by the Board of Directors, the significant investment expenditures that are specified in the annual expenditure budget or that are approved in principle by the Board of Directors, and approved connected transactions that are general commercial conditions under policies approved by the Board of Directors.
- To coordinate with executives and employees to comply with policies and business directions by the Board of Directors, supervise the work of employees in accordance with various policies and regulations including operating with good governance principles. To promote development of knowledge, competence and potential of employees to increase the potential of the organization as a whole. To approve the appointment, transfer and dismissal of employees and workers at all levels.
- To provide an appropriate internal control system in accordance with the guidelines, an appropriate risk management, and control systems in accordance with the guidelines assigned by the Audit Committee and /or Board of Directors.
- To consider and appoint consultants necessary for the operation, including having the power to sub-delegate and/or assign other people to perform specific tasks on their behalf, such sub-delegation and/or delegation is within the scope of delegation of power of attorney provided and/or in accordance with the rules, regulations or orders set by the Board of Directors.
- To perform any other tasks as assigned by the Board of Directors in accordance with the relevant announcements, regulations, and rules of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand.

## **Roles, Duties, and Responsibilities of the Company Secretary**

- To coordinate various actions to arrange Shareholders' Meetings and Board of Directors' Meeting in accordance with the principles of good corporate governance, the law, the Company's regulations, and other relevant laws.
- To notify relevant executives of the resolutions and policies of the Board of Directors and shareholders and follow up on the implementation of such resolutions and policies.
- Record the minutes of the Shareholders' Meeting, the Board of Directors' Meeting.
- Prepare and maintain important documents including but not limited to:
  1. Director Registration;
  2. Report on conflicts of interest reported by directors and/or executives;
  3. Report on shareholding and changes of shareholding of directors and executives, including their spouses and minor children (Form 59-1);
  4. Notice of the Board of Directors' Meeting and minutes of the Board of Directors' Meeting;
  5. Notice of Shareholders Meeting and minutes of Shareholders Meeting;
  6. Annual Report, 56-1 One Report; and
  7. To perform any other tasks as required by the Capital Market Supervisory Board.
- To submit a copy of the report on interest under Section 89/14 of the Securities Act to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date the Company receives the report.
- To summarize reports on shareholding and changes of shareholding to the Board of Directors' Meeting for acknowledgment on a quarterly basis.
- Supervise the disclosure of information and information reports in the part responsible to regulatory agencies in accordance with the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant regulatory agencies.
- To provide specific advice and preliminary recommendations to the directors on issues related to laws, rules and regulations of the Company and good corporate governance practices and ensure that they are properly and consistently followed, including reporting significant changes to the Board of Directors.
- To coordinate with the orientation and provide advice on serving the position of the newly appointed directors.
- To supervise the Corporate Secretary's Office to be Corporate Records, such as juristic person registration, memorandum, articles of association, shareholder register, etc.
- To supervise the activities of the Board of Directors and perform other matters as required by law or as assigned by the Board of Directors or as specified by the Capital Market Supervisory Board.
- The Company Secretary shall perform duties with responsibility, caution, and honesty and shall perform duties in accordance with the laws, objectives, regulations of the Company, as well as resolutions of the Board of Directors and resolutions of the Shareholders' Meeting.



## 7.4.2 Remuneration of the Directors and Executives

### 7.4.2.1 Remuneration Policy for Directors and Executives

The Company states its policy to determine remuneration for directors, sub-committees and the Chief Executive Officer by requiring appropriate remuneration by considering various factors, namely knowledge, skills, work experience, and responsibilities as well as industry practices for companies of similar size to the Company. The Nomination, Remuneration and Corporate Governance Committee will determine the remuneration and propose to the Board of Directors and the Shareholders' Meeting for approval (Depending on the case).

### 7.4.2.2 Remuneration of Directors

#### Monetary Remuneration

The 2022 Annual General Meeting of Shareholders held on March 15, 2022 resolved to determine the remuneration for the Board of Directors and Sub-Committees for the year 2022 as follows:

	Meeting Allowance (Baht/Person/Meeting)	
	Chairman	Director
Board of Directors	25,000	12,000
Audit Committee	12,000	10,000
Executive Committee	12,000	10,000
Risk Management Committee	12,000	10,000
Nomination, Remuneration and Corporate Governance Committee	12,000	10,000

Directors and Sub-Committees who receive basic salary as executives will not receive remuneration as directors and/or sub-committees; it is applicable only for the meeting allowance. In case there is more than 1 meeting per month, the Company will pay the meeting allowance only once.

#### Non-Monetary Remuneration

- None -

Details of Monetary Remuneration of Directors for the year ended December 31, 2022

	For the year ended December 31, 2022					
	Board of Directors	Audit Committee	Executive Committee	Risk Management Committee	Nomination, Remuneration and Corporate Governance Committee	Total
1. Mr. Manit Nitiprateep	200,000	40,000	-	-	-	240,000
2. Mr. Prin Bholnivas	100,000	50,000	-	-	-	150,000
3. Mr. Boonyong Tansakul	100,000	40,000	-	62,500	37,500	240,000
4. Mr. Prasopchoke Aranyakanon	100,000	-	-	-	30,000	130,000
5. Mr. Suchart Boonbanjerd Sri	87,500	-	137,500	-	30,000	255,000
6. Mr. Tawee Kullertprasert	-	-	-	-	-	0
7. Ms. Panittra Akarawinek	-	-	-	-	-	0
8. Mr. Kanokkit Navasiri	75,000	-	110,000	78,000	-	263,000
9. Mr. Kobi Boonbanjerd Sri	-	-	-	-	-	0
<b>Total</b>	<b>662,500</b>	<b>130,000</b>	<b>247,500</b>	<b>140,500</b>	<b>97,500</b>	<b>1,278,000</b>

### 7.4.2.3 Remuneration of Executives

#### Monetary Remuneration

Executives will receive monetary remuneration in the form of salary, bonus, social security fund, provident fund, and other compensation. In the event that an executive holds a director position in the Board of Directors and/or sub-committees, such executive will receive remuneration as an executive only without remuneration in the form of meeting allowances for the Board of Directors and/or sub-committees.

The Company paid monetary remuneration to executives in 2020-2022 as follows:

(Million Baht)	2020	2021	2022
Basic Salary and Bonus	6.09	9.28	9.31
Social Security and others	0.66	0.14	0.60
Total Monetary Compensation	6.75	9.42	9.91
Number of Executives (Person)	3	5	5

#### Others Remuneration

Executives receive other benefits and welfare according to the Company's regulations as well as employees, such as health insurance, accident insurance, etc.

### 7.5 Personnel

As of December 31, 2020, December 31, 2021, and December 31, 2022, the Company has employees (excluding executives) totalling 13 people, 14 people, and 16 people, respectively, with following details:

	December 31, 2020	December 31, 2021	December 31, 2022
Asset Management Department	4	3	4
Accounting and Finance Department	3	3	3
Legal Department	2	2	3
Administrative Support Department	4	5	4
Corporate Governance Department	-	1	1
Company Secretary	-	-	1
Total	13	14	16

#### Remuneration of Personnel

Employees receive remuneration in the form of salary, bonus, social security, provident fund, and other in 2022 total amount 8.02 million baht, in 2021 total amount 7.32 million baht, and in 2022 total amount 10.05 million baht.

## 7.6 Other Key Information

### 7.6.1 Responsible Executives

#### Accounting Supervisor

The Company appointed Ms. Areerat Sornnarin as the Accountant responsible for controlling the accounting of the Company from July 15, 2022. Ms. Areerat Sornnarin is a person who has complete qualifications according to the rules of the SEC office and the SET.

(Additional details of the Accounting Supervisor is shown in the Attachment 1)

#### Company Secretary

The Board of Directors' Meeting No. 8/2022 held on November 14, 2022 resolved to appoint Mrs. Tipwadee Jitrunghakorn as the Company Secretary with the latest version of the duties and responsibilities of the Company Secretary. The details are as follows:

- 1) To coordinate various actions to arrange Shareholders' Meetings and Board of Directors' Meeting in accordance with the principles of good corporate governance, the law, the Company's regulations, and other relevant laws.
- 2) To notify relevant executives of the resolutions and policies of the Board of Directors and shareholders and follow up on the implementation of such resolutions and policies.
- 3) Record the minutes of the Shareholders' Meeting, the Board of Directors' Meeting.
- 4) Prepare and maintain important documents including but not limited to:
  - 4.1) Director Registration;
  - 4.2) Report on conflicts of interest reported by directors and/or executives;
  - 4.3) Report on shareholding and changes of shareholding of directors and executives, including their spouses and minor children (Form 59-1);
  - 4.4) Notice of the Board of Directors' Meeting and minutes of the Board of Directors' Meeting;
  - 4.5) Notice of Shareholders Meeting and minutes of Shareholders Meeting;
  - 4.6) Annual Report, 56-1 One Report; and
  - 4.7) To perform any other tasks as required by the Capital Market Supervisory Board.
- 5) To submit a copy of the report on interest under Section 89/14 of the Securities Act to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date the Company receives the report.
- 6) To summarize reports on shareholding and changes of shareholding to the Board of Directors' Meeting for acknowledgment on a quarterly basis.
- 7) Supervise the disclosure of information and information reports in the part responsible to regulatory agencies in accordance with the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant regulatory agencies.
- 8) To provide specific advice and preliminary recommendations to the directors on issues related to laws, rules and regulations of the Company and good corporate governance practices and ensure that they are properly and consistently followed, including reporting significant changes to the Board of Directors.
- 9) To coordinate with the orientation and provide advice on serving the position of the newly appointed directors.
- 10) To supervise the Corporate Secretary's Office to be Corporate Records, such as juristic person registration, memorandum, articles of association, shareholder register, etc.
- 11) To supervise the activities of the Board of Directors and perform other matters as required by law or as assigned by the Board of Directors or as specified by the Capital Market Supervisory Board.
- 12) The Company Secretary shall perform duties with responsibility, caution, and honesty and shall perform duties in accordance with the laws, objectives, regulations of the Company, as well as resolutions of the Board of Directors and resolutions of the Shareholders' Meeting.

(Additional details of the Company Secretary is shown in the Attachment 1)

## Internal Audit

The Company outsources services to I VL Audit Company Limited as an internal audit service provider. IVL has assigned Ms. Valdi Sibunruang is the head of the internal audit of the Company.

(Additional details of the Internal Audit is shown in the Attachment 1)

### 7.6.2 Investor Relations

ชื่อ	: Mr. Tawee Kullertprasert and Ms. Panittra Akarawinek
ที่อยู่	: 285/1, Pradit Manutham Road, Wang Thonglang, Wang Thonglang, Bangkok 10310
เบอร์โทรศัพท์	: 02-957-5601-2
อีเมล	: ir@kccamc.com
เว็บไซต์	: www.kccamc.com

### 7.6.3 Audit Fee

In 2022, the Company paid for audit fees amounting to 2.00 million baht to EY Office Limited, an increase of 5.26% from the previous year.

The Company's auditor and the Company's audit firm are not shareholders, have no relationship or interest with the Company, directors, executives, major shareholders, controlling persons of the Company or persons related to such person in a manner that will affect the independent performance of duties.



## 8. Corporate Governance Milestones

### 8.1 Performance of the Board of Directors

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

The Nomination, Remuneration and Corporate Governance Committee determines the qualifications of those who will be elected as directors, sub-committee and Chief Executive Officer to ensure that such persons are able to perform their duties with care, responsibility and honesty, by screening qualified persons to the Board of Directors for consideration. Then, the Board of Directors will consider and propose to the shareholders' meeting to consider and approve the appointment of qualified persons to be the Company's directors.

The Board of Directors consists of 8 members, 4 of whom are Independent Directors, 6 are Non-Executive Directors and 3 are Executive Directors, with 1 Independent Director serving as the Chairman of the Board. The Board of Directors has performed its duties in accordance with policies, guidelines, and goals toward the utmost benefit of shareholders under the framework of good ethics by considering the interest of all stakeholders. In 2022, the Board of Directors held a total of 9 meetings.

#### Assessment of Directors' Performances

The Company has arranged for the assessment of various sub-committees, namely the Board of Directors, the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination, Remuneration and Corporate Governance Committee to comply with the corporate governance assessment criteria of Thai Institute of Directors Association (IOD), which has been assessed once a year. The assessment is an evaluation of individual committees (Self-assessment) and as a group committee (As a Whole) to assess the efficiency of the performance of every sub-committee with the following processes:

1. The sub-committee reviews the assessment form to ensure that it is accurate, complete and in accordance with the criteria established by the regulatory agency and the sub-committee's operational guidelines.
2. The secretary of the sub-committee summarizes and reports the assessment results of the sub-committees and improves the efficiency of operations.
3. The secretary of the Board of Directors reports the evaluation results of the sub-committees to the Board of Directors.

The results of the assessment in 2022 are as follows:

Committees	Self-assessment	Group-Assessment
Board of Directors	94	94
Audit Committee	99	99
Risk Management Committee	92	95
Executive Committee	98	97
Nomination, Remuneration and Corporate Governance Committee	92	91

The Company has summarized the assessment results of the Board of Directors and sub-committees for all directors to acknowledge and use as a framework for reviewing their duties, problems, and obstacles. Then, the assessment results will be used to analyze the performance of the directors as well as suggestions for further improvement and development.

### 8.1.2 Meeting Attendance and Remuneration of Individual Directors

- Board of Directors Meeting Attendance**

Summary of Board of Directors meeting attendance for the year 2021 and 2022

	Meeting attendance / Total (times)	
	2021	2022
1. Mr. Manit Nitiprateep	9/9	9/9
2. Mr. Prin Bholnivas	9/9	9/9
3. Mr. Boonyong Tansakul	9/9	9/9
4. Mr. Prasobchok Aranyakanon	9/9	9/9
5. Mr. Suchat Boonbanjerd Sri	9/9	8/9
6. Mr. Tawee Kullertprasert	9/9	9/9
7. Ms. Pranittra Akkarawinek	9/9	9/9
8. Mr. Kanokit Navasiri <sup>1</sup>	-	7/9 (7/7) <sup>2/</sup>

Remark:

1/ Such person was appointed as a director by the Extraordinary General Meeting of Shareholders No. 1/2022 on March 15, 2022

2/ Meeting attendance/Total meeting after being appointed as a director of the Company

### 8.1.3 Oversight of Subsidiaries, Associates Companies

The Board of Directors has approved the investment and governance policy in subsidiaries and associated companies to establish a framework and mechanism for direct and indirect governance over the policies and operations of subsidiaries and associated companies, as well as establishing measures to monitor performance in order to maintain the Company's investment benefits efficiently and sustainably.

As of December 31, 2022, the Company has no subsidiaries and/or associated companies.

### 8.1.4 Monitoring Compliance of Corporate Governance Policy and Guidelines

- Prevention of conflicts of interest**

The Company adheres to the principles of good corporate governance and emphasizes considering transactions with transparency for the utmost interests of the Company and its shareholders. The Company, therefore, attaches importance to the prevention of transactions that may cause conflicts of interest, connected transaction, or related transactions. Thus, the Board of Directors has approved the policy to prevent conflicts of interest as a guideline for everyone adheres and practice within the Company.

- Misuse of Inside Information**

The Board of Directors has approved a policy on the use of inside information to prevent the misuse of information that has not been disclosed to the public for the benefit of oneself or others. This ensures that investors and stakeholders of the Company receive reliable, equitable and timely information.

- Anti-corruption**

The Board of Directors' meeting has approved and reviewed the anti-corruption policy with the objective of showing transparency and accountability of the Company as well as aware of the serious threat of corruption that damages the performance, reputation and confidence of stakeholders and society as a whole toward the Company. The Company has a policy against all forms of corruption (Zero Tolerance), whether it is an action of the Company's personnel or persons related to the Company's business. Thus, directors, executives, employees, and related persons are prohibited to solicit, proceed, or accept corruption for the benefit of one self, family, friends, and acquaintances in all forms both directly and indirectly, covering all businesses, departments, i.e., government, and private sectors involved with the Company.



- **Whistleblowing**

The Board of Director's meeting has considered and approved the whistleblower policy for the employees or stakeholders who report clues about corruption or non-compliance with the laws, rules, principle, Company's regulation, and code of conduct for the Company's business operations in order to determine the complaint recipient, complaining methods, fact-checking process, whistleblower measures.

In this regards, the complaints will be treated as confidential and can be filed in more than one channel without revealing the identity of the complainant. However, self-disclosure will enable the Company to notify the results or additional details of the complaint.

## 8.2 Report on Performance of the Audit Committee during the Past Year

### 8.2.1 Audit Committee Meeting Attendance

Summary of Audit Committee meeting attendance for the year 2021 and 2022

	Meeting attendance / Total (times) <sup>1/</sup>	
	2021	2022
1. Mr. Prin Bholnivas	5/5	4/4
2. Mr. Manit Nitiprateep	5/5	4/4
3. Mr. Boonyong Tansakul	5/5	4/4

### 8.2.2 Performance of the Audit Committee

The Board of Directors' Meeting has approved the Audit Committee Charter, which establishes the scope of duties and responsibilities of the Audit Committee.

In this regard, the Audit Committee has the authority to invite directors, employees, or staffs to attend the meetings to discuss, clarify or answer questions in relation to their duties and responsibilities, consultation with experts or consultants of the Company (if any), or hiring a consultant or third-party specialists from time to time, if necessary, at the expense of the Company, asking for documents and evidence relating to the Company's business for the purpose of auditing or investigating various matters, assigning one or more employees or staffs of the Company to perform any act within the scope of duties of the Audit Committee for the purpose of auditing. In addition, to perform various actions as mentioned above in relation to the subsidiary as assigned or requested by the subsidiary as much as the authority and duty to perform.

When there is a change in the scope of duties and responsibilities of the Audit Committee, the Company shall report to the Stock Exchange of Thailand within 3 business days from the date of the resolution of the Board of Directors regarding such change according to the regulations of the Stock Exchange of Thailand.

## 8.3 Report on the Sub-Committee's Performance

### 8.2.3 Executive Committee

- **Executive Committee Meeting Attendance**

Summary of Executive Committee meeting attendance for the year 2021 and 2022

	Meeting attendance / Total (times) <sup>1/</sup>	
	2021	2022
1. Mr. Suchat Boonbanjerd Sri	13/13	13/15
2. Mr. Tawee Kullertprasert	13/13	15/15
3. Ms. Pranittra Akkarawinek	13/13	15/15
4. Mr. Kanockit Navasiri <sup>1</sup>	13/13	15/15

- **Performance of the Executive Committee**

The Board of Directors' meeting has approved the Executive Committee Charter, which defines the powers, duties and responsibilities of management in relation to the normal operations and management of the Company according to the objectives, regulations, policies, rules, requirements, orders, and resolutions of the Board of Directors Meeting and Shareholders Meeting. The duty of the Executive Committee is to screen and determine policies, business plans, budgets, management structures, and various administrative powers, as well as to establish criteria for conducting business to be consistent with economic conditions. Then proposed to the Board of Directors' meeting for approval as well as inspect and monitor the Company's performance according to the specified policy.

#### 8.2.4 Risk Management Committee

- **Risk Management Committee Meeting Attendance**

Summary of Risk Management Committee meeting attendance for the year 2021 and 2022

	Meeting attendance / Total (times) <sup>v</sup>	
	2021	2022
1. Mr. Boonyong Tansakul	4/4	6/6
2. Mr. Kanokit Navasiri	4/4	6/6
3. Mr. Tawee Kullertprasert	4/4	6/6
4. Ms. Pranittra Akkarawinek	4/4	6/6
5. Mr. Kobi Boonbanjersri	4/4	5/6

- **Performance of the Risk Management Committee**

The Board of Directors' meeting has approved the Risk Management Committee Charter, which establishes the scope of duties and responsibilities of the Risk Management Committee.

In this regard, executives/or risk management sub-committees and/or units and/or working groups related to risk management and/or internal auditors and/or auditors shall report or present relevant information and documents to the Risk Management Committee to support the achievement of the assigned duties.

#### 8.2.5 Nomination, Remuneration and Corporate Governance Committee

- **Nomination, Remuneration and Corporate Governance Committee Meeting Attendance**

Summary of Nomination, Remuneration and Corporate Governance Committee meeting attendance for the year 2021 and 2022

	Meeting attendance / Total (times) <sup>v</sup>	
	2021	2022
1. Mr. Boonyong Tansakul	3/3	3/3
2. Mr. Suchat Boonbanjersri	3/3	3/3
3. Mr. Prasobchok Aranyakanon	3/3	3/3

- **Performance of the Nomination, Remuneration and Corporate Governance Committee**

The Board of Directors' Meeting has approved the Nomination, Remuneration and Corporate Governance Committee Charter, which establishes the scope of duties and responsibilities of the Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee has the power to summon and/or order the management or relevant employees to provide opinions, attend the meetings, clarify information, or submit relevant and necessary documents for consideration. In addition, performing its duties within the scope of the its Charter, may seek advice from independent external consultants or other professional experts if it deems necessary and appropriate.

# 9. Internal Control and Connected Transaction

## 9.1. Internal Control

### 9.1.1. Opinions on the internal control system of the Board of Directors

The Company realizes the importance of a good internal control system, enabling efficient, transparent and verifiable operations with a check and balance mechanism. The Company has an Audit Committee to review the appropriateness and efficiency of the internal control and internal audit systems, as well as to review the Company's operations in compliance with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand and laws related to the business of the Company.

At the Board of Directors' Meeting No. 5/2022 held on August 10, 2022, which included 3 members of the Audit Committee in attendance. The Board of Directors has considered evaluating the adequacy of the Company's internal control system according to the internal control adequacy assessment form of the Securities and Exchange Commission by inquiring information from the management in 5 parts as follows:

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information and communication
- 5) Monitoring Activities

The Board of Directors is of the opinion that the Company has an appropriate and sufficient internal control system with all parts being followed effectively, and has complied with generally accepted accounting standards, announcement of the Securities and Exchange Commission, and regulations of the Stock Exchange of Thailand in reporting quarterly financial statements, annual financial statements as appropriate regularly. There is also a process for preparation and disclosure of information in the financial statements that is accurate, complete, adequate and timely with an internal control system that is sufficient and appropriate, and has been effectively revised in accordance with the changing situation for the Company's operations to achieve the specified objectives and in accordance with relevant laws and regulations. There was no significant problem or defect that could cause damage to the Company's operations in any way, including the internal control system in transactions with major shareholders, directors, executives or persons related to such persons sufficiently, which able to protect the Company's assets from being misused by executives or without their authority. However, independent directors and Member of Audit Committee do not have different opinions from the Board of Directors. In addition, the Audit Committee will supervise more on being an organization with Good Corporate Governance process.

The Company has provided adequate management and internal control systems, whereby the executives have supported the awareness of the necessity of internal control by providing good corporate governance, clearly define duties and responsibilities, including establishing rules, regulations, policies, levels of executive authority, and appropriate level of approval in writing. The Company monitors and evaluates the internal control results together with the independent internal auditors and reports directly to the Audit Committee in order to review the operating system of various activities to achieve the objectives and goals of the Company as a whole. From past audits, there was no material flaw in the internal control system whatsoever. As for the other internal controls, the Board of Directors considers that the Company also has adequate internal controls.

### 9.1.2. Internal Control Regulatory Agency

To ensure the internal control system, risk management, and corporate governance are effective and continually improved enabling the Company achieve its goals. The Company has therefore appointed a third-party internal auditor to verify the adequacy of the internal control system, I VL Audit Company Limited (“Independent Internal Auditor” or “IVL”), who are independent and report directly to the Audit Committee, therefore requiring the internal auditors to report audit results quarterly to the Audit Committee and the Company’s executives for the benefit of good corporate governance.

The year 2022, the work of the independent internal auditor covers the assessment of components of internal control (COSO) and the assessment of risks from internal control systems in 11 processes, namely (1) Revenue cycle; (2)Expense cycle/General Procurement Management; (3) Legal administration/Contract administration and legal work; (4) Procurement and management of non-performing assets; (5) Asset Control/Asset Management; (6) Human resource management; (7) accounting management; (8) Financial management; (9) General control of information technology systems; (10) Compliance with Laws; and (11) Application Control. This include following up on the issues that were found and meeting with the management, which received good cooperation. However, in the year 2022, the Company has corrected the issues found.

### 9.1.3. Auditor’s observations

EY Office Company Limited (“Auditor”), a Certified Public Accountant has reviewed the internal control system related to the preparation and presentation of the Company’s financial statements as appropriate. From the audit of the financial statements for the year ended December 31, 2022, there is no additional comment on the Company’s internal control system.

### 9.1.4. Head of Internal Audit

The Audit Committee’s Meeting No. 1/2022 held on February 23, 2022 resolved to appoint I VL Audit Company Limited (“IVL”) by Ms. Valdi Sibunruang who has appropriate and adequate qualifications to act as the Company’s independent internal auditor in 2022. Due to IVL has audited and assessed the Company’s internal control system since 2019 until now. It is believed that IVL has a good understanding of the Company’s internal control system and is able to audit various work systems as well as providing useful feedback enabling the Company to improve the internal control system to be more efficient.

In this regard, the Audit Committee will consider and select persons to perform internal audit duties of the Company, it is based on knowledge, competence, experience and internal audit performance. In addition, the transfer and removal of internal auditors shall be approved by the Audit Committee.



## 9.2. Connected Transactions

### 9.2.1. Details of individuals and juristic persons that may lead conflicts of interest.

The summary of connected transactions between Knight Club Capital Asset Management Public Company Limited and persons who may lead conflicts of interest for the year ended December 31, 2022

#### 1. Renting office space and temporary offices of the Company in case of emergency

Persons may lead conflicts of interest	Relationship	Nature of Connected Transaction	Transaction Value (Unit: Thousand Baht)	Details
Dark Horse Development Company Limited	- Major shareholders of Dark Horse Development Company Limited are directors and executives of the Company, namely 5. Mr. Suchart Boonbanjerd Sri and Mr. Tawee Kullertprasert	Expenses Rental fee Utility bills Outstanding Balance Finance lease liabilities Utilities payable	Dec. 31, 2022 1,447 29 Dec. 31, 2022 7,409 -	<b>Office rental agreement</b> The Company has entered into a lease agreement with Dark Horse Development Company Limited for a period of 10 years from June 1, 2018 with a monthly rental payment and a 3% increase in rent annually. The Company pays utility bills based on the actual units used each month at the rates charged by the Metropolitan Waterworks Authority and the Electricity Authority.
Ugo Company Limited	- Major shareholder of Ugo Company Limited is wife of Mr. Tawee Kullertprasert, the Chief Executive Officer	Expenses N/A	Dec. 31, 2022 -	<b>Temporary office in case of emergency</b> Ugo Company Limited allows the Company to use the place as a temporary office in the case of an emergency and unable to perform duties in the Company.

#### 2. Debentures issued by the Company

Persons may lead conflicts of interest	Relationship	Nature of Connected Transaction	Transaction Value (Unit: Thousand Baht)	Details
Mr. Suchart Boonbanjerd Sri	- The Company's shareholders, holding 45.82% as of December 31, - Being a Director, Executive Committee / Member of the Nomination, Remuneration and Corporate Governance Committee	Expenses Debenture Interest Expenses Outstanding Balance Debenture Interest on Debentures Payable	Dec. 31, 2022 4,747 Dec. 31, 2022 - -	<b>Debenture 150MB</b> - According to the resolution of the Board of Directors' Meeting No. 6/2020, approved the issuance and offering of debentures in the amount of not more than 150MB, maturity not exceeding 2 years, form PP-10. - 2-year debenture due October 2, 2022, amount of 150MB, interest rate 6% per year, interest payment every 3 months.
Miss Kanlaya Kunanantakul	- Person related to Mr. Tawee Kullertprasert, the Chief Executive Officer.	Expenses Debenture Interest Expenses Outstanding Balance Debenture Interest on Debentures Payable	Dec. 31, 2022 226 Dec. 31, 2022 - -	

### **9.2.2. Necessity and Reasonableness of Connected Transactions**

In 2022, the Company has connected transactions with related persons, such as long-term lease of land and buildings, interest payment of debentures by directors and related persons. This transaction is necessary and reasonable because it is a normal business transaction and normal business support transactions of the Company. The terms and conditions of the related transactions were determined in accordance with general commercial conditions and at market value, and were conducted in the same way that would be treated with general customers.

The Audit Committee has considered the aforementioned related transactions and is of the opinion that they are necessary and reasonable as well as beneficial to the Company.

### **9.2.3. Measures or Procedures for Approval of Connected Transaction**

The connected transactions with general commercial conditions and no general commercial conditions or other transactions shall have the following principles:

#### **Transactions with General Commercial Conditions**

The Company may enter into connected transactions with directors, executives or related persons in the future, whereby the scope of such transactions has been determined and approved by the Audit Committee and approved in principle by the Board of Directors. When doing such transactions, the management can approve such transactions if those transactions have trade agreements with general commercial conditions that a reasonable person should do with the counterparty in the same situation with bargaining power without any influence in their status as directors, executives or related persons. In this regard, the Company shall prepare a transaction summary report with directors, executives or related persons to report to the Audit Committee and the Board of Directors for acknowledgment quarterly.

#### **Transactions with No General Commercial Conditions or other**

Transactions between the Company and persons who may lead conflicts of interest, or may have conflicts of interest in the future. The Company shall propose to the Audit Committee to consider and comment on the necessity and suitability of entering into the transaction, as well as the suitability of the price and conditions of entering into that transaction and comparing with the price made with third party or market price before proposing to the Board of Directors and/or the Shareholders' Meeting, as the case may be, for approval. In the event that the Audit Committee does not have expertise in considering connected transactions that may occur, the Company will assign an independent expert or the Company's auditor to provide opinions on such transactions for the decision-making by the Audit Committee, the Board of Directors and/or the Shareholders' Meeting, as the case may be. The persons who may have conflicts of interest or have vested interests in the transaction will not be able to participate or have no right to vote in approving such transactions.

The Company will disclose connected transactions in the notes to financial statements audited by the Company's auditor, annual report, and the Company's annual registration statement (Form One Report 56-1) as required by the Securities and Exchange Act.

### **9.2.4. Trend of Connected Transactions in the Future**

The Company expects that connected transactions arising from normal business transactions and normal business support transactions with general commercial conditions, such as space and office building rental, may continue to exist. Whereby, such transaction or new transaction may occur in the future, there will be a clear policy on pricing between each other according to the price and market conditions with appropriate, fair, and does not cause a transfer of benefits. This include taking into account the interests of the Company are important, the Audit Committee will review and comment on the connected transactions with normal business transactions or normal business support transaction on a quarterly basis.



The connected transactions with persons who may lead conflicts of interest apart from the first paragraph include normal business transactions and normal business support transaction without general trading conditions and other related transactions. The Company has established policies in accordance with measures and procedures for approval of connected transactions.

Any connected transactions that may occur in the future, the Board of Directors shall comply with the Securities and Exchange Act and the regulations, notifications, orders or requirements of the Capital Market Supervisory Board, and the Stock Exchange of Thailand. This includes compliance with the requirements on the disclosure of connected transactions of the Company according to the accounting standards established by the Institute of Certified Accountants and Auditors of Thailand





Part 3

# **Financial** Report

# Financial Report

## Independent Auditor's Report

To the Shareholders of Knight Club Capital Asset Management Public Company Limited  
(Formerly known as "Knight Club Capital Asset Management Company Limited")

### Opinion

I have audited the accompanying financial statements of Knight Club Capital Asset Management 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 Knight Club Capital Asset Management Public Company Limited as at 31 December 2022, and 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 to each matter are described below.



## Recognition of interest income from loans purchased of receivables

The Company's policy on recognition of interest income from loans purchased of receivables is discussed in Note 4.1 to the financial statements. Interest income from loans purchased of receivables recognised for the year 2022 amounted to Baht 122 million, accounting for 60% of the total income, and thus it is considered the Company's main source of income. I addressed the recognition of interest income from loans purchased of receivables as a key audit matter because the calculation of the credit-adjusted effective interest rate used in interest income recognition requires management to exercise judgement in determining the assumptions to be used in cashflow estimates and the expected life of debtors, as well as the development of the model for each group of debtors with similar characteristics. There is therefore a risk with respect to the amount of revenue recognition.

I have performed audit procedures on the revenue recognition by gaining an understanding of the basis that management used in recognition of interest income from loans purchased of receivables, evaluating the basis and gaining an understanding of the process by which cash inflows were estimated and the credit-adjusted effective interest rate, assessing and testing the IT systems and key internal controls relevant to the revenue cycle for interest income from loans purchased of receivables and selecting representative samples to test the operation of the designed controls. I have tested on a sampling basis the calculation of the credit-adjusted effective interest rate to assess whether the recognition of interest income from loans purchased of receivables is in compliance with the policy, including tested on a sampling basis the accuracy of the data used in the model, and reviewed on a sampling basis whether the calculation of the cashflow estimates and the expected life of debtor was consistent with the model, as well as evaluated other factors that affect the cashflow estimates. In addition, I have performed analytical procedures on disaggregated data of interest income from loans purchased of receivables, taking into account the revenue recognition ratio, comparison between the actual cash flows and the projected cash flows, and I also tested, on a sampling basis, significant adjustments made through journal vouchers.

## Allowance for expected credit loss of loans purchased of receivables

As discussed in Note 10.1 to the financial statements, the Company had net loans purchased of receivables and accrued interest receivables amounting to Baht 1,333 million (representing 77 percent of total assets) and allowance for expected credit losses amounting to Baht 96 million. The estimation of allowance for expected credit losses of loans purchased of receivables requires assumptions applied in the development of a model for complex data sets and those used for the projection of expected credit losses to be incurred in future. Therefore, the management is required to exercise judgment in performing data analysis, determining the basis, setting a policy, and establishing the methodology to be applied in calculating the allowance for expected credit losses, as well as estimating credit losses expected to be incurred based on expected future net cash inflows from debtors. As the amount of loans purchased of receivables is significant to the financial statements, I focused my audit on the adequacy of the allowance for expected credit losses of loans purchased of receivables.

I have gained an understanding of the assumptions applied in the development of the model, the procedures for estimating and recording the allowance for expected credit losses, and assessing the basis and policy for setting up the allowance for expected credit losses and the calculation method of allowance for expected credit losses. I have also assessed and tested on a sampling basis the internal controls relevant to the calculation, the approval and the recording of the allowance for expected credit losses. In addition, I have evaluated the significant assumptions used by the management to estimate the projected cash inflows used in setting up the allowance for expected credit losses, performed analytical procedures on assumptions applied by the Company against the historical data, reviewed the consistency of the application of such assumptions, reviewed the completeness of data used in the development of the model and the calculation of the allowance for expected credit losses, and correctness of accounting records.

## 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. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the 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.

**Ratana Jala**

**Certified Public Accountant (Thailand) No. 3734**

EY Office Limited

Bangkok: 17 February 2023



**Knight Club Capital Asset Management Public Company Limited**

**Statement of financial position**

**As at 31 December 2022**

(Unit: Baht)

	Note	2022	2021
<b>Assets</b>			
Cash		10,000	10,000
Interbank and money market items - deposits at financial institutions	8	276,138,681	116,704,931
Investments - net	9	-	-
Loans purchased of receivables and accrued interest receivables - net	10	1,332,618,711	565,568,040
Properties foreclosed - net	12	84,375,733	21,761,664
Building, leasehold improvement, equipment, and right-of-use assets - net	13	10,797,649	11,026,508
Intangible assets - net	14	1,444,159	1,192,645
Other receivables - Legal execution department		13,622,040	11,303,500
Other assets	16	7,557,249	8,250,132
<b>Total assets</b>		<b>1,726,564,222</b>	<b>735,817,420</b>

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

**Knight Club Capital Asset Management Public Company Limited**

**Statement of financial position (continued)**

**As at 31 December 2022**

(Unit: Baht)

	Note	2022	2021
<b>Liabilities and shareholders' equity</b>			
Interbank and money market items	17	109,677,174	89,369,420
Accrued interest payables		5,068,878	2,268,992
Corporate income tax payable		2,185,874	10,379,962
Other liabilities - acquisition of loans purchased of receivables		145,800,000	-
Debt issued	18	347,318,144	149,789,151
Accrued expenses		7,835,660	6,351,440
Provision for long-term employee benefits	20	1,884,300	2,156,886
Lease liabilities	19	7,408,989	8,411,734
Deferred tax liabilities	15	3,547,612	5,710,419
Other liabilities		813,697	773,485
<b>Total liabilities</b>		<b>631,540,328</b>	<b>275,211,489</b>
<b>Shareholders' equity</b>			
Share capital	21		
Registered			
620,000,000 ordinary shares of Baht 0.5 each		310,000,000	310,000,000
Issued and fully paid up			
620,000,000 ordinary shares of Baht 0.5 each			
(31 December 2021: 460,000,000 ordinary shares of Baht 0.5 each)		310,000,000	230,000,000
Share premium	22	559,592,212	60,000,000
Retained earnings			
Appropriated - statutory reserve	23	6,530,000	2,630,000
Unappropriated		218,901,682	168,795,522
Other comprehensive income - deficit on revaluation of investment		-	(819,591)
<b>Total shareholders' equity</b>		<b>1,095,023,894</b>	<b>460,605,931</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,726,564,222</b>	<b>735,817,420</b>
		-	-

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

**Knight Club Capital Asset Management Public Company Limited**

**Statement of comprehensive income**

**For the year ended 31 December 2022**

(Unit: Baht)

	Note	2022	2021
<b>Profit or loss</b>			
Interest income	26	122,180,828	103,914,703
Interest expenses	27	(33,901,306)	(15,606,125)
<b>Net interest income</b>		88,279,522	88,308,578
Gains from repayment		18,532,203	24,038,657
Gains on sale of properties foreclosed		5,951,321	2,094,748
Gains on disposal of loans purchased of receivables		57,613,136	11,147,658
Other operating income		114,082	155,433
<b>Total operating income</b>		170,490,264	125,745,074
<b>Other operating expenses</b>			
Employees' expenses		21,460,424	17,484,672
Directors' remuneration		1,278,000	1,293,500
Premises and equipment expenses		3,789,431	3,289,795
Taxes and duties		1,965,802	2,964,774
Other expenses		13,074,777	9,416,385
<b>Total other operating expenses</b>		41,568,434	34,449,126
<b>Expected credit losses</b>	28	32,522,881	25,604,654
<b>Profit before income tax</b>		96,398,949	65,691,294
<b>Income tax</b>	15.2	(19,158,446)	(13,269,290)
<b>Profit for the year</b>		77,240,503	52,422,004

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

**Knight Club Capital Asset Management Public Company Limited**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2022**

(Unit: Baht)

	Note	2022	2021
<b>Other comprehensive income</b>			
<b>Transactions that will never be reclassified subsequently to profit or loss</b>			
Gain (loss) on revaluation of investment in equity instrument designated			
at fair value through other comprehensive income		1,000,000	(1,024,489)
Actuarial gains on defined benefit plan		354,060	127,106
Income tax relating to components of other comprehensive income		(270,812)	179,477
<b>Total other comprehensive income (loss)</b>		<u>1,083,248</u>	<u>(717,906)</u>
 <b>Total other comprehensive income for the year</b>		 <u><u>78,323,751</u></u>	 <u><u>51,704,098</u></u>
 <b>Earnings per share</b>			
Basic earnings per share	29	<u>0.14</u>	<u>0.11</u>
Weighted average number of ordinary shares (shares)		<u>569,150,685</u>	<u>460,000,000</u>

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

**Knight Club Capital Asset Management Public Company Limited**

**Statement of changes in shareholders' equity**

**For the year ended 31 December 2022**

(Unit: Baht)

	Other comprehensive					
	Issued and fully		Retained earnings		income - deficit	
	paid-up	Share	Appropriated		on revaluation	Total
	share capital	premium	- statutory reserve	Unappropriated	of investment	shareholders' equity
<b>Balance as at 1 January 2021</b>	230,000,000	60,000,000	-	118,901,833	-	408,901,833
Profit for the year	-	-	-	52,422,004	-	52,422,004
Other comprehensive income						
for the year (loss)	-	-	-	101,685	(819,591)	(717,906)
Total comprehensive income						
for the year (loss)	-	-	-	52,523,689	(819,591)	51,704,098
Set aside a statutory reserve						
(Note 23)	-	-	2,630,000	(2,630,000)	-	-
<b>Balance as at 31 December 2021</b>	<u>230,000,000</u>	<u>60,000,000</u>	<u>2,630,000</u>	<u>168,795,522</u>	<u>(819,591)</u>	<u>460,605,931</u>
<b>Balance as at 1 January 2022</b>	230,000,000	60,000,000	2,630,000	168,795,522	(819,591)	460,605,931
Profit for the period	-	-	-	77,240,503	-	77,240,503
Other comprehensive income						
for the year	-	-	-	283,248	800,000	1,083,248
Total comprehensive income						
for the year	-	-	-	77,523,751	800,000	78,323,751
Loss on disposal of investment						
in equity instruments which						
recognised in retained earnings	-	-	-	(19,591)	19,591	-
Increase share capital (Note 21)	80,000,000	499,592,212	-	-	-	579,592,212
Set aside a statutory reserve						
(Note 23)	-	-	3,900,000	(3,900,000)	-	-
Dividend paid (Note 24)	-	-	-	(23,498,000)	-	(23,498,000)
<b>Balance as at 31 December 2022</b>	<u>310,000,000</u>	<u>559,592,212</u>	<u>6,530,000</u>	<u>218,901,682</u>	<u>-</u>	<u>1,095,023,894</u>

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

**Knight Club Capital Asset Management Public Company Limited**

**Statement of cash flows**

**For the year ended 31 December 2022**

(Unit: Baht)

	2022	2021
<b>Cash flows from operating activities</b>		
Profit before income tax	96,398,949	65,691,294
Adjustments to reconcile profit before income tax to net cash received by (paid from) operating activities		
Depreciation and amortisation	2,811,480	2,407,452
Expected credit losses	32,522,881	25,604,654
Loss on disposal and write-off of equipment	17,738	26,555
Increase in provision for long-term employee benefits	411,474	380,495
Net interest income	(88,279,522)	(88,308,578)
Cash received from interest income	80,459,102	75,897,078
Cash paid for income tax	(26,602,864)	(1,963,662)
Profit from operating activities before changes in operating assets and liabilities	97,739,238	79,735,288
(Increase) decrease in operating assets		
Investments	1,004,898	(1,024,489)
Loans purchased of receivables	(692,873,022)	2,224,635
Properties foreclosed	18,318,705	9,333,728
Other assets	(4,813,844)	(8,181,658)
Increase (decrease) in operating liabilities		
Provision for long-term employee benefits	(330,000)	-
Other liabilities	1,524,432	687,086
<b>Net cash flows from (used in) operating activities</b>	<b>(579,429,593)</b>	<b>82,774,590</b>

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



**Knight Club Capital Asset Management Public Company Limited**

**Statement of cash flows (continued)**

**For the year ended 31 December 2022**

(Unit: Baht)

	2022	2021
<b>Cash flows from investing activities</b>		
Decrease in restricted bank deposits	13,438,000	6,538,000
Cash paid for purchase of leasehold improvement and equipment and intangible assets	(2,851,875)	(1,218,404)
Cash received from disposal of equipment	-	49,500
<b>Net cash flows from investing activities</b>	<b>10,586,125</b>	<b>5,369,096</b>
<b>Cash flows from financing activities</b>		
Cash paid for interest expenses	(27,743,464)	(14,773,572)
Cash received from borrowings	100,000,000	51,750,000
Cash paid for borrowings	(79,711,800)	(95,321,800)
Cash received from debt issued	350,000,000	-
Cash paid for debt issued	(150,000,000)	-
Proceeds from increase in share capital	579,592,212	-
Dividend paid	(23,498,000)	-
Cash paid for borrowing fee and debenture issue expense	(5,365,425)	(129,375)
Cash paid for lease liabilities	(1,446,729)	(1,404,589)
<b>Net cash flows from (used in) financing activities</b>	<b>741,826,794</b>	<b>(59,879,336)</b>
<b>Net increase in cash and cash equivalents</b>	<b>172,983,326</b>	<b>28,264,350</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>103,276,931</b>	<b>75,012,581</b>
<b>Cash and cash equivalents at end of the year (Note 7)</b>	<b>276,260,257</b>	<b>103,276,931</b>

**Supplemental cash flows information**

**Non-cash transactions**

Debt settlement to properties foreclosed	80,932,773	15,577,593
Payables from purchase of intangible assets	-	133,750
Acquisition of loans purchased of receivables	145,800,000	-

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

# **Knight Club Capital Asset Management Public Company Limited**

## **Notes to financial statements**

**For the year ended 31 December 2022**

### **1. General information**

#### **1.1 Corporate information**

Knight Club Capital Asset Management Public Company Limited (“the Company”) is incorporated as a limited company under Thai laws and is licensed by the Bank of Thailand (“BOT”) to operate an asset management business in accordance with the Asset Management Companies Act B.E. 2541. On 27 September 2021, the Company registered as a Public Company Limited with the Ministry of Commerce and changed its name from “Knight Club Capital Asset Management Company Limited” to “Knight Club Capital Asset Management Public Company Limited”. The Company operates its business in Thailand and is principally engaged in the management of non-performing assets purchased or transferred from financial institutions, including the collateral for those assets, either for management or further disposal. The Company’s registered address is 285/1 Praditmanutham Road, Wang Thong Lang Sub-District, Wang Thong Lang District, Bangkok.

#### **1.2 Coronavirus disease 2019 pandemic**

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. 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, and has used estimates and judgement in respect of various issues as the situation has evolved.

### **2. Basis of 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 the principles stipulated by the Bank of Thailand (“BOT”). The presentation of the financial statements has been made in compliance with the BOT’s Notification No. Sor Nor Sor 21/2561, dated 31 October 2018, regarding Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups, which effective for fiscal years 2020 and the related BOT’s Notifications.

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 New 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 became 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 on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19**

The Federation of Accounting Professions announced Accounting Guidance on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the Bank of Thailand. The accounting guidance is applicable for assistance provided to such debtors during the period from 1 January 2022 to 31 December 2023 or until notification of changes is made by the Bank of Thailand.

Under this accounting guidance, the Company may elect to adopt accounting treatments consistent with the circular of the Bank of Thailand 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 categories based on debt restructuring methods 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)
  - Loans that are not yet non-performing (Non-NPL) are immediately classified as loans with no significant increase in credit risk (Performing or Stage 1) without compliance monitoring, provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
  - Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is longer.
  - 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.
  - Loans are classified as loans with a significant increase in credit risk (Underperforming 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, 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. For this method debt restructuring, the Company is required to perform staging assessment and set aside provisions in accordance with the relevant financial reporting standards (Assistance type 2). However, the guidelines specified in the appendix of the circular of the BOT No. BOT.RPD2.C. 802/2564 relating to assessment of whether there has been a significant increase in credit risk are applicable to assess whether a debtor is to move to under-performing stage or Stage 2.

The Company provides 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.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

- (a) Interest income from loans purchased of receivables

The Company has recognised interest on loans purchased of receivables based on the amortised cost of the asset, net of allowance for expected credit loss, using the credit - adjusted effective interest rate and recognised on an accrual basis.

The credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows to be paid or received over the expected life of the financial asset to derive the amortised cost of financial assets that are purchased or original credit-impaired financial assets. In estimating, the net expected cash inflows reference is made to historical data on net cash inflows from related actual expenses in the past to develop a model, based on the assumption that the net expected cash inflows and the expected life of financial instruments with similar characteristics can be estimated reliably.

In cases where the cost of an acquired non-performing loans (NPL) have been fully amortised, the Company still has the right to claim the payment from debtor under the contract. When such payments are received from a debtor, the Company recognises the full amount as gains from repayment.

(b) Interest income from deposits at financial institutions

Interest income from deposits at financial institutions is recognised as income on an accrual basis based on the effective interest rate.

#### **4.2 Expenses recognition - interest expenses**

Interest expenses are charged to expenses on an accrual basis using the effective interest method which included expenses incurred directly in generating the interbank and money market items (liabilities) and debt issued.

#### **4.3 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and deposits at financial institutions with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.4 Loans purchased of receivables and accrued interest receivables**

Since the Company's operations involve the acquisition and transfer of non-performing loans (NPLs) from other financial institutions, the amounts paid to acquire loans purchased of receivables are recognised as financial assets that are purchased or originated credit-impaired financial assets, and presented at amortised cost. Costs of purchased or originated credit-impaired financial assets consist of cash paid for loans purchased of receivables (the fair value on the transaction date is equal to or close to the acquisition price), advances for legal expenses, collection expenses, advance for expenses on asset acquisition and other costs which the portion transferred to an obligation to the debtor (of which the Company collects from the debtor when payment of the debtor is received).

Loans purchased of receivables are presented at amortised cost and include accrued interest receivables and less allowance for expected credit losses (if any).

#### **4.5 Allowance for expected credit losses**

The Company applies the purchased or originated credit-impaired financial asset approach for loans purchased of receivables.

The Company records allowance for expected credit losses when there are changes in the estimated cash inflows expected from financial assets, discounting the projected cash flows with reference to historical data and adjusted to reflect current observable data as well as forward looking information that is reasonable and supportable. Making such estimate involves the appropriate exercise of judgement. However, the Company has established a process to review and monitor the condition on methodologies, assumptions and forward-looking macroeconomic scenarios on regularly basis. In addition, expected credit loss also include a management overlay.



The Company recognises changes in lifetime expected credit losses as impairment gains or losses in profit or loss. The Company is required to recognise positive changes in lifetime expected credit losses as impairment gains, to the extent that does not exceed the lifetime of expected credit losses recognised in the past.

#### **4.6 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 existing financial assets are replaced with new financial assets because the debtor is having financial difficulties, the Company assesses whether to derecognise the financial assets and measures the expected credit losses, as follows:

- If the modification of terms does not result in derecognition of the financial assets, the Company calculates the gross book value of the new financial assets 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 loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial assets, the fair value of the new financial assets is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and fair value of the financial asset is recognised in profit or loss.

In cases where loans purchased of receivables are restructured they continue to be treated as purchased or originated credit-impaired receivable from initial recognition.

#### **4.7 Properties foreclosed**

Properties foreclosed are stated at the lower of cost or net realisable value. Net realisable value is determined with reference to the latest appraisal value less estimated selling expenses. The Company records cost of properties foreclosed at fair value with reference to appraisal value or auction price of properties foreclosed including transfer costs. The excess of the auction price of properties foreclosed over the book value of investments in receivables or loans purchased of receivables is recorded as "Allowance for revaluation on properties foreclosed"

Gains (losses) on the disposal of properties foreclosed are recognised in profit or loss in the statement of comprehensive income on disposal date and when the ownership rights are transferred to the purchasers. Impairment losses are recognised as expenses in part of profit or loss.

## 4.8 Leases

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

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### *Right-of-use assets*

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

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

Building and leasehold improvement    10    years

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

Right-of-use assets are presented as part of building, leasehold improvement, equipment and right-of-use assets - net in the statement of financial position.

### *Lease liabilities*

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the year in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or 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.

## **4.9 Building, leasehold improvement and equipment and depreciation**

Building, leasehold improvement and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of building, leasehold improvement and equipment is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Building	6 - 10 years
Leasehold improvement	5 years
Furniture and office equipment	5 years
Computer and equipment	5 years
Vehicle	5 years

Depreciation is included in determining income. No depreciation is provided on assets under construction.

The Company derecognises building, leasehold improvement and equipment upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on disposal of these assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss when the asset is derecognised.

#### **4.10 Intangible assets and amortisation**

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

The Company amortises intangible assets with finite lives on the straight-line basis over the economic useful life and test 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 expenses and loss on impairment are recognised as expenses in part of profit or loss in statement of comprehensive income.

Intangible assets with finite useful lives is computer software, which has useful lives of approximate 1-5 years.

#### **4.11 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 associated 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.

#### **4.12 Impairment of non-financial assets**

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

The Company recognises impairment losses as an expenses in part of profit or loss in the statement of comprehensive income.

In the assessment of assets impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined in case that no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### **4.13 Employee benefits**

##### **a) Short-term employee benefits**

The Company recognises salary, wages, bonuses and contributions to the social security fund 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.

###### **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 gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

#### 4.14 Provisions

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

#### 4.15 Income tax

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

##### Current tax

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

##### Deferred tax

Deferred tax is provided on temporary differences between 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 recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

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



## 4.16 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs.

### Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### Financial assets measured at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

## **Classification and measurement of financial liabilities**

At initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

## **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## **Impairment of financial assets**

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **4.17 Fair value measurement**

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

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

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the 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 Recognition and derecognition of assets and liabilities**

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events.

### **5.2 Allowance for expected credit losses**

The management is required to use judgement in estimating allowance for expected credit losses of financial assets. The allowance for expected credit losses is calculated based on models, informations, assumption, developed model, and assessments related to the increase in credit risk. The estimate involves a large number of variables, therefore, actual results could differ from those estimates.

### **5.3 Credit-adjusted effective interest rate**

The management is required to use judgement in estimating the credit-adjusted effective interest rate. The Company recognised interest income from loans purchased of receivables using rate of return, which is calculated based on the basis of the estimated future cash inflows over the expected life of loans purchased of receivables that have similar characteristics and can be estimated reliably. The estimate involves a large number of variables, therefore, actual results could differ from those estimates.

### **5.4 Leases**

#### ***Determining the lease term with extension and termination options***

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

### ***Estimating the incremental borrowing rate***

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### **5.5 Allowance for impairment of properties foreclosed**

The Company assesses allowance for impairment of properties foreclosed when net realisable value falls below the book value. The management uses judgement to estimate impairment losses, taking into consideration the latest appraisal values, the type and the nature of the assets.

### **5.6 Depreciation**

In determining depreciation of building, leasehold improvement and equipment, the management is required to make estimates of the useful lives and residual values of the building, leasehold improvement and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review building, leasehold improvement and equipment for impairment on a periodical basis and record impairment losses 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.

### **5.7 Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## 5.8 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 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 exercises 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 of counterparty, 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. Classification of financial assets and financial liabilities

(Unit: Thousand Baht)

	31 December 2022		
	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>			
Cash	-	10	10
Interbank and money market items - deposits at financial institutions	-	276,139	276,139
Loans purchased of receivables and accrued interest receivables - net	-	1,332,619	1,332,619
Other receivables - Legal execution department	-	13,622	13,622
Other assets - deposit purchase of asset from auction	-	2,624	2,624
<b>Financial liabilities</b>			
Interbank and money market items	-	109,677	109,677
Other liabilities - acquisition of loans purchased of receivables	-	145,800	145,800
Debt issued	-	347,318	347,318
Accrued interest payables	-	5,069	5,069
Lease liabilities	-	7,409	7,409



(Unit: Thousand Baht)

	31 December 2021		
	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>			
Cash	-	10	10
Interbank and money market items - deposits at financial institutions	-	116,705	116,705
Investment - net	-	-	-
Loans purchased of receivables and accrued interest receivables - net	-	565,568	565,568
Other receivables - Legal execution department	-	11,304	11,304
Other assets - deposit purchase of asset from auction	-	2,711	2,711
<b>Financial liabilities</b>			
Interbank and money market items	-	89,369	89,369
Debt issued	-	149,789	149,789
Accrued interest payables	-	2,269	2,269
Lease liabilities	-	8,412	8,412

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	31 December 2022	31 December 2021
Cash	10	10
Interbank and money market items - deposits at financial institutions	276,250	103,267
Total	276,260	103,277

As at 31 December 2022, bank deposits in saving accounts carried interests at 0.15 - 0.325 percent per annum (2021: 0.05 percent per annum).

## 8. Interbank and money market items - deposits at financial institutions

(Unit: Thousand Baht)

	31 December 2022	31 December 2021
Commercial banks - domestic	276,250	116,705
Less: Allowance for expected credit losses	(111)	-
Total	276,139	116,705

As at 31 December 2021, the Company pledged bank deposits, amounting to Baht 13.4 million as collateral for credit facilities granted by a financial institution (2022: None).

## 9. Investments - net

### 9.1 Investment classified by type of investment

As at 31 December 2022 and 2021, investment classified by type of investment is as follows:

	(Unit: Thousand Baht)			
	31 December 2022		31 December 2021	
	Cost	Fair value	Cost	Fair value
Investment in equity instruments designated at fair value through other comprehensive income				
- Non-marketable equity securities	-	-	1,024	-
Less: Allowance for revaluation	-	-	(1,024)	-
Investment - net	-	-	-	-

During the year ended 31 December 2022, the Company derecognised investment in equity instruments designated at fair value through other comprehensive income as a result of the sale of such investments. Accumulated gains or losses on derecognition were recognised in retained earnings as follows:

	(Unit: Thousand Baht)		
	For the year ended 31 December 2022		
	Fair value on derecognition date	Losses on derecognition net of income tax	Reason of derecognition
Derecognised investments in equity instruments			
- Non-marketable equity securities	-	(19)	Disposal
Total	-	(19)	

### 9.2 Revaluation surplus (deficit) on investments

As at 31 December 2022 and 2021, revaluation surplus (deficit) on investments as below:

	(Unit: Thousand Baht)	
	31 December 2022	31 December 2021
<b>Investments in equity instruments designated at fair value through other comprehensive income</b>		
Revaluation deficit on investments	-	(1,024)
Total revaluation surplus (deficit) on changes in value of investments	-	(1,024)
Less: Related income tax	-	205
Total revaluation surplus (deficit) on changes in value of investments - net	-	(819)

Changes in revaluation surplus (deficit) on investments for the year ended 31 December 2022 and 2021 were as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2022	2021
Beginning balance	(819)	-
Losses from revaluation on investments		
during the year	-	(1,024)
Disposal during the year	1,000	-
Losses from disposal of investments in equity		
instruments which recognised in retained earnings	19	-
Related income tax	(200)	205
Ending balance	-	(819)

## 10. Loans purchased of receivables and accrued interest receivables - net

### 10.1 Classified by loan type

	(Unit: Thousand Baht)	
	31 December 2022	31 December 2021
Loans purchased of receivables		
Corporate loan receivables	951,997	290,625
Housing loan receivables	326,856	230,488
Total loans purchased of receivables	1,278,853	521,113
Add: Accrued interest receivables	149,877	108,155
Total loans purchased of receivables and accrued		
interest receivables	1,428,730	629,268
Less: Allowance for expected credit losses	(96,111)	(63,700)
Total loans purchased of receivables and accrued		
interest receivables - net	1,332,619	565,568

The Company participated in the scheme to provide assistance to debtors affected by COVID-19 and elected to apply the Accounting Guidance. As at 31 December 2022, 2 loans purchased of receivables debtors with debts totaling Baht 204.2 million were participating in the scheme.

As at 31 December 2022, the Company has Baht 179.4 million of loans purchased of receivables which have been registered as business security for credit facilities granted by a financial institution (31 December 2021: Baht 135.4 million).

Changes in loans purchased of receivables for the years ended 31 December 2022 and 2021 were as follows:

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2022	2021
Loans purchased of receivables beginning of the year	521,113	540,377
Add: Additional purchase/Additional cost	930,177	71,644
Less: Receipt of debt payment and adjustment - net	(103,437)	(88,431)
Disposal of loans purchased of receivables	(69,000)	(2,477)
Loans purchased of receivables end of the year	<u>1,278,853</u>	<u>521,113</u>

## 10.2 Classified by currency and residency of debtors

As at 31 December 2022 and 2021, all outstanding balances of loans purchased of receivables are in Baht-denominated loans to domestic receivables.

## 10.3 Classified by loan classification

As at 31 December 2022 and 2021, the loans purchased of receivables and accrued interest receivables classified by classification were as follows:

	(Unit: Thousand Baht)			
	31 December 2022		31 December 2021	
	Loans purchased of receivables and accrued interest receivables	Allowance for expected credit losses	Loans purchased of receivables and accrued interest receivables	Allowance for expected credit losses
Purchased or originated credit-impaired financial asset	1,428,730	(96,111)	629,268	(63,700)
Total	<u>1,428,730</u>	<u>(96,111)</u>	<u>629,268</u>	<u>(63,700)</u>

## 11. Allowance for expected credit losses

(Unit: Thousand Baht)

	Purchased or originated credit-impaired financial asset	
	For the years ended 31 December	
	2022	2021
Balance - beginning of the year	63,700	39,558
Changes from revaluation of allowance for expected credit losses	39,625	26,738
Derecognition of financial instruments	(7,214)	(2,596)
Balance - end of the year	96,111	63,700

## 12. Properties foreclosed - net

Properties foreclosed are assets which the Company received for debt settlement from loans purchased of receivables and assets received by purchasing from auction.

(Unit: Thousand Baht)

	For the year ended 31 December 2022			
	Balance - beginning of the year	Addition	Disposal	Balance - end of the year
Assets purchased from auction				
Immovable assets				
External appraiser	25,199	99,719	(31,045)	93,873
Total properties foreclosed	25,199	99,719	(31,045)	93,873
Less: Allowance for revaluation on properties foreclosed	(3,437)	(10,840)	4,780	(9,497)
Properties foreclosed - net	21,762	88,879	(26,265)	84,376

(Unit: Thousand Baht)

	For the year ended 31 December 2021			
	Balance - beginning of the year	Addition	Disposal	Balance - end of the year
Assets transferred for debt settlement				
Immovable assets				
External appraiser	2,680	-	(2,680)	-
Assets purchased from auction				
Immovable assets				
External appraiser	14,507	20,234	(9,542)	25,199
Total properties foreclosed	17,187	20,234	(12,222)	25,199
Less: Allowance for revaluation on properties foreclosed	(1,688)	(3,218)	1,499	(3,437)
Properties foreclosed - net	15,519	17,016	(10,773)	21,762

As at 31 December 2022, the Company has obligations with regards to properties foreclosed amounting to Baht 4.8 million (cost) which sales agreements have been made with customers while payment of installments or transfer of ownership rights is still in progress. The Company has therefore not yet recognised any revenue in respect of these transactions and such assets are still recorded as properties foreclosed.

As at 31 December 2022, the properties foreclosed amounting Baht 34.3 million have been registered as business security for credit facilities granted by a financial institutions.

### 13. Building, leasehold improvement, equipment and right-of-use assets - net

(Unit: Thousand Baht)

	31 December 2022	31 December 2021
Net book value		
Building, leasehold improvement, equipment	4,308	3,323
Right-of-use assets (Note 19)	6,490	7,704
	10,798	11,027



Changes in building, leasehold improvement, and equipment for the years ended 31 December 2022 and 2021 were as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2022					
	Building	Leasehold improvement	Furniture and office equipment	Computer and equipment	Assets under construction	Total
<b>Cost</b>						
1 January 2022	2,111	2,729	1,481	811	24	7,156
Additions	211	590	164	239	915	2,119
Transfers in (out)	493	446	-	-	(939)	-
Write-off	-	-	-	(116)	-	(116)
31 December 2022	2,815	3,765	1,645	934	-	9,159
<b>Accumulated depreciation</b>						
1 January 2022	651	1,683	1,114	385	-	3,833
Depreciation for the year	290	515	159	152	-	1,116
Write-off	-	-	-	(98)	-	(98)
31 December 2022	941	2,198	1,273	439	-	4,851
<b>Net book value</b>						
31 December 2022	1,874	1,567	372	495	-	4,308
Depreciation for the year 2022						1,116

(Unit: Thousand Baht)

	For the year ended 31 December 2021					
	Building	Leasehold improvement	Furniture and office equipment	Computer and equipment	Assets under construction	Total
<b>Cost</b>						
1 January 2021	2,111	2,273	1,478	632	-	6,494
Additions	-	316	99	291	164	870
Transfers in (out)	-	140	-	-	(140)	-
Write-off	-	-	(33)	(112)	-	(145)
Disposals	-	-	(63)	-	-	(63)
31 December 2021	2,111	2,729	1,481	811	24	7,156
<b>Accumulated depreciation</b>						
1 January 2021	440	1,376	911	348	-	3,075
Depreciation for the year	211	307	243	130	-	891
Write-off	-	-	(23)	(93)	-	(116)
Disposals	-	-	(17)	-	-	(17)
31 December 2021	651	1,683	1,114	385	-	3,833
<b>Net book value</b>						
31 December 2021	1,460	1,046	367	426	24	3,323
Depreciation for the year 2021						891

As at 31 December 2022 and 2021, the Company has certain items of equipment which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1.8 million and Baht 1.7 million, respectively.

## 14. Intangible assets - net

(Unit: Thousand Baht)

	Computer software	Computer software under development	Total
<b>Cost</b>			
1 January 2021	784	556	1,340
Additions	481	-	481
Transfers in (out)	556	(556)	-
31 December 2021	1,821	-	1,821
Additions	732	-	732
Write-off	(37)	-	(37)
31 December 2022	2,516	-	2,516
<b>Accumulated amortisation</b>			
1 January 2021	325	-	325
Amortisation for the year	303	-	303
31 December 2021	628	-	628
Amortisation for the year	481	-	481
Write-off	(37)	-	(37)
31 December 2022	1,072	-	1,072
<b>Net book value</b>			
31 December 2021	1,193	-	1,193
31 December 2022	1,444	-	1,444
Amortisation for the year			
2021			303
2022			481

As at 31 December 2022 and 2021, computer software have remaining useful live of 0 - 5 years.

As at 31 December 2022 and 2021, the Company has certain items of computer software which were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation and allowance for impairment loss of those assets amounted to approximately Baht 0.13 million and Baht 0.04 million, respectively.

## 15. Deferred tax assets/ liabilities and income tax

### 15.1 Deferred tax assets/ liabilities

As at 31 December 2022 and 2021, deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	31 December 2022	31 December 2021
Deferred tax assets	19,982	13,637
Deferred tax liabilities	(23,530)	(19,347)
Net	(3,548)	(5,710)

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	31 December		Changes in deferred tax for the years ended 31 December	
	2022	2021	2022	2021
<b>Deferred tax assets</b>				
Allowance for expected credit losses	19,245	12,740	6,505	4,828
Accumulated depreciation - building	97	65	32	21
Loss on revaluation of investment	-	205	(205)	205
Provisions for long-term employee benefits	377	431	(54)	50
Leases liabilities	184	142	42	67
Other liabilities	79	54	25	54
Unused tax loss	-	-	-	(1,286)
<b>Deferred tax assets</b>	<b>19,982</b>	<b>13,637</b>	<b>6,345</b>	<b>3,939</b>
<b>Deferred tax liabilities</b>				
Difference in recognised interest income	(22,860)	(19,262)	(3,598)	(4,728)
Deferred loan fees	(670)	(85)	(585)	43
<b>Deferred tax liabilities</b>	<b>(23,530)</b>	<b>(19,347)</b>	<b>(4,183)</b>	<b>(4,685)</b>
<b>Net</b>	<b>(3,548)</b>	<b>(5,710)</b>	<b>(2,162)</b>	<b>(746)</b>
Changes in deferred tax:				
Recognised in profit or loss			2,438	925
Recognised in other comprehensive income (loss)			(271)	(179)
Recognised in retained earnings*			(5)	-
<b>Total</b>			<b>2,162</b>	<b>746</b>

\* Transactions arise from disposals of equity instruments designated at fair value through other comprehensive income during the year.

## 15.2 Income tax

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>		
Current income tax charge for the year	21,596	12,344
<b>Deferred tax:</b>		
Deferred income tax from temporary differences and reversal of temporary differences	(2,438)	925
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>19,158</b>	<b>13,269</b>

The amount 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)	
	For the years ended 31 December	
	2022	2021
Deferred tax on gains (losses) from the change in value of investment in equity instruments designated at FVOCI	200	(205)
Deferred tax relating to actuarial (gains) losses on defined benefit plans	71	26
	<b>271</b>	<b>(179)</b>

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)	
	For the years ended 31 December	
	2022	2021
<b>Current income tax:</b>		
Corporate income tax on transaction costs for issue of ordinary shares (Note 21)	(3,102)	-

Reconciliation between income tax expenses and the product of accounting gain multiplied by the applicable tax rates 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	96,399	65,691
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	19,280	13,138
Effects of non-taxable revenue and non-deductible expenses - net	(122)	131
Income tax expenses reported in the statement of comprehensive income	19,158	13,269

## 16. Other assets

(Unit: Thousand Baht)

	31 December 2022	31 December 2021
Deposit - purchase of asset from auction	2,624	2,711
Corporate income tax refundable	2,419	2,419
Suspense account for repayment of debentures	-	1,735
Others	2,514	1,385
Total other assets	7,557	8,250

## 17. Interbank and money market items (liabilities)

As at 31 December 2022 and 2021, interbank and money market items are as follows:

(Unit: Thousand Baht)

Instrument	Type of borrowings	Interest rate	31 December 2022	31 December 2021
(Percent per annum)				
1	Loans	Minimum Loan Rate of a commercial bank - 1.00	21,121	89,582
2	Loans	Minimum Loan Rate of a commercial bank - 0.18	88,750	-
Less: Deferred borrowing fee			(194)	(213)
Total			109,677	89,369

The loans are Baht-denominated loans from commercial banks that have terms of 1 - 3 years from the loan drawdown date and on which interest is to be paid on a monthly basis. In accordance with the loan agreements as security for the loans, the Company was required to transfer rights in bank deposits, and rights of claim in receivables and collaterals that the Company purchased with financial support from the commercial bank and which are registered as business security, and the Company's directors are to guarantee the loans. In addition, the Company has to comply with certain terms and conditions specified in the loan agreements, relating to matters such as the maintenance of a debt to equity ratio and a interest bearing debt to equity ratio.

As at 31 December 2022, the Company has loans purchased of receivables and properties foreclosed amounting to Baht 179.4 million and Baht 34.3 million, respectively (31 December 2021: Baht 135.4 million of loans purchased of receivables), which have been registered as business security for credit facilities granted by a financial institution.

## **18. Debt issued**

On 24 August 2020, the Board of Director Meeting of the Company No. 6/2020 approved to issue and offer the debentures for amount not exceeding Baht 150 million, with a maximum terms of 2 year by way of public offering and/or private placement and/or institutional investors in Thailand and/or offshore, is private offering to not more than 10 investors in any four-month period in accordance with the relevant Notification of the Office of Securities and Exchange Commission. The debenture issued pursuant to this plan will be offered in all or in part, and/or as a program or several tranches as agreement.

The debenture is name-registered, unsubordinated, and unsecured debentures with no debenture holders' representative, paying interest quarterly. The Company has to comply with the terms and conditions specified in the loan agreement, such as maintenance of a interest bearing debt to equity ratio and restriction on dividend payment.

On 19 January 2022, the Extraordinary General Meeting of Shareholders No. 1/2022 of the Company approved the issuance and offer of debentures and debt securities in accordance with the Securities and Exchange Act B.E. 2535 (1992) available in different options, in a single and/or several tranches and/or as a program. This depends on the Company's discretion and necessity to use the funds. The debentures and debt securities will be issued for a total amount of not exceeding Baht 1,000 million. On 10 February 2022, the Executive committee Meeting No. 2/2022 approved the detail of debentures. The debentures are name-registered, unsubordinated, unsecured with debenture holders' representative and redeemable by the debenture issuer before the maturity date in the amount not exceeding Baht 500 million, with a term of 1 year 6 months. The Company will issue and offer long-term debentures to institutional investors and/or high net worth investors, paying interest quarterly. The Company has to comply with the terms and conditions specified in the loan agreement, such as maintenance of a interest bearing debt to equity ratio.



As at 31 December 2022 and 2021, the balance of domestic debt issued, stated in Baht, are as follows:

(Unit: Thousand Baht)

Debtentures	Date of issuance	Date of maturity	Option for redemption before maturity	Interest rate (Percent per annum)	Interest repayment	Face value per unit (Baht)	Issuance unit (Thousand unit)	31 December 2022	31 December 2021
1. The debtentures is name-registered, unsubordinated, and unsecured debtentures with no debtenture holders' representative	2 October 2020	2 October 2022	No	6.00	Quarterly	1,000	150	-	150,000
2. The debtentures is name-registered, unsubordinated, and unsecured debtentures with debtenture holders' representative	12 April 2022	12 October 2023	Yes	6.50	Quarterly	1,000	350	350,000	-
Less: Deferred debtenture issue expense								(2,682)	(211)
Total								347,318	149,789

Movements in debt issued account for the year ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
Balance at the beginning of the year	150,000	150,000
Increase during the year	350,000	-
Decrease during the year	(150,000)	-
Balance at the end of the year	350,000	150,000

## 19. Leases

The Company has lease contracts used in its operations. Leases generally have lease terms 10 years.

### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2022 and 2021 are summarised below:

		(Unit: Thousand Baht)
		Building and leasehold improvement
<b>Cost</b>		
1 January 2021		10,134
31 December 2021		10,134
31 December 2022		10,134
<b>Accumulated depreciation</b>		
1 January 2021		1,217
Depreciation for the year		1,213
31 December 2021		2,430
Depreciation for the year		1,214
31 December 2022		3,644
<b>Net book value</b>		
31 December 2021		7,704
31 December 2022		6,490
Depreciation for the year 2021		1,213
Depreciation for the year 2022		1,214

### b) Lease liabilities

		(Unit: Thousand Baht)
		31 December 2022    31 December 2021
Lease payments	8,619	10,065
Less: Deferred interest expenses	(1,210)	(1,653)
Lease liabilities	7,409	8,412

A maturity analysis of lease payments is disclosed in Note 34.3 to the financial statements, under the liquidity risk.

### c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
Depreciation expense of right-of-use assets	1,214	1,213
Interest expense on lease liabilities	443	499

### d) Others

The Company had total cash outflows for leases for the year ended 31 December 2022 of Baht 1.4 million (2021: Baht 1.4 million).

## 20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
<b>Provision for long-term employee benefits at beginning of the year</b>	2,157	1,903
Included in profit or loss:		
Current service cost	390	364
Interest cost	21	17
Included in other comprehensive income:		
Actuarial (gains) losses arising from		
Financial assumption changes	(320)	(127)
Experience adjustments	(34)	-
Benefits paid during the year	(330)	-
<b>Provision for long-term employee benefits at end of the year</b>	<b>1,884</b>	<b>2,157</b>

As at 31 December 2022, the Company expected to pay approximately Baht 0.8 million on employee benefits within the year. (2021: Baht 0.3 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 16.4 years (2021: 9.4 years).

Significant actuarial assumptions are summarised below.

(Unit: percent per annum)		
	31 December 2022	31 December 2021
Discount rate	3.28	2.13
Salary increase rate (depending on age)	3 - 12	5.5
Average staff turnover rate (depending on age)	0 - 20	0 - 20

The result of sensitivity analysis for significant assumptions that affect the increasing in present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)				
		31 December 2022		
		Liabilities increase		Liabilities decrease
Discount rate	Decrease 1%	131	Increase 1%	(113)
Salary increase rate	Increase 1%	129	Decrease 1%	(113)
Average staff turnover rate	Decrease 20%	129	Increase 20%	(101)

(Unit: Thousand Baht)				
		31 December 2021		
		Liabilities increase		Liabilities decrease
Discount rate	Decrease 1%	162	Increase 1%	(151)
Salary increase rate	Increase 1%	168	Decrease 1%	(147)
Average staff turnover rate	Decrease 20%	199	Increase 20%	(152)

## 21. Share capital

On 23 September 2021, the Extraordinary General Meeting of Shareholders No. 1/2021 of the Company approved the following matters.

1. Registration as a Public Company Limited and listing of the Company's shares on the Market for Alternative Investment (MAI).
2. A change in the par value of ordinary shares from Baht 10 each to Baht 0.5 each, causing the number of ordinary shares to increase from 23 million shares to 460 million shares. The meeting also approved the amendment of the Company's memorandum of association to reflect the change in par value. The Company registered the change in par value with the Department of Business Development on 27 September 2021.

3. An increase of Baht 80 million in the Company's registered share capital from Baht 230 million to Baht 310 million, and allocation of the 160 million additional ordinary shares of Baht 0.5 each issued to support the Initial Public Offering. The Company registered the increase of its share registered capital with the Department of Business Development on 27 September 2021.

In April 2022, the Company was offering of 160 million ordinary shares with a par value of 0.5 Baht per share, totaling Baht 80 million to be sold through the Initial Public Offering at an offering price of 3.7 Baht per share, totaling Baht 592 million with share premium of Baht 499.6 million (net of offering expenses and related income tax amounting to Baht 12.4 million). The Company registered its capital increase with the Department of Business Development on 28 April 2022. As at 31 December 2022, the Company has issued and fully paid up share capital at 620 million ordinary shares with a par value of Baht 0.5 each.

As at 31 December 2022 and 2021, the Company had registered and paid up share capital as follows:

	For the year ended 31 December 2022		For the year ended 31 December 2021	
	Number of shares	Amount	Number of shares	Amount
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)
<b>Registered capital</b>				
Registered capital at the beginning of the year	620,000	310,000	23,000	230,000
Share splitting (from 23 million ordinary shares at par value of Baht 10 each to 460 million ordinary shares at par value of Baht 0.5 each)	-	-	437,000	-
Increase in registered capital (160 million ordinary shares at par value of Baht 0.5 each)	-	-	160,000	80,000
Registered share capital at the end of the year	<u>620,000</u>	<u>310,000</u>	<u>620,000</u>	<u>310,000</u>

	For the year ended 31 December 2022		For the year ended 31 December 2021	
	Number of shares	Amount	Number of shares	Amount
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)
<b>Issued and fully paid-up capital</b>				
Issued and fully paid-up capital at the beginning of the year	460,000	230,000	23,000	230,000
Share splitting (from 23 million ordinary shares at par value of Baht 10 each to 460 million ordinary shares at par value of Baht 0.5 each)	-	-	437,000	-
Increase in share capital (160 million ordinary shares at par value of Baht 0.5 each)	160,000	80,000	-	-
Issued and fully paid-up capital at the end of the year	<u>620,000</u>	<u>310,000</u>	<u>460,000</u>	<u>230,000</u>

## 22. Share premium

Share premium is the excess of the amount received from shares issued by the Company over the registered value of the shares. Share premium can not be used for dividend payment.

## 23. 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.

## 24. Dividend

During the year ended 31 December 2022, the Company declared the dividend (during the year ended 31 December 2021: None) as the following:

Dividend	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht per share)
From its operating results for the period 1 January 2022 to 30 June 2022	The Company's Board of Director held on 10 August 2022	23,498	0.0379
Total dividend paid during the year ended 31 December 2022		<u>23,498</u>	<u>0.0379</u>



## 25. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure and to preserve the ability to continue its businesses as going concerns.

## 26. Interest income

Interest income for the years ended 31 December 2022 and 2021 consists of the following:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
Interbank and money market items - deposits		
at financial institutions	201	48
Loans purchased of receivables	121,980	103,867
Total	122,181	103,915

## 27. Interest expense

Interest expense for the years ended 31 December 2022 and 2021 consists of the following:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
Interbank and money market items	6,549	5,827
Debt issued and borrowings	25,930	9,281
Lease liabilities	443	498
Others	979	-
Total	33,901	15,606

## 28. Expected credit losses

Expected credit losses for financial assets for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
<b>Expected credit losses</b>		
- Loans purchased of receivables and accrued interest receivables	32,412	25,605
- Interbank and money market items - deposits		
at financial institutions	111	-
Total	32,523	25,605

## 29. 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.

On 23 September 2021, the Extraordinary General Meeting of Shareholders No.1/2021 of the Company approved to change in par value of ordinary shares from Baht 10 each to Baht 0.5 each for calculating earnings per share, the number of ordinary shares is adjusted as if the change in number of shares had occurred at the beginning of the earliest year reported.

## 30. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. Below is a summary of those transactions.

(Unit: Thousand Baht)

(Unit: Thousand Baht)

	For the years ended 31 December		Transfer pricing policies
	2022	2021	
<u>Related parties</u>			
Interest expenses - Debenture	4,973	6,600	At the rate agreed under the contract
Rental expenses	1,447	1,405	At the rate agreed under the rental contract
Utilities expenses	29	27	Market price
Other expenses	-	2	Market price

As at 31 December 2022 and 2021, the balance of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	31 December 2022	31 December 2021
<u>Related company- Dark Horse Development Co., Ltd</u>		
Lease liabilities	7,409	8,412
Utilities payable	-	8
<u>Management, directors, and related persons</u>		
Debt issued	-	110,000
Accrued interest payables	-	1,645

As at 31 December 2022 and 2021, the outstanding balances of loans and the movement between the Company and the related parties are as follow:

(Unit: Thousand Baht)

	For the year ended 31 December 2022			
	Balance beginning of the year	Increase	Decrease	Balance end of the year
<u>Management, directors, and related persons</u>				
Debt issued	110,000	-	(110,000)	-

(Unit: Thousand Baht)

	For the year ended 31 December 2021			
	Balance beginning of the year	Increase	Decrease	Balance end of the year
<u>Management, directors, and related persons</u>				
Debt issued	110,000	-	-	110,000

#### Directors and management's remuneration

During the years 2022 and 2021, the Company has 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	7,785	7,024
Post-employment benefits	251	123
Total	8,036	7,147

### 31. Segment information

The Company is principally engaged in the management of non-performing assets purchased or transferred from financial institutions. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statement. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

## Major customers

As at 31 December 2022, the Company had outstanding loans purchased of receivables and accrued interest receivables to 3 major customers amounting to Baht 722.5 million. During the years 2022, the Company had interest income, gains on disposal of loans purchased of receivables and gains from repayment from those major customers totaling of Baht 141.3 million (As at 31 December 2021, the Company had outstanding loans purchased of receivables and accrued interest receivables to 3 major customers amounting to Baht 220.9 million. During the year 2021, the Company had interest income and gains from repayment from those major customers of Baht 84.2 million).

## 32. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by TMB 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 Baht 0.4 million were recognised as expenses (2021: Baht 0.1 million).

## 33. Commitments

### 33.1 Capital commitment

As at 31 December 2022, the Company does not have capital commitment relating to the construction of office building improvement (2021: Baht 0.4 million).

### 33.2 Service commitments

The Company has entered into security service, advisory service and other service. The Company has future minimum lease payments as below.

(Unit: Thousand Baht)		
	31 December 2022	31 December 2021
Payable:		
In up to 1 year	1,301	697
In over 1 year and up to 5 years	85	-
Total	1,386	697

## 34. Risk Management

The Company's risk management activities cover the significant risks, which are classified into three categories, credit risk, market risk and liquidity risk, so that the Company can establish approaches or tools for efficient risk management, as follows:

### 34.1 Credit risk

Credit risk management is the management of the risk that a debtor or counterparty of the Company will be unable to comply with contracts and relates to non-performing debtors that were transferred to or acquired by the Company. Its main objective is to ensure the quality of the Company's asset management transactions, their compliance with relevant laws and regulations and appropriate consideration of risk.

For asset management companies (AMCs) whose revenues are not derived from the portion loan facilities to customers, but from the management and disposal of NPLs/NPAs, the principal risk is asset quality risk.

#### Tools for managing asset quality risk

- The appropriateness of the prices and quality of NPLs/NPAs is determined based on analysis of key data such as historical debtor information, current legal status, quality of collateral and assets, as well as relevant external factors such as the competitive environment and economic outlook. This allows the Company to acquire assets at appropriate prices.
- The Company manages its debtors in order to generate appropriate returns. The Company has a process for negotiating debt-restructuring agreements with debtors and consistently monitors debts to prevent defaults.
- Management of NPAs focuses on renovating assets to improve their status and to match market demand. In addition, the Company seeks out new distribution channels in order to increase asset sales.

#### Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for financial instruments. The maximum exposure is shown gross, before taking into account collateral arrangements and any actions taken to improve.

As at 31 December 2022 and 2021, the exposure to credit risk are as follow:

	(Unit: Thousand Baht)	
	31 December 2022	31 December 2021
Interbank and money market items - deposits		
at financial institutions	276,139	116,705
Loans purchased of receivables and accrued interest		
receivables - net	1,332,619	565,568
Other receivables - Legal execution department	13,622	11,304
Other assets - deposit purchase of asset from auction	2,624	2,711
Total exposure to credit risk	<u>1,625,004</u>	<u>696,288</u>

### 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, whereby there is monitoring and control of debtors to prevent default or monitoring of compliance with the terms of debt restructuring agreements and in the event of default or failure to comply with the conditions in the agreement urgent efforts are made to negotiate a timely solution. If the Company is unable to negotiate with the debtor legal proceedings are to be followed in order to enforce conditions on the debtors and enforce collateral.

The table below shows the credit quality of financial assets. The amounts presented in the table are the gross carrying amounts (before allowance for expected credit losses).

Explanations of 12-months expected credit loss, lifetime expected credit loss, credit impaired, and purchased or originated credit-impairment are provided in Note 4 to the financial statements.

(Unit: Thousand Baht)

	31 December 2022				
	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Purchased or originated credit-impaired financial asset	Total
<b>Interbank and money</b>					
<b>market items - deposits at financial institutions</b>					
Investment grade	276,250	-	-	-	276,250
Total	276,250	-	-	-	276,250
Less: Allowance for expected credit losses	(111)	-	-	-	(111)
Net book value	276,139	-	-	-	276,139
<b>Loans purchased of receivables and accrued interest receivables</b>					
Purchased or originated credit-impaired	-	-	-	1,428,730	1,428,730
Total	-	-	-	1,428,730	1,428,730
Less: Allowance for expected credit losses	-	-	-	(96,111)	(96,111)
Net book value	-	-	-	1,332,619	1,332,619
<b>Other receivables - Legal execution department</b>					
Unspecified term	13,622	-	-	-	13,622
Total	13,622	-	-	-	13,622
Less: Allowance for expected credit losses	-	-	-	-	-
Net book value	13,622	-	-	-	13,622
<b>Other assets - deposit purchase of asset from auction</b>					
Unspecified term	2,624	-	-	-	2,624
Total	2,624	-	-	-	2,624
Less: Allowance for expected credit losses	-	-	-	-	-
Net book value	2,624	-	-	-	2,624



(Unit: Thousand Baht)

	31 December 2021				
	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Purchased or originated credit-impaired financial asset	Total
<b>Interbank and money</b>					
<b>market items - deposits at financial institutions</b>					
Investment grade	116,705	-	-	-	116,705
Total	116,705	-	-	-	116,705
Less: Allowance for expected credit losses	-	-	-	-	-
Net book value	116,705	-	-	-	116,705
<b>Loans purchased of receivables and accrued interest receivables</b>					
Purchased or originated credit-impaired	-	-	-	629,268	629,268
Total	-	-	-	629,268	629,268
Less: Allowance for expected credit losses	-	-	-	(63,700)	(63,700)
Net book value	-	-	-	565,568	565,568
<b>Other receivables - Legal execution department</b>					
Unspecified term	11,304	-	-	-	11,304
Total	11,304	-	-	-	11,304
Less: Allowance for expected credit losses	-	-	-	-	-
Net book value	11,304	-	-	-	11,304
<b>Other assets - deposit purchase of asset from auction</b>					
Unspecified term	2,711	-	-	-	2,711
Total	2,711	-	-	-	2,711
Less: Allowance for expected credit losses	-	-	-	-	-
Net book value	2,711	-	-	-	2,711

### 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: Thousand Baht)

	Exposure to risk with collateral		Type of collateral
	31 December 2022	31 December 2021	
Loans purchased of receivables and accrued interest receivables	1,224,497	408,405	Land and building, Condominium, and security

## **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 Company's financial position. Since the Company has no financial assets and financial liabilities denominated in foreign currencies and no investments in equity securities, therefore market risk comprises only interest rate risk.

### **Interest rate risk**

The Company's exposure to interest rate risk relates primarily to its cash at banks, loans purchased of receivables, debt issued and borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Company manages its interest rate risk by maintaining an appropriate level of correlation between the structure of interest-rate-sensitive assets and liabilities over various periods, such as actively balancing its portfolio between fixed and variable rate of borrowings and appropriately managing the interest-bearing assets and liabilities to minimize risks that may arise.

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)

	31 December 2022						
	Floating interest rate	Fixed interest rate			Non- interest	Total	Interest rate
		Within 1 year	1 - 5 years	Over 5 years			(% per annum)
<b><u>Financial assets</u></b>							
Cash	-	-	-	-	10	10	-
Interbank and money market items	276,231	-	-	-	19	276,250	-
Loans purchased of receivables and accrued interest receivables <sup>(1)</sup>	112,225	4,455	37,945	92,009	1,182,096	1,428,730	0 - 24.09
Other receivables - Legal execution department	-	-	-	-	13,622	13,622	-
Other assets - deposit purchase of asset from auction	-	-	-	-	2,624	2,624	-
<b><u>Financial liabilities</u></b>							
Interbank and money market items	109,871	-	-	-	-	109,871	-
Other liabilities - acquisition of loans purchased of receivables	-	-	-	-	145,800	145,800	-
Debt issued	-	350,000	-	-	-	350,000	6.50
Lease liabilities	-	-	-	7,409	-	7,409	5.65

(1) Loans purchased of receivables which there is no interest have not yet been restructured and non-performing loans that have defaulted.

(Unit: Thousand Baht)

	31 December 2021						
	Floating interest rate	Fixed interest rate			Non- interest	Total	Interest rate (% per annum)
		Within 1 year	1 - 5 years	Over 5 years			
<b>Financial assets</b>							
Cash	-	-	-	-	10	10	-
Interbank and money market items	116,500	-	-	-	205	116,705	-
Loans purchased of receivables and accrued interest receivables <sup>(1)</sup>	115,854	28,595	6,101	105,009	373,709	629,268	0 - 72.11
Other receivables - Legal execution department	-	-	-	-	11,304	11,304	-
Other assets - deposit purchase of asset from auction	-	-	-	-	2,711	2,711	-
<b>Financial liabilities</b>							
Interbank and money market items	89,582	-	-	-	-	89,582	-
Debt issued	-	150,000	-	-	-	150,000	6.00
Lease liabilities	-	-	-	8,412	-	8,412	5.65

(1) Loans purchased of receivables which there is no interest have not yet been restructured and non-performing loans that have defaulted.

### Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in interest rates on that portion of floating rate financial assets and liabilities from affected as at 31 December 2022 and 2021, with all other variables held constant.

(Unit: Thousand Baht)

	Effect on profit or loss	
	31 December 2022	31 December 2021
Interest rates increase 1%	Increase 1,664	Increase 269
Interest rates decrease 1%	Increase 684	Increase 838

### 34.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets and/or produce sufficient funds to discharge its obligations in a timely manner, resulting in the Company incurring a financial loss.

The Company monitors its liquidity risk by forecasting its future expected cash outflow needs, taking into account the Company's commitments and the liquidity of assets. This includes continuously adjusting forecasts to ensure there are sufficient cash reserves to meet liabilities for the following 3-6 months and setting reserve plans in the event of a shortfall in liquidity, such as increasing capital or accessing loans. In addition, the Company consistently analyses its financial ratios to determine potential impacts and find preventative measures.

The table below summarises the maturity profile of the Company financial assets and liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	31 December 2022					
	At call	Less than 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<b><u>Financial assets</u></b>						
Cash	10	-	-	-	-	10
Interbank and money market items	276,250	-	-	-	-	276,250
Loans purchased of receivables and accrued interest receivables <sup>(1)</sup>	1,182,096	4,455	150,170	92,009	-	1,428,730
Other receivables - Legal execution department	-	-	-	-	13,622	13,622
Other assets - deposit purchase of asset from auction	-	-	-	-	2,624	2,624
<b><u>Financial liabilities</u></b>						
Interbank and money market items	-	39,871	70,000	-	-	109,871
Other liabilities - acquisition of loans purchased of receivables	-	145,800	-	-	-	145,800
Debt issued	-	350,000	-	-	-	350,000
Lease liabilities	-	1,106	5,603	700	-	7,409

(1) The balance of loans purchased of receivables due at call includes non-performing loans that have not yet been restructured and non-performing loans that have defaulted.

(Unit: Thousand Baht)

	31 December 2021					
	At call	Less than 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<b>Financial assets</b>						
Cash	10	-	-	-	-	10
Interbank and money market items	103,267	4,060	9,378	-	-	116,705
Loans purchased of receivables and accrued interest receivables <sup>(1)</sup>	373,709	28,595	121,955	105,009	-	629,268
Other receivables - Legal execution department	-	-	-	-	11,304	11,304
Other assets - deposit purchase of asset from auction	-	-	-	-	2,711	2,711
<b>Financial liabilities</b>						
Interbank and money market items	-	27,062	62,520	-	-	89,582
Debt issued	-	150,000	-	-	-	150,000
Lease liabilities	-	1,003	6,709	700	-	8,412

(1) The balance of loans purchased of receivables due at call includes non-performing loans that have not yet been restructured and non-performing loans that have defaulted.

## 35. Fair value of financial instrument

### 35.1 Fair value hierarchy

As at 31 December 2022 and 2021, the Company has financial assets and financial liabilities that were measured at fair value or measured at amortised cost but which fair value was disclosed based on fair value hierarchy as follows:

(Unit: Thousand Baht)

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(Unit: Thousand Baht)

	31 December 2021				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<b><u>Financial assets for which fair value are disclosed</u></b>					
Cash	10	10	10	-	-
Interbank and money market items - deposits at financial institutions	116,705	116,705	116,705	-	-
Loans purchased of receivables and accrued interest receivables	565,568	565,568	-	-	565,568
Other receivables - Legal execution department	11,304	11,304	-	-	11,304
Other assets - deposit purchase of asset from auction	2,711	2,711	-	-	2,711
<b><u>Financial liabilities for which fair value are disclosed</u></b>					
Interbank and money market items	89,369	89,369	-	-	89,369
Debt issued	149,789	149,826	-	-	149,826
Lease liabilities	8,412	8,412	-	-	8,412

#### Valuation techniques and inputs used for fair value measurement

Interbank and money market items - deposits at financial institutions	- The fair value is assumed to approximate their carrying amounts in the statement of financial position due to their short-term maturity.
Investments	- The fair value of non-marketable equity securities is calculated based on book value on the latest financial statements.
Loans purchased of receivables	- The fair value of loans purchased of receivables is calculated based on the present value of future cash flows expected to be derived from repayment or the sale of collateral.
Other receivables - Legal execution department	- The fair value is assumed to approximate their carrying amounts in the statement of financial position due to their short-term maturity.
Other assets - deposit purchase at asset from auction	- The fair value is assumed to approximate their carrying amounts in the statement of financial position due to their short-term maturity.
Interbank and money market items	- The fair value of interbank and money market items with floating interest rate, is assumed to approximate their book values.
Debt issued	<ul style="list-style-type: none"> <li>- The fair value is assumed to approximate their carrying amounts in the statement of financial position due to their short-term maturity.</li> <li>- The fair value of debts issued that bear fixed interest rates with remaining maturity period greater than 1 year from the statements of financial position date are determined by discounting the expected cash flows by market interest rates on debt instruments with similar conditions.</li> </ul>

- Lease liabilities - The fair value of lease liabilities is calculated based on the present value of future cash flows expected with a discount of the Company's incremental borrowing rate.
- Other liabilities - Acquisition of loans purchase of receivables - The fair value is assumed to approximate their carrying amounts in the statement of financial position due to their short-term maturity.

During the current year, the Company did not transfer any items among fair value hierarchy.

### 35.2 Reconciliation of recurring fair value measurements, of financial assets, categorised within Level 3 of the fair value hierarchy.

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
<b>Investment in equity instruments designated at FVOCI</b>		
Balance at the beginning of the year	-	-
Acquired during the year	-	1,024
Net loss recognised into other comprehensive income	-	(1,024)
Balance at the end of the year	-	-

### 36. Reclassification

Certain accounts in statement of cash flows for the year ended 31 December 2021 have been reclassified to conform to the current year's classification as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2021	
	As reclassified	As previously reported
<b>Cash flows from operating activities</b>		
Loans purchased of receivables	2,224	17,801
Properties foreclosed	9,334	(6,243)
Cash paid for borrowing fee and debenture issue expense	-	(129)
<b>Cash flows from financing activities</b>		
Cash paid for borrowing fee and debenture issue expense	(129)	-

The reclassifications had no effect to previously reported profit or shareholders' equity.




### **37. Event after the reporting period**

On 17 February 2023, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of Shareholders that a dividend of Baht 0.0591 per share be paid to the ordinary shareholders in respect of the operating results for the year 2022. The Company had already paid an interim dividend of Baht 0.0379 per share; therefore, the remaining dividend to be paid on 17 May 2023 would be Baht 0.0212 per share.

### **38. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2023.

An aerial photograph of a city, likely Singapore, featuring a large, modern stadium with a distinctive white, ribbed roof structure in the foreground. The city skyline is visible in the background, with numerous high-rise buildings. The image is overlaid with a semi-transparent grid pattern.

Part 4

# Attachment

## Attachment 1

# Information of the Board of Directors, Executives, Head of Finance and Accounting, and Company Secretary

## Information of the Board of Directors, Executives, Head of Finance and Accounting, and Company Secretary

### 1. Board of Directors

The Authorized Directors of the Company according to the Company's Articles of Association and Certification as of March 25, 2022 are (1) Mr. Suchart Boonbanjerd Sri (2) Mr. Tawee Kullertprasert and (3) Ms. Ms. Panittra Akarawinek, two out of three directors are authorized to collectively sign with the Company's seal affixed.

No.	Name - Surname /Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
1	Mr. Manit Nitiprateep - Chairman of the Board - Independent Director - Member of Audit Committee  Appointment Date: - Independent Director / Chairman of the Board / Member of Audit Committee On September 2, 2020	66	- Master's Degree of Economics Majoring in Industrial Economics / Economic Development, National Institute of Development Administration - Bachelor's Degree of Economics Majoring in Economic Theory, Ramkhamhaeng University - Director Certification Program (DCP) 225/2016 Thai Institute of Directors (IOD) - Director Accreditation Program (DAP) 126/2016 Thai Institute of Directors (IOD) - Role of the Compensation Committee (RCC) 21/2016 Thai Institute of Directors (IOD) - Risk Management Program for Corporate Leaders (RCL) 8/2017 Thai Institute of Directors (IOD) - Advanced Audit Committee Program (AACP) 26/2017 Thai Institute of Directors (IOD)	None	None	2020 - Present - Chairman of the Board - Independent Director - Member of Audit Committee	Knight Club Capital Asset Management Public Company Limited Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales	
						2017 - Present - Independent Director - Chairman of Audit Committee - Chairman of the Nomination and Remuneration Committee	AMA Marine Public Company Limited Providing international transportation of liquid products	
						2016 - Present - Independent Director - Chairman of Audit Committee	Rich Sport Public Company Limited Import and distribute fashion and lifestyle products under leading international brands	
						2014 - 2020 - Independent Director - Chairman of Audit Committee - Chairman of the Nomination Committee	Airports of Thailand Public Company Limited Thailand's airport business	
						2015 - 2017 - Independent Director - Member of Audit Committee - Chairman of the Nomination and Remuneration Committee	Bangkok Terminal Public Company Limited Port business and other related services	
						2015 - 2016 - Director	PTG Energy Public Company Limited Fuel distribution business and retail business	
						2013 - 2015 - Director	NEP Realty and Industry Public Company Limited Manufacture and sale of plastic packaging including other types of packaging	
						2014 - 2015 - Tax Collection Strategy Consultant	The Revenue Department, Ministry of Finance Government Agency	
						2012 - 2015 - Director	Marketing Organization for Farmers State Enterprise	
						2011 - 2013 - Deputy Director General	The Revenue Department, Ministry of Finance Government Agency	

No.	Name - Surname /Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
2	Mr. Prin Bhoivias - Director - Independent Director - Chairman of the Audit Committee  Appointment Date: - Director / Independent Director / Chairman of the Audit Committee On September 2, 2020	65	<ul style="list-style-type: none"> <li>- Master's Degree of Business Administration (MBA) Majoring in Accounting, University of Wisconsin-Madison, Wisconsin, U.S.A.</li> <li>- Bachelor's Degree of Business Administration (BBA) Majoring in Accounting, Thammasat University</li> <li>- Director Certification Program (DCP) 7/1/2006</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Director Accreditation Program (DAP) 2/2003</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Audit Committee Program (ACP) 20/2007</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Company Secretary Program (CSP) 22/2007</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Monitoring the Internal Audit Function (MIA) 3/2008</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Anti - Corruption for Executive Program (ACEP) 6/2013</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Anti - Corruption Practical Guide (ACPG) 10/2014</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Ethical Leadership Program (ELP) 3/2016</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Advanced Audit Committee Program (AACP) 37/2020</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Developing Corporate Governance Policy</li> <li>- Thai Institute of Directors (IOD)</li> <li>- D&amp;O Insurance: Mitigating Directors Liabilities Risk</li> <li>- Thai Institute of Directors (IOD)</li> <li>- ASEAN Corporate Governance Scorecard (ACGS)</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Director Recruitment and Appointment Guidelines Thai Institute of Directors (IOD)</li> </ul>	None	None	2020 - Present	<ul style="list-style-type: none"> <li>- Director</li> <li>- Independent Director</li> <li>- Chairman of Audit Committee</li> </ul>	Knight Club Capital Asset Management Public Company Limited Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales
						2022 - Present	<ul style="list-style-type: none"> <li>- Corporate Governance and Sustainability Committee</li> </ul>	Demco Public Company Limited Providing complete design, procurement, construction, and installation services in the electrical distribution system, high voltage transmission line system, construction of high voltage power stations, and substations and renewable energy power plants
						2018 - Present	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Chairman of the Investment Committee</li> <li>- Member of Audit Committee</li> </ul>	
						2021 -Dec. 2021	<ul style="list-style-type: none"> <li>- Member of the Nomination, Remuneration and Corporate Governance Committee</li> </ul>	
						2000 -2018	<ul style="list-style-type: none"> <li>- Director</li> <li>- Good Corporate Governance Committee</li> <li>- Chairman of the Risk Management Committee</li> <li>- Company Secretary</li> <li>- Deputy Managing Director for Finance and Administration</li> <li>- Supervisor of Operations</li> </ul>	Srithai Superware Public Company Limited Manufacture and sale of industrial plastic products and household products made of melamine and mold business
						1993 - 2000	<ul style="list-style-type: none"> <li>- Assistant Managing Director of Accounting and Finance, Marketing and Distribution Business Group</li> </ul>	Charoen Pokphand Group Company Limited Holding in affiliated companies (Holding Company) in Thailand and abroad, which operate a variety of businesses in both manufacturing and service industries
						1992 - 1993	<ul style="list-style-type: none"> <li>- Senior Manager, Accounting Information System Division, Accounting Department</li> </ul>	Telecom Asia Public Company Limited Telecommunication business
						1989 - 1992	<ul style="list-style-type: none"> <li>- Accounting and Finance Manager</li> </ul>	Sunny Supermarket Company Limited Retail business
						1982 -1989	<ul style="list-style-type: none"> <li>- Head of Financial Analysis and Planning Division, Finance and Accounting Department</li> </ul>	State Railway of Thailand State Enterprise

No.	Name - Surname /Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
3.	Mr. Boonyong Tansakul - Director - Independent Director - Member of Audit Committee - Chairman of the Risk Management Committee - Chairman of the Nomination, Remuneration and Corporate Governance Committee - Chairman of the Nomination, Remuneration and Corporate Governance Committee Appointment Date: - Director / Independent Director / Member of Audit Committee On September 2, 2020 - Chairman of the Risk Management Committee / Chairman of the Nomination, Remuneration and Corporate Governance Committee On November 12, 2020	56	- Bachelor's Degree Majoring in Electrical Engineering, King Mongkut's Institute of Technology Thonburi - Executive Development Program, Kellogg Graduate School of Management, Northwestern University, U.S.A. - Introductory Manufacturing Management, Thai-Japanese Technological Promotion Association, Sanno Institute of Management, Japan - Director Certification Program (DCP) 96/2007 Thai Institute of Directors (IOD) - Chartered Director Class (CDC) 3/2008 Thai Institute of Directors (IOD) - Anti - Corruption for Executive Program (ACEP) 2/2012 Thai Institute of Directors (IOD) - Director Leadership Certification Program (DLCP) 1/2021 Thai Institute of Directors (IOD) - TLCA Executive Development Program (EDP) 4/2009 Thai Institute of Directors (IOD) - CMA Program 13/2011 Capital Market Academy - Capital Market Leader Program 2014 Sasin Graduate Institute of Business Administration of Chulalongkorn University	None	None	2020 - Present	- Director - Independent Director - Member of Audit Committee - Chairman of the Risk Management Committee - Chairman of the Nomination, Remuneration and Corporate Governance Committee	Knight Club Capital Asset Management Public Company Limited Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales
						2020 - Present	- Acting Deputy Chief Executive Officer, Project Management and Business Development Group - Member of Risk Management Committee	Zen Corporation Group Public Company Limited Holding in other companies (Holding Company), operating restaurant business and other related businesses
						2019 - Present	- Director of Marketing and Sustainable Development - Chairman of the Executive Committee - Chief Executive Officer	
						2018 - Present	- Director - Chief Executive Officer	
						2016 - Present	- Director - Acting Deputy Chief Executive Officer, Project Management and Business Development Group	Zen Restaurant Holding Company Limited Restaurant business
						2020 - Present	- Director - Chief Executive Officer	
						2018 - Present	- Acting Deputy Chief Executive Officer, Project Management and Business Development Group - Director - Chief Executive Officer	Aka Interfoods Company Limited Restaurant business
						2020 - Present	- Acting Deputy Chief Executive Officer, Project Management and Business Development Group - Director - Chief Executive Officer	Gyu Grill Group Company Limited Restaurant business
						2018 - Present	- Director - Chief Executive Officer	
						2018 - Present	- Director - Chief Executive Officer	



No.	Name - Surname /Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
						2020 - Present	- Acting Deputy Chief Executive Officer, Project Management and Business Development Group	Spice Synergy Company Limited Owner of a restaurant brand service mark
						2018 - Present	- Director - Chief Executive Officer	
						2020 - Present	- Acting Deputy Chief Executive Officer, Project Management and Business Development Group	Tokyo Concept Company Limited Restaurant business
						2018 - Present	- Director - Chief Executive Officer	
						2020 - Present	- Acting Deputy Chief Executive Officer, Project Management and Business Development Group	Zen & Spicy Company Limited Restaurant business
						2018 - Present	- Director - Chief Executive Officer	
						2018 - Present	- Director - Chief Executive Officer	Zen Supply Chain Management Company Limited Management, procurement, and delivery of raw materials
						2019 - Present	- Director - Member of the Nomination and Remuneration Committee	Thai Listed Companies Association
						2013 - 2016	- Managing Director	Singer Thailand Public Company Limited Retail and hire purchase business
						2013 - 2015	- Executive Vice President	Singer Asia Company Limited Retail and hire purchase business



No.	Name - Surname /Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
4.	Mr. Prasodhoke Aranyakanon - Director - Independent Director - Member of the Nomination, Remuneration and Corporate Governance Committee  Appointment Date: - Director / Independent Director On September 2, 2020 - Member of the Nomination, Remuneration and Corporate Governance Committee On November 12, 2020	40	- Master's Degree Majoring in Security Studies, Command and General Staff College - Bachelor's Degree of Engineering Chulachomklao Royal Military Academy - Director Accreditation Program (DAP) 186/2021 Thai Institute of Directors (IOD)	None	None	2020 - Present - Director - Independent Director - Member of the Nomination, Remuneration and Corporate Governance Committee	Director	Knight Club Capital Asset Management Public Company Limited
						2019 - Present - Head of the Force Department	Head of the Force Department	17 <sup>th</sup> Military Circle
						2015 - Present - Tactical and Training Assistant	Tactical and Training Assistant	1 <sup>st</sup> Army Area
						2014 - 2015 - Deputy Lieutenant Colonel	Deputy Lieutenant Colonel	1 <sup>st</sup> Infantry Battalion, 31 <sup>st</sup> Infantry Regiment, King's Guard
						2012 - 2014 - Administration Department 2	Administration Department 2	31 <sup>st</sup> Infantry Regiment, King Guard
						2011 - 2012 - Platoon Commander 60	Platoon Commander 60	3 <sup>rd</sup> Infantry Battalion, 31 <sup>st</sup> Infantry Regiment, King's Guard
5.	Mr. Suchart Boonbanjerd Sri - Director - Chairman of Executive Committee - Member of the Nomination, Remuneration and Corporate Governance Committee  Appointment Date: - Director On December 13, 2012 - Chairman of Executive Committee / Member of the Nomination, Remuneration and Corporate Governance Committee On November 12, 2020	62	- Master's Degree of Business Administration (MBA) Majoring in Finance and Marketing, Wharton School, University of Pennsylvania, U.S.A. - Bachelor's Degree of Economics Majoring in Quantitative Analysis Chulalongkorn University - Director Certification Program (DCP) 19/2002 Thai Institute of Directors (IOD) - Audit Committee Program (ACP) 13/2006 Thai Institute of Directors (IOD) - Successful Formulation and Execution of Strategy (SFE) 12/2011 Thai Institute of Directors (IOD)	61.67	Father of Mr. Kobi Boonbanjerd Sri	2020 - Present - Chairman of Executive Committee - Member of the Nomination, Remuneration and Corporate Governance Committee	Chairman of Executive Committee Member of the Nomination, Remuneration and Corporate Governance Committee	Knight Club Capital Asset Management Public Company Limited Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales
						2012 - Present - Director	Director	for sales
						2020 - Present - Chairman of the Board	Chairman of the Board	The Connexx Academia Company Limited Training and seminar business
						2020 - Present - Chairman of the Board	Chairman of the Board	High Q Pharma Company Limited Retail business of pharmaceutical products and medical supplies
						2020 - Present - Chairman of the Board	Chairman of the Board	Cosec Company Limited Information technology startup business
						2019 - Present - Director	Director	PSB 5 Company Limited Land and factory rental business
						2019 - Present - Director	Director	PSB 35 Company Limited Land and factory rental business

No.	Name - Surname /Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
						2015 - Present	- Chairman of the Board	Night Club Capital Holding Company Limited Holding in other companies (Holding Company) investing in financial business
						2014 - Present	- Chairman of the Board	Dark Horse Development Company Limited Restaurant and food distribution business
						2014 - Present	- Independent Director - Chairman of Audit Committee	Salee Printing Public Company Limited Printing business, publications
						2013 - Present	- Director	T J Inter Service Company Limited Tour service business and various exhibitions
						2011 - Present	- Chairman of the Board	EDP Foundation Foundation for Education under the Thai Listed Companies Association
						2008 - Present	- Chairman of the Board	K J K Estate Company Limited Real estate rental business
						2005 - Present	- Chairman of the Board	Steeler Steel Works Company Limited Land and factory rental business
						2005 - Present	- Chairman of the Board	Steel Plus Fabrication Company Limited Land and factory rental business
						2002 - Present	- Independent Director - Member of Audit Committee - Chairman of the Good Corporate Governance Committee	Srithai Superware Public Company Limited Production business for sales of plastic and melamine products
						2001 - Present	- Chairman of the Board	Practicum Engineering Company Limited Manufacture and sale of other products with metal structure
						2014 - Nov. 2021	- Independent Director - Chairman of Audit Committee	SNC Former Public Company Limited Electric appliance parts and automotive parts manufacturing business
						2016 - Jul. 2021	- Director	PYLON Public Company Limited Foundation construction business
						1998 - 2002	- Member of Executive Committee	ALM (Thailand) Company Limited Financial advisor
						2003 - 2018	- Director	Chiang Dao Orchard Company Limited Agricultural business

No.	Name - Surname /Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
6.	Mr. Kanokkit Navasiri - Director - Member of Executive Committee - Member of Risk Management Committee Appointment Date: - Director On March 15, 2022 - Member of Executive Committee / Member of Risk Management Committee On November 12, 2020	62	<ul style="list-style-type: none"> <li>- Master's Degree of Business Administration (MBA) City University of Seattle, Washington, U.S.A.</li> <li>- Bachelor's Degree of Business Administration (BBA) Majoring in Finance, University of the Thai Chamber of Commerce</li> <li>- Director Certification Program (DCP) 199/2015</li> <li>- Thai Institute of Directors (IOD)</li> <li>- TLCA Executive Director Program (EDP) 4/2009</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Senior Executive Program (SEP), Class 4 Thammasat University</li> </ul>	-	-	2014 - 2017	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Chairman of Audit Committee</li> </ul>	General Engineering Public Company Limited Production of prestressed concrete piles
						2011 - 2011	- Chairman of the Board	TOT Public Company Limited Telephone network service provider
						2011 - 2011	- Director	Thailand Postal Credit Co., Ltd. Personal loan service provider
						2010 - 2011	- Vice Chairman	Thailand Post Company Limited Postal service provider
						Mar. 2022-Present	- Director	Knight Club Capital Asset Management Public Company Limited
						2020-Present	<ul style="list-style-type: none"> <li>- Member of Executive Committee</li> <li>- Member of Risk Management Committee</li> </ul>	Procurement and management of non- performing loans, including management of non-performing assets and improvement of non-performing assets for sales
						2015 - 2018	- President of the Thai Factoring Association	Thai Factors Association Factoring business
						2014 - 2018	- Managing Director	Aira Factoring Public Company Limited Factoring Business
						2014 - 2015	<ul style="list-style-type: none"> <li>- Managing Director</li> <li>- Acting Chief Executive Officer</li> </ul>	
						2005 - 2014	- Assistant Managing Director of Credit and Marketing	
						2002 - 2004	- Credit and Marketing Director	
						1999 - 2001	- Ad-hoc Manager	Thai Max Public Company Limited Financial business
						1993 - 1998	- Credit Director	E Prime Finance & Securities Public Company Limited Financial business

No.	Name - Surname /Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
7.	Mr. Tawee Kullerprasert - Director - Member of Executive Committee - Member of Risk Management Committee - Chief Executive Officer  Appointment Date: - Director On December 13, 2012 - Chief Executive Officer On July 1, 2017 - Member of Executive Committee / Member of Risk Management Committee On November 12, 2020	49	- Master's Degree Majoring in Finance, Golden Gate University, U.S.A. - Bachelor's Degree of Laws Chulalongkorn University - Bachelor's Degree of Business Administration (BBA), Majoring in Finance, University of the Thai Chamber of Commerce - Director Certification Program (DCP) 79/2006 Thai Institute of Directors (IOD) - Director Accreditation Program (DAP) 35/2005 Thai Institute of Directors (IOD) - Audit Committee Program (ACP) 12/2006 Thai Institute of Directors (IOD) - TLCA Executive Director Program (EDP) 4/2009 Thai Institute of Directors (IOD) - Senior Executive Program (SEP), Class 20 Sasin Graduate Institute of Business Administration of Chulalongkorn University	30.00	None	2020 - Present - Member of Executive Committee - Member of Risk Management Committee 2017 - Present - Chief Executive Officer 2012 - Present - Director 2019 - Present - Director 2019 - Present - Director 2015 - Present - Director 2014 - Present - Director 2006 - Present - Independent Director 2005 - Present - Director 2005 - Present - Director 2001 - Present - Director 2004 - 2001 - Director 2015 - 2019 - Director 1997 - 2009 - Project Manager 1994 - 1995 - Credit Analysts	- Knight Club Capital Asset Management Public Company Limited Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales PSB 5 Company Limited Land and factory rental business PSB 35 Company Limited Land and factory rental business Night Club Capital Holding Company Limited Holding in other companies (Holding Company) investing in financial business Dark Horse Development Company Limited Restaurant and food distribution business Syntec Construction Public Company Limited Construction business Steeler Steel Works Company Limited Land and factory rental business Steel Plus Fabrication Company Limited Land and factory rental business Practicum Engineering Company Limited Manufacture and sale of other products with metal structure Siam Syntech Planner Company Limited Investment consulting Acme 1975 Company Limited Furniture Factory ALM (Thailand) Company Limited Financial Advisor Prime Finance & Securities Public Company Limited Financial Business	

No.	Name - Surname /Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
8.	Ms. Panittra Akarawinek - Director - Member of Executive Committee - Member of Risk Management Committee - Chief Financial Officer - Company Secretary  Appointment Date: - Chief Financial Officer On June 1, 2017 - Director On April 9, 2020 - Member of Executive Committee / Member of Risk Management Committee / Company Secretary On November 13, 2020	31	<ul style="list-style-type: none"> <li>- Bachelor's Degree Majoring in Accounting, Chulalongkorn University</li> <li>- Director Accreditation Program (DAP) 185/2021</li> <li>- Thai Institute of Directors (IOD)</li> <li>- CFO Focus on Financial Reporting 1/2018</li> <li>- Federation of Accounting Professions</li> <li>- Fundamentals for Corporate Secretaries 1/2018</li> <li>- Thai Listed Companies Association</li> <li>- Strategic Financial Leadership Program (SFLP) 2019</li> <li>- Thai Listed Companies Association</li> <li>- CFO's Orientation for New IPOs 5/2021</li> <li>- The Stock Exchange of Thailand</li> </ul>	None	None	2020 - Present	<ul style="list-style-type: none"> <li>- Director</li> <li>- Member of Executive Committee</li> <li>- Member of Risk Management</li> <li>- Company Secretary</li> </ul>	Knight Club Capital Asset Management Public Company Limited Procurement and management of non- performing loans, including management of non-performing assets and improvement of non-performing assets for sales  Standard Chartered Bank (Thai) Public Company Limited Commercial Bank  KPMG Phoomchai Audit Company Limited Audit Business
						2017 - Present	<ul style="list-style-type: none"> <li>- Chief Financial Officer</li> </ul>	
						2015 - 2017	<ul style="list-style-type: none"> <li>- Assistant Manager, Group Special Asset Management</li> </ul>	
						2012 - 2015	<ul style="list-style-type: none"> <li>- Assistance Auditor</li> </ul>	

## 2. Head of Finance and Accounting

No.	Name – Surname / Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
1.	<p>Mr. Tawee Kullertprasert</p> <ul style="list-style-type: none"> <li>- Director</li> <li>- Member of Executive Committee</li> <li>- Member of Risk Management Committee</li> <li>- Chief Executive Officer</li> </ul> <p>Appointment Date:</p> <ul style="list-style-type: none"> <li>- Director On December 13, 2012</li> <li>- Chief Executive Officer On July 1, 2017</li> <li>- Member of Executive Committee / Member of Risk Management Committee On November 12, 2020</li> </ul>							
Additional details of Mr. Tawee Kullertprasert are shown in Section 1.7 Information of the Board of Directors								
2.	<p>Ms. Panittra Akarawinek</p> <ul style="list-style-type: none"> <li>- Director</li> <li>- Member of Executive Committee</li> <li>- Member of Risk Management Committee</li> <li>- Chief Financial Officer</li> <li>- Company Secretary</li> </ul> <p>Appointment Date:</p> <ul style="list-style-type: none"> <li>- Chief Financial Officer On June 1, 2017</li> <li>- Director On April 9, 2020</li> <li>- Member of Executive Committee / Member of Risk Management Committee / Company Secretary On November 13, 2020</li> </ul>							
Additional details of Ms. Panittra Akarawinek are shown in Section 1.8 Information of the Board of Directors								

No.	Name – Surname / Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
3.	Mr. Kobi Boonbanjerd Sri - Member of Risk Management Committee - Director of Asset Management  Appointment Date: - Member of Risk Management Committee On November 12, 2020 - Director of Asset Management On February 1, 2021	29	- Bachelor's Degree of Business Administration (BBA), Thammasat University	8.33	Son of Mr. Suchart Boonbanjerd Sri	Feb. 2021 - Present	- Director of Asset Management	Knight Club Capital Asset Management Public Company Limited
						2020 - Present	- Member of Risk Management Committee	Procurement and management of non- performing loans, including management of non-performing assets and improvement of non-performing assets for sales
						2016 - Jan. 2021	- Senior Asset Management Manager	
						2017 - Present	- Director	Practicum Engineering Company Limited Manufacture and sale of other products with metal structure
						2017 - Present	- Director	Steeler Steel Works Company Limited Land and factory rental business
						2017 - Present	- Director	Steel Plus Fabrication Company Limited Land and factory rental business
4.	Mr. Prakrit Prasertying - Director of Legal Department  Appointment Date: - Director of Legal Department On February 1, 2021	44	- Bachelor's Degree of Laws Ramkhamhaeng University - Lawyer Council Training Center Class 20 (license) - The 65 <sup>th</sup> session of the Legal Education Institute of the Thai Bar Association	None	None	Feb. 2021- Present	- Director of Legal Department	Knight Club Capital Asset Management Public Company Limited
						2020 - Jan. 2021	- Legal Department Manager	Procurement and management of non- performing loans, including management of non-performing assets and improvement of non-performing assets for sales
						May. - Dec. 2019	- Legal Advisor	
						Jan. - Apr. 2019	- Lawyer	
						2016 - 2018	- Assistant Legal Manager	Sukhumvit Asset Management Company Limited Non-performing assets and foreclosed assets management business
						2014 - 2015	- Lawyer	Standard Chartered Bank (Thai) Public Company Limited Commercial bank
						2011 - 2013	- Lawyer	Krung Thai Bank Public Company Limited Commercial bank
						2004 - 2010	- Lawyer	Legal Execution Department Government agency



No.	Name – Surname / Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
5.	Mrs. Watcharaporn Kanchanaphi - Director of Administrative Support Department  Appointment Date: - Director of Administrative Support Department On July 1, 2017	59	<ul style="list-style-type: none"> <li>- Master's Degree of Economics Western Michigan University, U.S.A.</li> <li>- Bachelor's Degree of Economics Chulalongkorn University</li> </ul>	None	None	2017 - Present	- Director of Administrative Support Department	Knight Club Capital Asset Management Public Company Limited Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales
						2015 - Present	- Director	Dark Horse Development Company Limited Restaurant and food distribution business
						2003 - 2017	- Business Owner	Business Owner Restaurant
						2000 - 2003	- Office of the Director	Bangkok Airways Public Company Limited Airline business
						1998 - 2000	- Head of Fundraising	Dhana Nakorn Finance and Securities Public Company Limited Securities investment business
						1986 - 1998	- Head of International Affairs	The Siam Commercial Bank Public Company Limited Commercial bank

### 3. Accounting Supervisor

No.	Name – Surname / Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
1.	Ms. Areerat Somnarin - Accountant  Appointment Date: - Accountant On July 15, 2022	32	<ul style="list-style-type: none"> <li>- Bachelor's Degree Majoring in Accounting, Burapha University</li> <li>- Course on Taxation for Small and Medium Businesses, SME and TAS 12 Income Taxes and TFRS No. 15 Revenue from Contracts with Customers</li> <li>- Tax Update Course and Summary of TFRS for NPAs</li> </ul>	None	None	Jul. 2022 -Present	- Accountant	Knight Club Capital Asset Management Public Company Limited Procurement and management of non-performing loans, including management of non-performing assets and improvement of non-performing assets for sales
						2013 - 2021	- Assistance Auditor	Bunchikij Company Limited Audit business

#### 4. Company Secretary

No.	Name – Surname / Position Appointment Date	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experiences		
						Period	Position	Organization / Company/ Business type
1.	Mrs. Tipwadee Jitrunghphakorn - Company Secretary  Appointment Date: - Company Secretary On November 14, 2020	37	<ul style="list-style-type: none"> <li>- Master's Degree of Business Administration (MBA) Majoring in Accounting, Bangkok Suvarnabhumi University</li> <li>- Bachelor's Degree of Business Administration (BBA) Majoring in Management, Phetchabun Rajabhat University</li> <li>- Company Secretary Program (CSP) 15/2021</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Company Reporting Program (CRP) 28/2021</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Board Reporting Program (BRP) 36/2021</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Effective Minute Taking (EMT) 49/2021</li> <li>- Thai Institute of Directors (IOD)</li> <li>- Seminar and Workshop of Sustainability Report 2021</li> <li>- The Stock Exchange of Thailand</li> </ul>	None	None	2020 – 2022  2018 – 2020  2012 – 2018 2008 – 2012	Senior Company Secretary and Secretary to the Chairman and Assistant Company Secretary  Secretary to the President  Secretary to Managing Director Executive Secretary	MC Group Public Company Limited  Preecha Group Public Company Limited  Texture Laboratory Company Limited Buranavej Company Limited

#### 6. Duties and Responsibilities of the Company Secretary

The Board of Directors' Meeting No. 8/2022 held on November 14, 2022 resolved to appoint Mrs. Tipwadee Jitrunghphakorn as Company Secretary to comply with the requirements under Section 89/15 of the Public Companies Act B.E. 2535 (as amended). The roles, duties and responsibilities of the Company Secretary are as follows: (Details are shown in the Section 2.2.3 Corporate Governance / 7. Governance Structure / 7.6.1 Responsible for overseeing various functions)

## Attachment 2

# Details of Directors of Subsidiaries

Details of Directors of Subsidiaries

- None -

## Attachment 3

# Detail of Head of Internal Audit and Compliance

### Detail of Head of Internal Audit and Compliance

The Company outsources services to I VL Audit Company Limited ("IVL") as an internal audit service provider. IVL has assigned Ms. Valdi Sibunruang is the head of the internal audit with the details as follows:

Name - Surname Position	Age (Year)	Education / Training	Shareholding (%)	Family Relationship among Directors and Executives	Work Experience		
					Period	Position	Organization / Company/ Business type
Ms. Valdee Sibunruang - Head of the internal auditor - Senior Audit Partner	58	Faculty of Commerce and Accountancy, Chulalongkorn University  Certified Public Accountants No. 3892  Director Accreditation Program (DAP 32/2005)  Audit Committee Program (ACP 4/2005)	None	None	1994 - Present	- Senior Audit Partner	I VL Audit Company Limited Audit and Supervision Business Division
					1990 - 1994	- Accounting and Finance Manager	Mandom Corporation (Thailand) Co., Ltd. Accounting and Financial Management Division
					1986 - 1990	- Senior Assistance Audit	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. Accounting Control and Auditing Division

The Audit Committee has considered the qualifications of I VL Auditing Company Limited and is of the opinion that it is sufficient to perform the duties of the Company's internal auditor due to its independence and experience in internal auditing.

# Attachment 4

## Business Asset

### (4.1) Fixed assets used in business operations

As of December 31, 2022, the Company has fixed assets used in business operations, net book values as shown in the financial statements, which can be summarized as follows:

Property type/characteristics	Net book value	Proprietary nature	Objective	Obligation
	As of December 31, 2022			
Office improvement building, rental equipment				
1. Building <sup>1/</sup>	1.87	Owner	Office location	None
2. Improvement of the rental office	1.57	Owner	Office location	None
3. Furnishings and office equipment	0.37	Owner	Used in operations	None
4. Computers and equipment	0.50	Owner	Used in operations	None
5. 1Work in progress	-	Owner	Used in operations	None
<b>Total</b>	<b>4.31</b>			
Right-of-use assets				
6. Office buildings and improvements for rent <sup>2/</sup>	6.49	Lessee	Office location	Under the lease agreement <sup>3/</sup>
<b>Total</b>	<b>10.80</b>			

Remarks:

1/ The Company's building are located on the land title deed No. 5860, Pradit Manutham Road, Wang Thonglang, Bangkok 10310, which can be divided into 2 parts: 1) The Company leases land and buildings owned by Dark Horse Development Company Limited in the amount of 168 square meters.

### (4.2) Intangible Assets

As of December 31, 2022, the Company has intangible assets, such as DPMS program, Express program, instant payroll program, and various software which can be summarized as follows.

Property type/characteristics	Net book value	Proprietary nature	Objective	Obligation
	As of December 31, 2022			
1. Computer software	1.44	Owner	Used in operations	None
2. Computer software under development	-	Owner	Used in operations	None
<b>Total</b>	<b>1.44</b>			

## Land and Building Lease Agreement

Contract date <sup>1/</sup>	June 1, 2018
Counterparty	Knight Club Capital Asset Management Public Company Limited (“Lessee”) and Dark Horse Development Company Limited (“Lessor”) <sup>2/</sup>
Leased property	Land title deed No. 5860, Pradit Manutham Road, Wang Thonglang, Bangkok, area 225.9 square wah, including 2 office buildings, 1-storey buildings with a total usable area of 168 square meters, located at No. 285/1, Pradit Manutham Road, Wang Thonglang, Bangkok
Purpose of the lease	Office location
Contract period	10 years (June 1, 2018 – May 30, 2028) The Company can notify its intention to renew the contract at least 30 days in advance before the expiration of the lease period according to the contract. And the counterparty agreed to extend the lease period for another 3 years by seizing the last month’s rent and not increasing the rental rate in any way.
Rental rate	Year 1 : 108,432 Baht per month, with the rental rate increasing by 3.00% per annum which throughout the 10-year lease period amounting to 14,916,672 Baht (Additional details are shown in Attachment 4: Business Assets and Details on Asset Valuation)
Payment terms	Every 5 <sup>th</sup> day of the month
Right to terminate the contract	The parties have the right to terminate the contract immediately if either party breaches the terms or conditions set forth in this contract. The non-defaulting party has notified them to rectify and perform according to the contract, but the breaching party has not rectified within the agreed time period from the date of notification.
Breach of contract	If the lessee breaches the contract, the lessor has the right to claim all outstanding rent payments and if the lessor breaches the contract, the lessee has the right to claim damages in all respects.

### Remarks:

1/ The Company entered into an additional memorandum under the long-term land and building lease agreement, dated June 1, 2018, for 2 times, on February 18, 2020 and September 1, 2021.

2/ Mr. Suchart Boonbanjerd Sri and Mr. Tawee Kullertprasert, the major shareholder in Dark Horse Development Company Limited (“DHD”) in the proportion of 69.99% and 30.00% of the registered and paid-up capital respectively.

## Insurance contract

The Company has a policy to enter into insurance contracts for risks and fire insurance for collateral assets of non-performing loans and non-performing assets as the beneficiary under the insurance contract.

In addition, the company has insured the office buildings as follows:

Insured	Insurer	Type of policy / sum insured	Insurance period
KCC	Allianz Ayudhya General Insurance Public Company Limited	Accidental Damage (Property) Insurance Place of insured: Office <sup>1/</sup> Insured property 1. Building (excluding foundation) sum insured 5,000,000 Baht 2. Property inside the building sum insured 2,000,000 Baht Total sum insured 7,000,000 Baht	1 Year (June 4, 2022 - June 4, 2023)

Remark:

1/ The Company's office is located at 285/1 Praditmanutham Road, Wang Thonglang, Wang Thonglang, Bangkok 10310

## Business registration

The Company was approved for registration as an asset management company from the Bank of Thailand on August 8, 2013, No. 008/2013, operating as an asset management company in accordance with the Emergency Decree on Asset Management Companies B.E. 2541.



## Attachment 5

# Corporate Governance and Business Code of Conduct Policy and Guidelines

### Attachment 5

Corporate Governance and Business Code of Conduct Policy and Guidelines entire version established by the Company as in the following matters:

The Company has published policies regarding corporate governance on the Company's website which can be accessed through the website URL: <https://kccamc.com/cg-policy/>

# Attachment 6

## Report of the Audit Committee

### Report of the Audit Committee

The Audit Committee of Knight Club Capital Asset Management Public Company Limited (“the Company”) was appointed by the Board of Directors, consisting of 3 independent directors as follows:

- |                          |                                 |
|--------------------------|---------------------------------|
| 1. Mr. Prin Bholnivas    | Chairman of the Audit Committee |
| 2. Mr. Manit Nitiprateep | Member of the Audit Committee   |
| 3. Mr. Boonyong Tansakul | Member of the Audit Committee   |

All members of the Audit Committee are fully qualified under the requirements of the Office of the Securities and Exchange Commission and have performed their duties and responsibilities as specified in the Audit Committee Charter and assigned by the Board of Directors with knowledge, competence, diligence, and independence. The Audit Committee reported its performance to the Board of Directors at every meeting.

In 2022, the Audit Committee held a total of 6 meetings, whereby all members of the Audit Committee attended all meetings, the results of which can be summarized as follows:

#### 1. Review of financial report

The Audit Committee in cooperation with the auditors and executives responsible for preparing financial reports reviewed the 2022 financial statements, quarterly and year-end, to ensure that the Company's financial statements preparation process and the disclosure of important information are accurate, reliable, complete and timely in conformity with the Financial Reporting Standards.

In 2022, the Audit Committee also held one meeting between non-executive directors and auditors without a presence of executives.

#### 2. Internal control and assessment of the adequacy of the internal control system

The Audit Committee has reviewed the adequacy of the Company's internal control system by considering the reports of independent internal auditors and the auditors, also taking into considerations annual internal audit plan on control system, monitoring results, corrective actions following the internal auditor's reports, and assessment of internal control systems. This is to ensure that the Company's internal control system is appropriate and adequate and minimizes risks that may arise from non-compliance with rules, regulations and policies.

#### 3. Internal audit review

The Audit Committee reviewed and approved the annual internal audit plan and adjusted it to be consistent with the Company's goals and changing circumstances. It also reviewed the works performance and results according to the specified audit plan by continuously providing advice and monitoring corrective actions on significant issues according to the internal audit reports to ensure good corporate governance, and adequate and appropriate internal control.

Since the internal auditor is an independent outsourced service provider, the Audit Committee has, therefore, evaluated its performance and considered the appropriateness of the service fees to be in line with the size of the business and the scope of work annually.

#### 4. Risk management review

The Audit Committee has reviewed the Company's risk management system on a quarterly basis, including whether risk management guidelines and risk management plans are in place in order to assess the risk management process covering key risk factors and to provide recommendations to be useful for the development of the Company's risk management system.

The Audit Committee held a meeting with the Risk Management Committee once a year to integrate and develop the linkages of internal control, risk management, and internal audit plan to be used as a tool for monitoring and evaluating the Company's performance appropriately along with suggestions for improvement.

#### **5. Review of transactions with persons who may have conflicts of interest**

In 2022, the Audit Committee has quarterly reviewed and commented on the Company's related party transactions with persons who may have conflicts of interest that they are reasonable and beneficial to the Company. The terms and conditions of the related party transactions are determined to be made according to general commercial conditions and reference market prices, which have been on an arm's length basis.

#### **6. Supervision of compliance with rules, regulations, policies and good corporate governance**

The Audit Committee has reviewed the internal audit reports to ensure that internal control and supervision of operations are in accordance with relevant rules, regulations, and policies.

In this regard, the Audit Committee encourages the Company to have an ongoing process development in line with best practices according to the principles of good corporate governance for listed companies including policy and procedures regarding the anti corruption practices. In 2022, the Company was certified as a member of the Private Sector Collective Action Against Corruption (CAC) for the first time.

#### **7. Maintaining the standards of the Audit Committee performance**

The Audit Committee has reviewed its Charter to be consistent with the operations, situations, and goals of business as well as has evaluated its own performance in the form of a group committee and individual self-assessments for the year 2022 in 6 areas, namely 1. Structure and Qualifications of the Board 2. Roles and Responsibilities 3. Meetings 4. Functions 5. Management Relationship with Management 6. Board Development. In addition, the Audit Committee has performed its duties in full compliance with the requirements of the Office of the Securities and Exchange Commission and its charter.

The Audit Committee encourages its members and related executives to regularly attend training courses to enhance their competencies which are harmonized with the Company's business.

#### **8. Selection and appointment of auditor for the year 2022**

The Audit Committee has considered and agreed that Ms. Ratana Jala, CPA No. 3734, or Ms. Somjai Khunapasut, CPA No. 4499, or Ms. Bongkot Kriangphanamorn CPA No. 6777 from EY Office Company Limited be the Company's auditor with its audit fee for the year 2022, and submitted it to the Board of Directors to propose to the Annual General Meeting of Shareholders for consideration. The shareholders' meeting then approved the appointment of the auditor and the audit fee for the year 2022 as proposed.

#### **9. Reporting to the regulators**

According to the Securities and Exchange Act B.E. 2535 Section 89/25, it has stipulated that the Audit Committee must investigate suspicious behaviors that the auditor has detected, which are held accountable by directors, management or persons responsible for the operations. Throughout the past and in the year 2022, there was no such incident.

The Audit Committee performed its duties and responsibilities as specified in the Audit Committee Charter approved by the Board of Directors by using knowledge, competency, caution, prudence, independently without interference from any parties. The Audit Committee is of the opinion that the Company's management and operations have continually improved its good corporate governance, have a proper risk management system, with an appropriate, adequate and effective internal control system, and audit system. The Company's financial reports are accurate in all material aspects under the Financial Reporting Standards with sufficient, complete and timely disclosure of information. As well, the Company operates in accordance with the laws and regulations related to business operations.

**Mr. Prin Bholnivas**

(Chairman of the Audit Committee)



**Knight Club Capital**  
Asset Management Public Company Limited

KNIGHT CLUB CAPITAL ASSET MANAGEMENT PUBLIC COMPANY LIMITED

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