



บริษัท ฐิติกร จำกัด (มหาชน)
Thitikorn Public Company Limited



ฐิติกร



Annual Registration Statement/ Annual Report 2021



www.tk.co.th

SUCCESS OF COMPANIES

1972

- TK was established with 1 million baht registered capital to provide motorcycle & automobile Hire-Purchase



2003

- Acquired 99.99% of Chayapak to expand into automobile Hire-Purchase business
- Increased registered and paid-up capital to 500 million baht and Listed on the Stock Exchange of Thailand (SET)



1995

- Acquired 99.99% of CVA and expand its coverage area in Central & Eastern parts of Thailand

2000

- Initiated "Motorcycle Insurance Program" which later becomes the standard practice for motorcycle Hire-Purchase business

2002



- Received award on consumer rights protection on HP contract from the Office of the Consumer Protection Board

2011

- Acquired 99.99% of Cetelem Thailand Co., Ltd and changed the name to TK Debt Services Co., Ltd.
- Thitikorn is proud to be 1 of 64 companies to score 100 points from 416 listed companies on the Set to AGM Assessment Project (for five conservative years)

2012

- Celebrate 40th years Anniversary
- TK is one of the 17 listed companies to received an "Investors Choice Award" from Thai Investors Association (TIA)



2014

- TK is one of the 13 listed companies to received an "Investors Choice Award" from Thai Investors Association (TIA)
- First oversea operation in Cambodia, "Suosdey Finance PLC"
- Second oversea operation in Laos, "Sabaidee Leasing Co., Ltd."



2015

- TRIS Rating assigned the company rating of TK at "A-" (Stable)"
- Established TK Ngern Tan Jai with 50 MB registered capital to provide Nano Finance

2017

- Expand three branches in Kampong Cham, Svay Rieng and Kampong Speu, Cambodia through Suosdey Finance
- Celebrate 45th years Anniversary
- Establishing of a subsidiary "Mingalaba Thitikorn Microfinance Co., Ltd" in Myanmar.
- Under the process for disposal of the ordinary shares of subsidiary company "TK Debt Services Co., Ltd."

2019

- Recieved Microfinance Business License in Myanmar "Mingalaba Thitikorn Microfinance Co., Ltd"
- Expand 3 branches Extensive 6 branches, Cambodia through Suosdey Finance
- TK is 1 of the 193 listed companies to receive an 5-Stars Corporate Governance Scoring appraised by Thai Institute of Directors Association (IOD)

2020



- Extensive 75 branches covering 57 provinces in Thailand
- Expand 6 branches Extensive 12 branches, Cambodia through Suosdey Finance
- 5- Stars Coporate Governance Scoring appraised (for two conservative years)
- TK is one of the 6 listed companies that received a full score of 100 (for the 12th consecutive year) from an assessment on the quality of the Annual General Meeting (AGM) from the Thai Investors Association (TIA)
- AGM approval of the acquisition and transfer of all shares in Myanmar Finance International Limited-MFIL in Myanmar
- TRIS Rating assigned the company rating of TK at "A-" (Negative)

2021

- Established TK BROKER with 3 MB registered capital to provide non-life insurance broker services in Thailand
- TRIS Rating assigned the company rating of TK at "BBB+" (Stable)



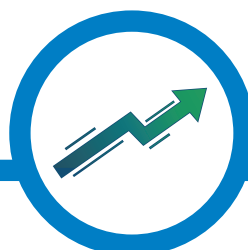
Win Customers' Hearts

by providing intimate care for more than 300,000 customers nationwide.



Be Strong with Quality

of modern, quick, easy and effective operational system.



Move Steadily Forward

with high expertise of more than 1,700 quality personnel.

CONTENTS

3	Message from Chairman of the Board	Part 2	Corporate Governance	94	Part 3	Financial Statements
5	Board of Directors	52	6.	Corporate Governance Policy	Attachment	
7	Financial Highlight	65	7.	Structure of Corporate Governance and Important information Regarding Board of Directors, Sub-Committees, Executives, Employees and Others	141	Attachment 1 Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary
Part 1	Business Operations and Operating Results	76	8.	Report On Performance in Corporate Governance	153	Attachment 2 Details of the Board of Subsidiary
8	1. Structure and Operation of Business Group	86	9.	Internal Control and Connected Transactions	154	Attachment 3 Details of the Heads of the Internal Audit and Compliance Units
34	2. Risk Management	93	Report of The Board of Directors' Responsibilities for Financial Report		155	Attachment 4 Assets for business undertaking and details of asset appraisal
38	3. Driving for Sustainability				157	Attachment 5 Unabridged policy and guidelines on corporate governance and unabridged code of conduct prepared by the Company
46	4. Management Discussion and Analysis : MD&A				158	Attachment 6 Audit Committee Report
51	5. General Information and Other Important Information					

MESSAGE FROM CHAIRMAN OF THE BOARD



“

In 2021, motorcycle market sales expanded once again to 1,610,223 units or 6.1% after contracted for the three consecutive years

”

Dear Shareholders,

Thai economy in 2021 expanded slightly since Thailand and every country around the world faced the once-in-a-century global pandemic, which first emerged in late 2019 in China, with the first confirmed COVID-19 case outside China was found in Thailand in January 2020. From 2020 to 2021, Thailand has encountered 5 waves of COVID-19 pandemic with total accumulated 2,223,435 infection cases and 21,698 deaths. As COVID-19 virus strains have constantly mutated, globally and Thailand faced with 5 main variants which are Wuhan or S (Serine), G, Alpha, Delta, and Omicron. The total accumulated infection cases of world population for the last two years were 289,047,055 with the death toll of 5,456,573. At the end of 2021, Thai citizens have received 104.1 million doses of vaccination or 65.8% of the fully vaccinated (2 doses) population while global citizens have received 8,901,730,198 doses of vaccination or 48.9% of the fully vaccinated (2 doses) population. Global pandemic was expected to

subside its severity after over 70% of all the world population were fully vaccinated in each country, especially children under 11 years old. In 2022, the world population will receive more vaccination, it is expected to be the year that the global pandemic would come to an end. I am glad to report that at the end of 2021, our team both in domestic and neighboring countries 99.0% have been fully vaccinated.

The Thai economy in 2021 resumed its expansion once again at 1.6% after contracted by -6.1% in 2020, which was second worst contraction in recent history compared to -10.8% in 1998 due to the Tom Yum Kung crisis. Thailand's exports grew at 17.1% from low base effect from the previous year and as many trading partner countries of Thailand, especially high-income countries such as the United States, the European Union, Japan and China, reopened their economy with pent up demand which resulted in product price increase coupled with production shortage; however, export sector faced



unprecedented high transportation cost due to container shortage. Average crude oil price (WTI) for the year 2021 increased 76.7% to USD 68.2 per Barrel from USD 38.6 per Barrel in 2020, resulted in higher prices of major agricultural products in Thailand such as rubber, palm, tapioca, corn, cane, and sugar, but the agricultural sector grew at a rate of 1.5% due to prolong drought and lack of supply. Thailand exported 6.12 million tons of rice or increased 6.7 % but with lower export value at 7.1% from last year, which made Thailand the world third biggest rice exporter; prolong severe drought was an ongoing concern for the agricultural sector. Thai household debt has risen to the recorded level at 89.3% of GDP or Baht 14.3 trillion in third quarter of 2021, in 12th highest in the world and 5th highest in Asia. Thailand tourism sector experienced a contraction for two consecutive years since global pandemic with only 427,869 foreign tourist arrivals in 2021 or 98.9% decreased from 39.9 million in 2019. Domestic tourism also was affected with 90 million tourists in 2021 or 60.8% decreased from 229.7 million in 2019. Tourism revenue in 2021 from foreign and domestic tourists only reached Baht 380 billion or decreased 87.3% from Baht 3 trillion in 2019. As for investment sector, investment application value received by Board of Investment (BOI) during the year 2021 was Baht 642.0 billion or increased by 59.0% from Baht 404.6 billion last year. Thailand for the first time invested in research and development for ChulaCov19 vaccines by Chula Vaccine Research Center and King Chulalongkorn Memorial Hospital, which started the trial on June 14th, 2021 at King Chulalongkorn Memorial Hospital. ChulaCov19 was expected to be officially used in the middle of 2022, which will help Thailand guard against future outbreak.

In 2021, motorcycle market sales expanded once again to 1,610,223 units or 6.1% after contracted for the three consecutive years; on the other hand, automobile market sales contracted for the third consecutive year, automobile sales were 759,119 units or 4.2% decreased. Both markets were affected by supply disruption especially automobile markets due to semiconductor chip shortage, which automobile have higher usage of semiconductor chip more than motorcycle. The Company has adopted more stringent lending policies due to COVID-19 pandemic and the high-level household debt; domestic hire purchase and loan receivables-net to Baht 3,949.4 million or 14.0%. Domestic motorcycle hire purchase receivables decreased by 16.7% to Baht 2,494.4 million while domestic automobile hire purchase receivables decreased by 14.3% to Baht 183.7 million. Combined hire purchase receivables in The Lao People's Democratic Republic and

Kingdom of Cambodia were Baht 1,134.3 million or increased 6.9% which the hire purchase net receivables accounted for 31.3% of the group hire purchase net receivables in 2021. The Company Group had cash more than 2,500 million Baht or equivalent to 37.0% of a total asset with D/E ratio of 0.23X; in addition, The Company were all set for business expansion as soon as the situation turned to normal without any liquidity issue. It is my pleasure to inform the shareholders as this annual report get printed that TK Ngern Tan Jai Co., Ltd. has been approved an additional license by Ministry of Finance on January 10th, 2022 to operate a personal loan business under regulations, which are divided into personal loan and registered loan. TK Broker Co., Ltd. also received the license from Office of Insurance Commission (OIC) on January 24th, 2022 to operate a non-life insurance broker. These two additional licensed companies will be beneficial to provide financial and insurance services for our existing customers as well as new customers and broaden business opportunity for the Company from 2022 onwards.

Finally, I would like to take this opportunity to express our sincerest thanks to customers, business partners, investors, financial institutions, Securities and Exchange Commission, The Securities Exchange of Thailand, and shareholders for your trust and unwavering support. The dedication and experience of the management and all employees significantly contributing to the Company's continued success and being leading position in motorcycle hire-purchase business in Bangkok and vicinities for 50 consecutive years. We will continue our expansion for targeting to become an industry-leading company in ASEAN countries. I am very confident that Thitikorn Group will maintain its sustainable growth in Thailand and within ASEAN region. Lastly, I would like to wish everyone stay safe from COVID-19 and we will be well prepared for the future in which this crisis would vanish soon.



Dr. Chumpol Phornprapha
Chairman

BOARD OF DIRECTORS



1

Dr. Chumpol Phornprapha
Chairman



2

Mr. Apichart Kasemkulsiri
Independent Director
President of Audit Committee



3

Mrs. Saowanee Kamolbutr
Independent Director
Audit Committee



4

Mr. Kiattikhun Chartprasert
Independent Director
Audit Committee



5

Mr. Wiboon Perm-Arayawong
Independent Director
Nomination and
Remuneration Committee



6

Mr. Satitphong Phornprapha
Director



7

Mr. Raksanit Phornprapha
Director



8

Ms. Prathama Phornprapha
Director
Managing Director



9

Mr. Prapol Phornprapha
Director
Deputy Managing Director



10

Mr. Prasit Sainonsee
Director



11

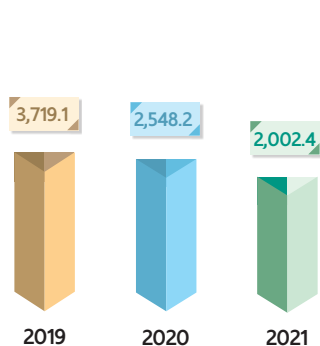
Mr. Apichai Uemsathienporn
Director
Nomination and
Remuneration Committee
Corporate Secretary

FINANCIAL HIGHLIGHTS

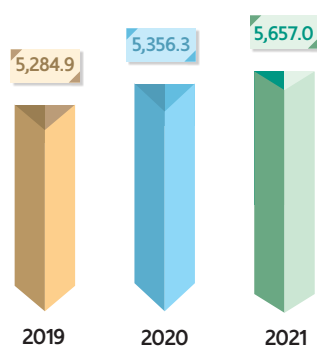
Unit: THB in Million

	2021	2020	2019
Assets			
Total Assets	6,979.0	7,356.8	9,163.3
Account Receivables (Net)	3,961.8	4,617.1	7,494.1
Liabilities & Shareholders' Equity			
Total Liabilities	1,322.0	2,000.5	3,878.5
Bank O/D and Loans	880.0	1,474.9	3,347.5
Total Equity	5,657.0	5,356.3	5,284.9
Income Statement			
Total Revenue	2,002.4	2,548.2	3,719.1
Hire-Purchase and Loan Income (Net)	1,388.9	2,006.8	2,983.8
Total Expenses	1,344.4	2,000.9	2,979.0
Net Profit (Loss) After Tax (Consolidated)	474.4	370.0	486.4
Net Profit (Loss) After Tax (The Company)	319.9	227.4	270.8
Profitability Ratio			
Interest Income (%)	32.5	33.4	35.9
Interest Expenses (%)	2.9	3.0	3.0
Spread (%)	29.7	30.4	32.9
Net Profit (Loss) Margin (%)	23.6	14.4	12.9
Return on Equity (%)	8.6	6.9	9.3
Efficiency Ratio			
Return on Assets (%)	6.6	4.5	4.9
Assets Turnover (Times)	0.3	0.3	0.4
Financial Ratio			
Debt to Equity (Times)	0.2	0.4	0.7
Lending to Borrowing (Times)	4.5	3.1	2.2
Dividend Payout (%) (Consolidate)	57.1	57.1	54.5

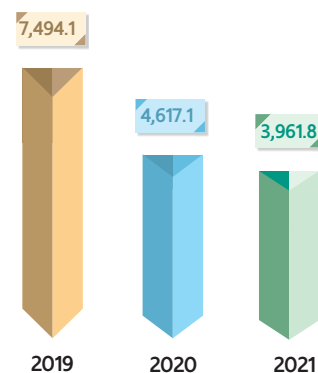
Total Revenue (THB in Million)



Total Equity (THB in Million)



Account Receivables (Net) (THB in Million)





Part 1 Business Operation and Operating Results

1. STRUCTURE AND OPERATION OF BUSINESS GROUP

1.1 Strategy and Business Model

Business objectives

The Company's main focus is motorcycle hire-purchase which is Thitikorn core competency. The Company strategy is to expand coverage areas by setting up new branches in major provinces outside Bangkok and vicinity area as well as expansion into ASEAN. In 2014, two subsidiary companies have been set up to provide motorcycle and automobile hire-purchase in two countries which are Cambodia and Laos. In addition, a subsidiary company with registered capital of 50 million Baht has been established in 2015 to operate Nano financing business.

For automobile hire-purchase business, the Company emphasizes to provide its services in Bangkok and vicinity area for efficient customer management and cost control while business expansion depends on market condition, competition, risks and rate of return.

The Company concentrates on the quality of hire-purchase portfolio as well as the rate of return while growth is based on manageable and controllable risks. With standardized customer screening process and stringent policy for loan loss reserve, the Board of Directors, Independent Directors and the Management also placed great importance on Good Corporate Governance to formulate policy and procedures to ensure sustainable returns to all shareholders. Information disclosures and explanations are sufficiently provided to all institutional investors, analysts and shareholders since the management team places a priority on such mission in order to allow an equal access of accurate information regarding the Company's performance and operations.

Vision/Mission Objectives and Strategies

The Board of Directors realize the importance of the business operation, therefore has participated in establishment of the corporate's vision/mission, objectives and strategies including the company's directions to be appropriate for the business competitions.

In 2021, at the Board of Director meeting dated 9 November 2021, Directors and Management have reviewed and determined the Company's vision and mission for executives and staff to achieve the same goals. The organization's vision/mission is reviewed annually (or as appropriate) to response to current economic circumstances.

Vision

To be the leasing company for retail customers in the region that creates the sustainable growth together with our customers, economy, and society.

Mission

To focus on creating corporate cultures and values of good corporate governance by adhering to the principles as follows;

1. To develop potential of the employees to deliver excellent customer services
2. To provide convenient, quick, and easy access services
3. To build a strong relationship with partners
4. To take into consideration the responsibility to community, society and environment.

Values

1. Perform duties with determination and expertise to achieve business objectives
2. Generate harmony and team collaboration to enhance effective both internal and external communications
3. Create Learning and Developing Organization
4. Becoming a leader in Service Excellence with service mind
5. Operating with integrity, morality, and ethics



Major development

Thitikorn Plc. was established on August 4, 1972 by Dr. Chumpol Phornprapha and Mrs. Anothai Phornprapha as a hire-purchase service provider for automobile and motorcycle. In the early stage, Thitikorn focused in motorcycle hire-purchase business for customer in Bangkok and vicinity area. In 1995, Thitikorn expanded its operation to the eastern part of Thailand by acquiring 99.99% stake in C.V.A. Co., Ltd, a motorcycle hire-purchase credit provider. In 2003, Thitikorn acquired 99.99% stake in Chayapak Co., Ltd. to expand into automobile hire-purchase business in Bangkok and vicinity area.

Since 2004, in order to streamline business operations, Thitikorn Plc. and its subsidiaries have restructured the group business functions. C.V.A. Co., Ltd. has ceased its motorcycle hire-purchase function and focused solely on debt collection while motorcycle hire-purchase business nationwide has been operated by Thitikorn Plc. The Company continues to expand its network coverage from 27 branches in 2001 to 78 branches in 2011 covering 45 provinces in every region of Thailand.

In 2011, Thitikorn Plc. acquired 99.99% of shares in Cetelem (Thailand) Co., Ltd. and changed its name to TK Debt Services Co., Ltd. which focusing on debt collection services.

Thitikorn Plc. is the largest motorcycle hire-purchase service provider in Thailand, with over 20.27% market share in Bangkok and vicinity area as of June 30, 2012 and has been ranking number one for the last 30 years. The Company was granted the Certificate for Consumer Right Protection from the Office of the Prime Minister for its awareness of consumers' rights regarding fairness of hire purchase contract. Thitikorn Group has a solid plan to expand its hire purchase business into ASEAN countries which are moving towards free trade under the ASEAN Economic Community (AEC) in 2015. During the year 2014, two subsidiary companies have been set up to provide motorcycle and automobile hire-purchase in two countries which are "Suosdey Finance PLC." in State of Cambodia and "Sabaidee Leasing Co., Ltd." in Laos People's Democratic Republic. In 2015, a subsidiary company name "TK Ngern Tan Jai Co., Ltd." has been established to operate Nano financing business. In the year 2018 hire purchase receivables of both overseas subsidiaries increased 125.9% to totaling of 895.9 million Baht or 10.2% of net motorcycle hire purchase receivables. During 2017, the Company disposed the ordinary shares of TK Debt Services Co., Ltd. totaling 140,000 shares at a par value of 5 Baht each, representing 100% of the total shares of TK Debt Services Co., Ltd. to an unconnected party as per the Notification of the Board of Governors of the Stock Exchange of Thailand. Thitikorn Plc. continues expanding into ASEAN to achieve its goal of being leading company in region. In 2018, the Company applied for permission from The National Bank of Cambodia on increasing capital from USD 2,500,000 to USD 4,000,000. In addition, the Company applied for permission from The Financial Regulatory Department (FRD) to establish Mingalaba Thitikorn Microfinance Co., Ltd. (holding 99.00% in paid-up capital) in The Republic of The Union of Myanmar. On 29 April 2019, Financial Regulatory Department (FRD) approved establishing of three branches in Bago Region, of which a branch in Monyo has been opened. In 2020, six new branches were established under the subsidiary company, Suosdey Finance Plc., namely, Kampong Thom, Kampot, Banteay Meanchey, Takao, Pursat and Kampong Chhnang which resulted in the total of twelve branches. The Company has been granted permission from Bank of the Lao PDR on increasing capital from Kip 10,250,000,000 to Kip 15,250,000,000 and has applied for permission to establish three new branches namely, Pakse, Xieng Khouang, and Udomchai, therefore by the end of 2020 there would be totaling three branches under the subsidiary company, Sabaidee Leasing Co., Ltd.. From the resolutions of the Annual General Meeting of shareholders 2020 of Thitikorn Plc., on 23 April 2020, the AGM approved the acquisition of the business of Myanmar Finance International Limited (MFIL) which is a lending service provider in Myanmar, to achieve dramatic overseas growth by the end of 2020. But the fact of uncontrollable COVID-19 second wave pandemic in Myanmar is severe epidemic, which caused the MFIL acquisition plan to be decelerated until the situation is resolved.

At the end of 2020, hire purchase receivables of the three overseas subsidiaries increased 13.8% to total of Baht 1,062.2 million or 26.2% of total motorcycle hire purchase receivables. The company was unable to achieve the targeted for overseas expansion to reach 50% of total hire-purchase receivables by the end of 2020, due to the COVID-19 pandemic. The Company expects to achieve this target in the year 2022, once the situation is resolved.

In 2021, the Board of Directors Meeting No. 2/2021 approved the establishment of a subsidiary, TK Broker Company Limited, to engage in business of non-life insurance broker for juristic persons with a registered capital of Baht 3 million.

Using Money from Fundraising

Using Money from Fundraising through Debenture Offering

1. In 2019, the Company issued debentures to the public in the amount of 400,000,000 baht.

Purpose of using money	Estimated amount of money used	Approximate period of using money	Details/Progress of using money
1. Repaid the original debentures due on 20 July 2019.	400 million baht	3 years	The Company repaid some original debentures in the amount of 400 million baht and spent 200 million baht from the operation, paid in full.

2. In 2018, the Company issued debentures to the public in the amount of 820,000,000 baht.

Purpose of using money	Estimated amount of money used	Approximate period of using money	Details/Progress of using money
1. Repaid the loans to financial institutions.	600 million baht	1-3 years	The Company repaid the loans and interests to financial institutions in full.
2. Repaid the loans or debts from issuing bonds.	220 million baht	1-3 years	The Company repaid the loans and interests to financial institutions in full.

3. In 2017, the Company issued debentures to the public in the amount of 1,800,000,000 baht.

Purpose of using money	Estimated amount of money used	Approximate period of using money	Details/Progress of using money
1. Repaid the loans to financial institutions.	330 million baht	3 years	The Company repaid the loans and interests to financial institutions in full.
2. Repaid the original debentures due on March 26, 2017.	900 million baht	3 years	The Company repaid the original debentures in the amount of 900 million baht in full.
3. Repaid the original debentures due on April 28, 2017.	100 million baht	3 years	The Company repaid the original debentures in the amount of 100 million baht in full.
4. Paid for the revolving fund and expenses of business.	470 million baht	3 years	The Company used some money as the revolving fund and spent for expenses of business in full.

There was no promise on filling form for selling the securities and/or permission conditions from SEC (if any) and/or condition on receiving the securities of SET (if any), including the progress on fulfilling such conditions.

Name, address of head office, business, registered capital, telephone, fax, website (if any), type and amount of paid-up shares

Company name : Thitikorn Public Company Limited
 Address (Headquarter) : 69 Ramkhamhaeng Rd., Huamark, Bangkok 10240
 Tel 0 2310 7000
 Website : www.tk.co.th
 Business Type : Motorcycle and Automobile Hire-Purchase
 Registration Number : 0107546000130
 Number and type of securities (sold) : Common stock 500,000,000 shares

1.2 Nature of Business

Thitikorn Group includes Thitikorn Public Company Limited and its subsidiaries, namely C.V.A Co., Ltd., Chayapak Co., Ltd., Suosdey Finance PLC, Sabaidee Leasing Co., Ltd., TK Ngern Tan Jai Co., Ltd. and Mingalaba Thitikorn Microfinance Co., Ltd. Thitikorn Group's core business is a hire-purchase service provider for both motorcycle and automobile. In 2021, the Group's revenues breakdown for motorcycle hire-purchase: automobile hire-purchase: loans: others income shown 67.9:0.5:0.9:30.7

1.2.1 Revenue structure for Group of Companies

Revenue breakdown structure for the years 2019-2021 are categorized as follows:

Business Group/operated by	% share holding	Consolidated 2021		Consolidated 2020		Consolidated 2019	
		THB Million	%	THB Million	%	THB Million	%
1. Motorcycle Hire-purchase							
Thitikorn Plc.							
Chayapak Co., Ltd.	99.99						
Suosdey Finance PLC	99.95						
Sabaidee Leasing Co., Ltd.	86.89						
Total revenue		1,360.2	67.9	1,977.3	77.6	2,945.8	79.2
2. Automobile Hire-purchase							
Chayapak Co., Ltd.	99.99						
Total revenue		10.7	0.5	16.3	0.6	20.8	0.5
3. Loans							
Thitikorn Plc.							
Chayapak Co., Ltd.	99.99						
TK Ngern Tan Jai Co., Ltd.	99.99						
Mingalaba Thitikorn Microfinance Co., Ltd.	99.00						
Total revenue		18.0	0.9	13.3	0.5	17.2	0.5

1.2.1 Revenue structure for Group of Companies (Cont.)

Business Group/operated by	% share holding	Consolidated 2021		Consolidated 2020		Consolidated 2019	
		THB Million	%	THB Million	%	THB Million	%
4. Others							
Sales of products		34.6	1.7	0.2	0.01	4.3	0.1
Fee income		34.0	1.7	39.7	1.6	62.6	1.7
Bad debt recovery		277.6	13.9	240.6	9.4	259.7	7.0
Other		267.3	13.4	260.8	10.2	408.7	11.0
Total revenue		613.5	30.7	541.3	21.3	735.3	19.8
Grand total		2,002.4	100.0	2,548.2	100.0	3,719.1	100.0

1.2.2 Business operations classified by each product line or business group

(1) Nature of service

1. Hire purchase business

Hire purchase is another form of financial service that is not under the supervision of the Bank of Thailand (BOT) like banks and finance companies. However, the persons involved in providing hire-purchase service consist of 3 parties: (1) customers or buyers, (2) dealers, and (3) companies or credit service providers. When a hire-purchase buyer wants to buy an asset from a dealer, he or she shall express his or her desire to the credit officer of the credit service provider to check the eligibility and approve the loan application.

When the buyer agrees to enter into the contract, the buyer will pay the down payment on the contract date and determine the payment method for the period stipulated in the contract. The buyer can possess and use the asset throughout the duration of the contract, and is responsible for maintaining the asset. The ownership of the asset will be transferred to the buyer after the installments are fully paid to the credit service provider according to the contract.

For the hire-purchase service of the Group, the nature of the business can be divided by type of hire purchase assets as follows:

1. Motorcycle hire-purchase business

The Group provides motorcycle hire-purchase service by Thitikorn Public Company Limited, focusing on hire-purchase service for motorcycles that are popular among consumers such as Honda, Yamaha, Suzuki and Kawasaki. The Company shall assign loan officers to consider lending to buyers on each motorcycle at motorbike shops that are business partners.

Factors in determining credit limit, down payment, and installment period depend on customers' financial status including brand, model, and price of motorcycles. It was found that the Group has provided hire-purchase service for major motorcycle brands such as Honda, Suzuki, Yamaha and Kawasaki.

2. Automobile hire-purchase business

The Group provides automobile hire-purchase service for both used and new automobiles by Chayaphak Company Limited, a subsidiary, mainly focusing on hire-purchase service for automobiles, the models and brands of which are popular in the market, such as Toyota, Isuzu and Honda, etc.

For the credit limit and the period of installment payment for automobiles, it depends on the financial status of each loan applicant. In providing credit service, the Group also considers the other factor such as adequate down payment to control the quality of credit. As for the new automobile hire-purchase service, the Group focuses on Japanese automobiles, especially Toyota which is very popular in the market.

According to the usage of automobiles, the Group's automobile hire-purchase service can be classified into car hire purchase and commercial vehicle hire purchase (type of vehicles that buyers want to use for business of trading such as pick-up trucks and vans).

The balance of automobile hire-purchase receivables of the Company Group is classified by type of vehicle use*.

(Unit: Million Baht)

Type of vehicles	2021		2020		2019	
	Value	Percent	Value	Percent	Value	Percent
Private Car	177.0	60.84	142.1	63.49	194.7	61.81
Commercial vehicles						
- Pick-up trucks	60.9	31.67	62.8	28.06	95.6	30.35
- Van	14.4	7.49	18.9	8.45	24.7	7.84
Private Car	192.3	100.0	223.8	100.0	315.0	100.0

* After deducting deferred hire-purchase profit and VAT, before deducting allowance for doubtful accounts

2. Nano-Finance Business

Nano-finance business for occupation under supervision or nano-finance is lending or hire purchase to individual customers with the purpose of business without any documents certifying income or assets pledged as collateral. The Company will consider whether the customer has a settled career and a clear occupational income or not so their workplace and income will be examined and assessed as evidence for credit applications.

For nano-finance, the BOT stipulates that the maximum rate of interest, fines, service charges or fees, in the amount, when summing up, not exceed 36 percent (Effective rate) for the contracts arising from January 23, 2015, onwards and not exceed 33% per annum for contracts arising from August 1, 2020, whereby the Company started providing nano-finance service since February 3, 2016.

In the year 2020 - 2021, the Company's revenue came from nano-finance business in the proportion of 0.3% and 0.6%, respectively.

(2) Market and Competition

Customer Characteristics

The target customers for the motorcycle hire-purchase business of the Company Group are general individuals who are employees or permanent workers with low to middle incomes and use motorcycles as their vehicles or for career enhancement.

For the automobile hire-purchase business, the target customers are divided by the purpose of use, i.e. private cars and commercial vehicles. At the end of 2021, the Group's proportion of private cars to commercial vehicles was 63:37.

Business Competition

1. Motorcycle Hire-purchase business

The competition for motorcycle hire-purchase business depends on coverage area and speed of service. Motorcycle hire-purchase can be segmented by location such as Bangkok and metropolitan and provincial. In general, business in Bangkok and metropolitan is highly competitive compared with provincial. Since 2001, interest rates for motorcycle hire-purchase are 1.5-2.4% per month, except in limited period; there is some special promotion for specific models.

TK is the leader in motorcycle hire-purchase business with number one market share for the last 30 consecutive years, according to Thai Motorcycle Hire-Purchase Association, with 20.27% market share in Bangkok and metropolitan as of June 30, 2012

	2012 (Jan-Jun) *		2011		2010		2009		2008	
	units	%	units	%	units	%	units	%	units	%
1. Thitikorn	23,680	20.27	43,836	23.39	51,956	25.47	50,213	25.11	57,160	21.89
2. Hi-Way	19,951	17.08	35,528	18.96	42,399	20.79	39,156	19.58	44,818	17.16
3. Group Lease	13,972	11.96	24,669	13.17	26,451	12.97	21,076	10.54	23,612	9.04
4. Thanaban	13,799	11.81	24,166	12.90	27,405	13.43	21,702	10.85	25,040	9.59
5. AYUDHYA Capital	15,451	13.22	18,371	9.80	17,927	8.79	17,237	8.62	26,215	10.04
6. Thanachart	3,339	2.86	5,593	2.98	6,621	3.25	10,388	5.19	26,429	10.12
7. Inter Bangchak	1,742	1.49	2,053	1.10	1,869	0.92	3,596	1.80	6,395	2.45
8. Others	24,907	21.32	33,160	17.70	29,356	14.39	36,615	18.31	51,485	19.71
	116,841	100.00	187,376	100.00	203,984	100.00	199,983	100.00	261,154	100.00

Source : Thai Motorcycle Hire-Purchase Association, Land Transportation Department and Thitikorn Plc

Note : Data as at end of June 2012 since The Land Transportation Department no longer provide the details breakdown

2. Automobile Hire-purchase business

Since 2001, various financial institutions start providing automobile hire-purchase due to high growth in automobile sale together with excess liquidity in financial system that pressure average interest rate charge down to 2.45-3.8% per annum for new passenger vehicle and 2.7-3.2% per annum for new commercial vehicle. While interest rate for second-handed automobile is ranging from 4.0-5.5% per annum depend on automobile model, age of the vehicle and customer profile such as personal income, occupation, and living areas of both customer and guarantor. With those factors, it forces some financial institution to provide more loans to second-handed automobiles to enhance margins.

• Competitive Strategies

TK provides several services to satisfy different customer needs as follows:

1. Fast service with accuracy and efficiency

TK has on site credit officers to provide service for customers at 500 motorcycle dealers and 45 car dealers. Those officers can notify customers for the credit approval within 90 minutes for motorcycle hire-purchase and 1 day for automobile hire-purchase. Once the hire-purchase contract has been approved, the Company can immediately make payment to the good record dealers.

2. Excellent relationship with business alliances

TK and business alliances, motorcycle and car dealers, have maintained an excellence relationship with trustworthiness for more than 50 years, therefore, new customer and business promotion can effectively be introduced through this relationship. Those relationships can be considered as an advantage over the competitors.

3. Various payment channels

For the convenience of our customers, the Company has increased many new payment channels. The customers can pay the installments through commercial banks, company's branches, collection officers, Tesco Lotus, Internet Banking, True Money and Counter Service and pay point at convenience stores throughout the country.

4. On-site credit officer and collection officer service

TK has on-site credit officers and collection officers covered various areas in Bangkok and vicinity and provincial to service all customers effectively. Since local officers have more familiarities with customers in the area, loan approval and collection process can be efficiency monitored.



5. Human resource development

TK has provided regular training programs to update the employees on market situations for effective and single standard services. As a result, the company can offer services to all customers on time with efficiency and less risk.

6. Being a member of Motorcycle and Automobile Hire-purchase Association

TK is a co-founder of Thai Motorcycle Hire-purchase Association, as a member of both Motorcycle and Automobile Hire-purchase Associations, the Company can share necessary industry information for regular operational standard development.

• Pricing policy

The Company has no policy to compete on price but rather set appropriated interest rate depending on factors such as cost of fund, type, model, brand, condition and age of the vehicle including qualifications of customers and guarantors.

• Distribution channel

To approve the hire-purchase contract, the customer can apply for service through 3 different channels such as:

1. Contact dealers or sub-dealers alliances
2. Contact credit officer
3. Contact company headquarter or branches

Approximately 95% of the Company business came from dealers and sub dealers under win-win strategy for all parties while good relationships have been maintained. As a result, numbers of business alliance have been increased annually.

Since 2001, the Company has gradually increased number of branches from 27 branches at the end of 2001 to 75 branches in 2021 covering 57 provinces in every region of Thailand.

• Industry trend

In 2012, both domestic motorcycle and automobile sales have reached its new record high at 2,125,646 units in motorcycle sales and 1,434,669 units in automobile sales as a direct result from the government programs such as first-time car buyer scheme and rice pledging scheme. Since 2012, domestic motorcycle sales had declined for three consecutive years from 2013 to 2015 and rebounded to grow in the next two consecutive years from 2016 to 2017 prior to returning to decline for three consecutive years from 2018 to 2020. Domestic automobile sales had declined for four consecutive years from 2013 to 2016 and returned to grow for two consecutive years from 2017 to 2018 prior to returning to decline consecutively during the past two years from 2019 to 2020, resulted by the trade war between The United States of America and People's Republic of China which resulted from The American First policy of President Donald Trump. Thailand's export sector which accounted for 70% of GDP has been directly affected during the past five years; in addition, Thai Baht currency has steadily strengthened from an average of Baht 35.26 Baht in 2016 to Baht 31.28 per US dollar in 2020 or 11.3% strengthened which caused Thailand's export to be less competitive. Thailand has faced severe drought during the past several years which directly affected the agricultural sector when major crop prices were low due to the price directly correlated to WTI crude oil price. The average crude oil price declined from USD 64.5 per barrel in 2019 to USD 38.6 per barrel or 40.1% in 2020. Thailand ranked third in rice export (former the second largest rice exporter for four consecutive years from 2016 to 2019) after India and Vietnam. Thai economy was expected to expand in 2019 but shrunk by 6.1% due to an unexpected once-in-a-century pandemic Coronavirus (COVID 19) occurred in China PRC during December 2019. Since Thailand is one of the prefer destinations for Chinese tourists. The first Coronavirus 2019 patient was found in Thailand in January 2020, which was also the first confirmed COVID-19 case outside China.

From 2020 to 2021, Thailand has encountered 5 waves of COVID-19 pandemic with 6,285 infected and 61 deaths in 2020, and the following year with 2,217,150 infected and 21,637 deaths. As COVID-19 virus strains has constantly mutated, globally and Thailand faced with 5 main variants which are Wuhan or S (Serine), G, Alpha, Delta, and Omicron. The first year of global pandemic, 84,013,422 were infected with 1,942,041 deaths in 2020 and 205,033,633 were infected with 3,514,532 deaths in the subsequent year. The total accumulated number of world population for



the last two years were 289,047,055 infected with the death toll of 5,456,573. At the end of 2021, Thai citizens have received 104.1 million doses of vaccination or 65.8% of the fully vaccinated (2 doses) population while global citizens have received 8,901,730,198 doses of vaccination or 48.9% of the fully vaccinated (2 doses) population. Global pandemic was expected to subside its severity after over 70% of all the world population were fully vaccinated in each country, especially children under 11 years old. In 2022, the world population will receive more vaccination, it is expected to be the year that the global pandemic would come to an end. I am glad to report that at the end of 2021, 99.0% our team both in domestic and neighboring countries have been fully vaccinated.

Thai household debt has risen to the recorded level at 89.3% of GDP or Baht 14.3 trillion in third quarter of 2021, in 12th highest in the world and 5th highest in Asia. Thailand tourism sector was accounted roughly for 20% of GDP which experienced a contraction for two consecutive years since global pandemic with only 427,869 foreign tourist arrivals in 2021 or 93.6% decreased from 6.7 million in 2020 and 98.9% decreased from 39.9 million in 2019. Domestic tourism was affected with 90 million tourists in 2021 or 26.9% decreased from 123.2 million in 2020 and 60.8% decreased from 229.7 million in 2019. Tourism revenue in 2021 from foreign and domestic tourists only reached Baht 380 billion or decreased 53.0% from Baht 810 billion in 2020 and decreased 87.3% from Baht 3 trillion in 2019. (Source: Ministry of Tourism and Sports)

Thai economy in 2021 resume its expansion once again at 1.6% after contracted which was second worst contraction compared to -10.8% in 1998 due to the Tom Yum Kung crisis.

In 2021, motorcycle sales rebound to grow for the first time after three consecutive years of contraction, but automobile sales declined for three consecutive years. Motorcycle sales were 1,611,078 units or increased 6.1% from 1,517,182 units in 2020 while automobile sales were 759,119 units or decreased 4.2% from 792,110 units in 2020.

Major manufactures of both motorcycle and automobile are expected motorcycle sales to be 1,644,391 units or 2.1% increase and automobile sales to be 860,000 units or around 1.2% increase in 2022.

- **Thailand Motorcycle and Automobile Overall Market**

The motorcycle and automobile hire-purchase business varied according to the motorcycle and automobile market which depended on the overall economy of the country. From 2010 to 2012, motorcycle sales increased for three consecutive years, which was benefited from the economic expansion as a result from various economic stimulus policies such as rice pledging scheme. In 2012, motorcycle sales were the highest record of 2,125,646 units. In 2013-2015, motorcycle sales declined for three consecutive years. In 2016-2017, motorcycle sales increased for two consecutive years. In 2018 to 2020, the motorcycle sales have been declining for 3 consecutive years. In 2021, the motorcycle sales were 1,611,078 units, an increase of 6.1% from the previous year.

According to government's first-time car buyer scheme in 2012, automobile market reached the highest sales of 1,434,669 units. In 2013-2016, automobile sales declined for 4 consecutive years, then increasing for 2 consecutive years in 2017-2018. However, the sales have decreased for 3 consecutive years in 2019-2021. Automobile sales in 2021 were 759,119 units, a decrease of 4.2% from the previous year.

Major manufactures of both motorcycle and automobile are expected motorcycle sales to be 1,644,391 units or 2.1% increase and automobile sales to be 860,000 units or around 1.2% increase in 2022.

Overall Sales of Motor Vehicles Nationwide

(Unit: Vehicles)

Type of Vehicles	2021	2020	2019	2018	2017
Automobile	251,800	274,753	398,386	399,657	346,250
Commercial vehicles	507,319	517,357	609,166	642,082	525,400
Total vehicles	759,119	792,110	1,007,552	1,041,739	871,650
% Change	-4.17	-21.38	-3.28	19.51	13.38
Motorcycle	1,610,223	1,517,682	1,719,373	1,788,459	1,810,856
% Change	6.10	-11.83	-3.86	-1.2	4.18

Source: The Bank of Thailand, Thai Hire-Purchase Association, Department of Land Transport

• Thailand Motorcycle Hire-Purchase Business Trend

Thitikorn Public Company Limited (TK) has started financial services business by providing motorcycle hire-purchase services for 49 consecutive years. The company has been a leading hire-purchase provider in Bangkok and Thailand for more than 30 consecutive years. After listed on the Stock Exchange of Thailand in 2003, the company has a clear policy to expand its business to other provinces, which upcountry population was 60,598,505 or 91.6% from 66,186,727 of the whole population at the end of 2020. Since the upcountry economy has grown more than Bangkok during the past year, TK accelerated opening 55 branches in the first 10 years after raising funds from shareholders in the stock exchange or an average of 5 branches per year. The company has delayed its plan of opening branches since 2018 after opening 57 branches in every region; however, the company still has a policy to expand more branches if economy recover. At present, the ratio of motorcycle hire-purchase receivables in upcountry areas to Bangkok was 20: 80 when compared to the ratio of total motorcycle sales in upcountry areas to Bangkok was 25: 75. The business proportions was consistent with the domestic motorcycle sales as the company has planned. For the ratio of hire-purchase and cash in the domestic motorcycle market, the company estimated that the ratio was around 80%: 20%.

In 2021, motorcycle market sales expanded once again to 1,610,223 units or 6.1% after contracted for the three consecutive years; on the other hand, automobile market sales contracted for the third consecutive year, automobile sales were 759,119 units or 4.2% decreased. Both markets were affected by supply disruption especially automobile markets due to semiconductor chip shortage, which automobile have higher usage of semiconductor chip more than motorcycle.

Thailand's exports accounted for 70% of GDP and grew at 17.1% from low base effect from the previous year and as many trading partners countries of Thailand, especially high-income countries such as the United States, the European Union, Japan and China, reopened their economy with pent up demand which resulted in product price increase couple with production shortage; however, export sector faced unprecedented high transportation cost due to container shortage. Average crude oil price (WTI) for the year 2021 increased 76.7% to USD 68.2 per Barrel from USD 38.6 per Barrel in 2020, resulted in higher prices of major agricultural products in Thailand such as rubber, palm, tapioca, corn, cane, and sugar, but the agricultural sector grew at a rate of 1.5%. Thailand exported 6.12 million tons of rice or increased 6.7 % but with lower export value at 7.1% from last year, which made Thailand the world third biggest rice exporter; prolong severe drought was an ongoing concern for the agricultural sector.

Thai household debt has risen to the recorded level at 89.3% of GDP or Baht 14.3 trillion in third quarter of 2021, in 12th highest in the world and 5th highest in Asia. For the past 12 quarters, the company has been strict in its credit services because most of its customers were low-income and vulnerable to the economic downturn.

At the end of 2021, the company motorcycle loan portfolio declined 10.5%, while motorcycle sales rose 6.1% in 2021 due to the strict policy in underwriting new loans and the policy preventing bad debts and provision for doubtful accounts. In 2021, motorcycle sales are expected to increase by 2.1% to 1,644,391 million units.

Sales volume of motorcycles and the comparative ratio of buying between hire purchase and cash purchase

(Unit: Vehicles)	2021	2020	2019	2018	2017
Motorcycle sales nationwide	1,610,223	1,517,682	1,719,373	1,788,459	1,810,856
- Motorcycle sales in Bangkok and vicinity	410,678	397,616	447,644	456,367	460,676
- Motorcycle sales in upcountry	1,199,545	1,120,066	1,271,729	1,332,092	1,350,180
- <i>Percentage of motorcycle sales in Bangkok and vicinity</i>	25.50	26.20	26.04	25.52	25.44
- <i>Percentage of motorcycle sales in upcountry</i>	74.50	73.80	73.96	74.48	74.56
Hire-purchase volume in Bangkok and vicinity					
<i>Percentage of hire purchase</i>					
Cash purchase volume in Bangkok and vicinity					
<i>Percentage of cash purchase</i>					

Source: Information from Motorcycle Hire-Purchase Business Association, Department of Land Transport

Notes: * The information of hire purchase and cash purchase is ended in June 2555 only since Department of Land Transport cannot provide details.


(3) Procurement of products and services

1. Source of funds

The Group's sources of funds can be summarized as follows:

1. Money received from installment payments, which is the Group's major source of funds. The Group will use the remainder of the money received from the customer's installment payment, after deducting various expenses, to finance credit to customers
2. Short-term loans from commercial banks and financial institutions, which is in the form of a revolving loan from the commercial banks both domestically and internationally
3. Money from the sale of bonds to institutional investors with a maturity of 3-5 years, which is consistent with the average hire-purchase loan tenure for new customers
4. Fixed interest rate long-term loans from commercial banks
5. For shareholders' equity consisting of registered and paid-up capital and retained earnings for future financing policies, the Group has a policy to provide funding sources in accordance with the purpose of the use of funds by considering the appropriateness of the repayment period and the debt-to-equity ratio.

Almost all of the funds raised were used for branch expansion and loan receivables. As of December 31, 2021, the Company has a proportion of borrowing from financial institutions 13.5% and shareholders' equity 85% of all sources of fund, the details of which are as follows:



Sources of fund	For the Year Ended on 31 December					
	2019		2020		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Borrowings from financial institutions	163.2	1.9	154.8	2.3	88.5	1.4
Short-term borrowing	314.3	3.6	250.1	3.6	391.5	6.0
Long-term borrowing	2,870.0	33.3	1,070.0	15.7	400.0	6.1
Total borrowings from financial institutions	3,347.5	38.8	1,474.9	21.6	880.0	13.5
Total shareholders' equity	5,284.9	61.2	5,356.3	78.4	5,657.0	86.5
Total sources of fund	8,632.4	100.0	6,831.2	100.0	6,537.0	100.0

The Company has loans from financial institutions, most of which are short-term loans with a proportion of about 12.1% of all funding sources or 90% of total borrowings from financial institutions. It is consistent and suitable for the Company's business in providing credit because the Company can immediately repay loans from financial institutions when the capital is more than the credit demand. However, the Company has started providing long-term loans since 2020 in line with the growth of the customer base for secured loans with longer average repayment periods.

As for the procurement of future fund, the Company has a policy to seek funding sources in accordance with the purpose of money use by considering the appropriateness of the repayment period and the debt-to-equity ratio. Besides, after the initial public offerings, the Company will have more equity from shareholders' equity, resulting in a decrease in debt-to-equity ratio. In addition, listing on the Stock Exchange of Thailand (SET) shall enable the Company to procure better sources of fund both from borrowing from financial institutions and from issuing bonds or equities to support future business growth.

2. Lending

1) Lending Policy

The Group places importance on the customers' ability to repay debts by determining the preliminary qualifications of the loan applicants that they must have sufficient income to pay the installments including a stable career and a settled residence in the service area. The target customers of the group of companies are ordinary individuals who have sufficient income according to the standards of the group of companies.

2) Motorcycle and automobile hire-purchase business

Preliminary credit approval process

After the loan applicant expresses his intention of the hire purchase, the credit officer shall consider the appropriateness of the loan applicant by considering the stability of income, occupation, residence and qualifications of the guarantor in case of automobiles, almost all of them are new. For motorcycles, all of which are new, the Group shall determine the terms of hire purchase, and then the credit officer shall agree on hire-purchase terms including amount financed or down payments, installments, registration fees and statutory and insurance costs. Before signing the hire-purchase contract, the credit officer shall inform the initial details of the loan applicant to the credit manager for checking the applicant's background from the Group's database system to see whether the person is on the Blacklist or not. For automobile, apart from normal checking, the Company shall examine additionally on the National Credit Bureau (NCB) database as well as other obligations under consideration or under installment payments with the Group. (Such a name list is made by the Group by collecting the payment history of those who have applied for hire-purchase loans from the Group while the blacklist is a list of customers who have payment problems in the past).



Process of verifying information and supporting documents for credit consideration

The Group will check the background of loan applicants. For those who have a good history or are not in the blacklist of the Group's database, the credit officer will ask them to fill in the loan application form and submit supporting documents for the loan application, which consists of a copy of ID card, a copy of house registration, a copy of salary slip and documents of the guarantor. The loan applicant is required to show original documents to the credit officer, and agree on the details of the hire purchase. Then, the credit officers will conduct credit scoring to assess the status of customers and their guarantors before submitting all information and documents to the credit inspector to check the completeness and correctness of the information and record all the information in the customer database of the Group before considering the credit in the next step. However, if the customer is listed on the blacklist or fails to meet the Credit Scoring standard, the Group will reject the credit and notify the credit officer of the result for further notice to the customer.

Credit approval process

After the credit inspector checks the accuracy and completeness of the information and evidence that are proved to comply with the Group's credit approval criteria, the Credit Department will approve such hire-purchase applications and notify the customers of the results. In general, the Group can consider and approve the motorcycle hire-purchase within 90 minutes and for the automobile hire-purchase within 1 day as well as determine the authorized person to approve the credit limit (details as shown in the topic of scope and authority of the Executive Committee).

Operational process after credit approval

After the credit request has been approved, the dealer will be responsible for the transfer of property rights to the Group. As soon as the customer receives the property from the dealer, the Group will provide property insurance in which the Group is the beneficiary. The customer's information and evidence will be in the database of the Group and the Operations Department will continue taking care of the customers.

Other services apart from hire-purchase service

In addition to providing hire-purchase service, the Group also provides various services for customers, covering insurance, policy renewal, and customer care in regard to registration work throughout the period of installments with the Group. The Operations Department shall assign staff to facilitate and take care of such service.

Debt collection

The Operations Department will take care of customers in respect of the payment of installments in accordance with the hire-purchase terms by sending a statement of payment to customers every month. Payment of installments can be made by cash via bank, by post-dated cheque or money order or installment payment through the Group's debt management officer who receives and pay installments through the Head Quarter and branch offices. However, the Group has increased payment channels through Counter Service (in convenience stores) to improve convenience for customers. Normally, the Group will transfer the ownership of the assets to the customers after the installments are paid in full according to the hire-purchase contract.

Debt Management and Asset Seizure

The Operations Department will be in charge of customers' installment payments, which shall be according to the details of "Debt Collection" as mentioned above. If the installment payment is overdue, the Group has taken control measures as follows:

1. After credit approval, the debt management officer shall review the addresses and contacts of customers such as residence, offices and telephone numbers.
2. In the event that the customer goes overdue not more than 3 installments, the Operations Department shall remind the customer about the installment payment and examine the Group's service provided to customers via telephone.
3. In case the customer is overdue more than 3 installments but less than 6 installments, the Operations Department will send a debt management officer of the Group to track and check the assets. In the event that the customer is unable to pay the installment or deliver the assets, the Group will send a termination letter to the customer as required by law.

4. Special debt management officer of the Group shall seize assets from customers and/or take immediate legal action. In the event that assets can be seized, the officer shall assess the condition and the appropriateness in adjustment of such property for sales. In case the seized property can be sold but the money received is insufficient to pay off the remaining debt, the Group shall take legal action against its customers and guarantors.

To carry out credit control on such steps, if the damage is apparent and the case is urgent, the Group may take several measures simultaneously. The Company shall start to charge the penalty as soon as the first installment is defaulted, the rate of which is according to the Office of the Consumer Protection Board (OCPB) or equal to the MRR rate of Krung Thai Bank Public Company Limited plus 10 percent per year.

Innovation Development

The Company places value on innovation development by promoting a culture of innovation on business processes by making use of technology for more convenience in working. In the past, the system has been developed in various ways as follows:

Developed “TK Plus”, a system of hire-purchase service for new motorcycles and new automobiles, that has been changed from manual systems to mobile applications since 2013 and continuously developed until now for 7 years. Therefore, TK is becoming a future-ready company for its IT systems can support the back-end interface system with applications like Mobile Checker, Mobile Bill and Mobile Box Management for customer service starting from requesting hire-purchase application, considering credit approval, managing debt and other tasks. This enables staff to provide customer service on the system via paperless mobile applications during internal coordination and helps reduce the credit approval period for customers from 1 day to only 1-2 hours.

Develop the application “TK Plus” to facilitate installment payments by means of checking the payments, outstanding balance, and interest. As a channel for payments and fees, TK Plus has ability to track hire-purchase contract documents, invoices, and receipts. Customers are interested in using such application to a certain extent but after the COVID-19 crisis and the lockdown incident, there has been a significant increase in the number of customers signing up and using the installment payment function through the application.

TK sees the direction of developing customer service channels and continues its digital transformation strategy to “Smart Loan Service,” focusing on convenience and speed.

Therefore, LINE Official @TKPLUS has been launched to strengthen the standard of hire-purchase approval services, expand communication channels with consumers across the country, follow up news easily, be effectively response to social media society, be closer and more reachable. It can also answer information with chatbot function throughout 24 hours, and is an effective channel for disseminating news, promotions, and other services.



(4) Assets used in business operations

The main assets used in the operation of the Group are as follows:

The main fixed assets of the Company and its subsidiaries used for business operations as of December 31, 2021

■ Thitikorn Public Company Limited

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2021	31 Dec 2020	
Land	Owner	7.8	7.8	-
Buildings	Owner	-	-	-
Vehicle	Owner	6.9	11.8	-
Computer System	Owner	2.56	4.2	-
Office Equipment	Owner	18.8	24.2	-
Utilities	Owner and lease	3.6	5.0	-
Office Renovation	Owner	23.61	26.2	-
Building Improvements	Owner and lease	12.66	24.2	-
Computer Equipment	Owner	0.3	0.4	-
Hand Tools	Owner	0.01	0.02	-
Leasehold <u>Chiang Rai Branch Office</u> No. 70/6-9 Phahonyothin Road Tambon Rob Wiang, Amphoe Mueang, Chiang Rai	2-year lease 1 Nov. 17 - 31 Oct. 19 Rental fee 24,000 baht/month	-	-	-
<u>Chiang Mai Branch Office</u> No. 267/14-15 Chang Klan Road Tambon Chang Khlan, Amphoe Mueang, Chiang Mai	3-year lease 2 Feb. 17 - 1 Feb. 20 Rental fee 10,000 baht/month	-	-	-
<u>Chanthaburi Branch Office</u> No. 183/6-7 Trirat Road Chanthanimit Subdistrict, Mueang District, Chanthaburi	5-year lease 1 Mar. 18 - 28 Feb. 66 Rental fee 4,000 baht/month	0.09	0.16	-
<u>Rayong Branch Office</u> 43/5-6 Chanthaudom Road Tha Pradu Subdistrict, Mueang District, Rayong	10-year lease 3 May 2010 - 3 May 20 Rental fee 4,000 baht/month	-	-	-
Construction work in progress	Owner and lease	-	-	-
Non-performing assets	Owner	5.7	5.7	3.2-million-baht land in Pathum Thani and Chachoengsao provinces, 2.5-million-baht buildings in Pathum Thani province

■ C.V.A. Company Limited

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2021	31 Dec 2020	
Land	Owner	4.8	4.8	-
Buildings	Owner	-	-	-
Office Equipment	Owner	0.1	0.1	-
Vehicles	Owner	0.01	0.1	-
Office Renovation	Owner	0.02	0.04	-
Computer System	Owner	0.002	0.02	-
Non-performing assets	Owner	8.6	8.6	8.6-million-baht land in Chiang Rai and Lampang provinces
Assets for rent - Land	Owner	12.8	12.8	
Assets for rent - Buildings	Owner	4.5	4.9	

■ Chayapak Company Limited

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2021	31 Dec 2020	
Office Equipment	Owner	0.01	-	-
Vehicles	Owner	-	-	-
Computer System	Owner	-	-	-
Assets for rent – Vehicles	Owner	1.78	2.4	-

■ TK Ngern Tan Jai Company Ltd.

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2021	31 Dec 2020	
Computer System	Owner	-	0.003	-

■ TK Broker Company Ltd.

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2021	31 Dec 2020	
Computer System	Owner	0.11	-	-

■ Mingalaba Thitikorn Microfinance Company Limited.

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2021	31 Dec 2020	
Office Equipment	Owner	0.03	0.07	-
Computer Equipment	Owner	0.02	0.09	-

■ Suosdey Finance PLC.

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2021	31 Dec 2020	
Office Equipment	Owner	1.7	2.0	-
Vehicles	Owner	5.6	6.7	-
Computer System	Owner	0.7	1.2	-
Computer Equipment	Owner	0.8	1.1	-
Utilities	Lease	-	-	-
Building Improvement	Lease	14.0	13.0	-

■ Sabaidee Leasing Company Limited.

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2021	31 Dec 2020	
Office Equipment	Owner	0.3	0.4	-
Computer System	Owner	0.2	0.3	-
Computer Equipment	Owner	0.6	0.7	-
Utilities	Lease	-	-	-
Building Improvement	Lease	0.4	0.7	-

Account receivables

1. The Group's hire-purchase receivables categorized by types of assets

Types of Assets	31 December 2021		31 December 2020	
	Number of Vehicles	Million Baht	Number of Vehicles	Million Baht
Motorcycle	121,055	5,890.9	158,560	6,377.9
Add accrued profit		60.1		68.4
Less deferred hire-purchase profit		(1,632.5)		(1,556.3)
Less deferred VAT		(345.1)		(326.3)
Less allowance for doubtful accounts		(344.7)		(509.5)
Difference of exchange rate from budget		-		-
Conversion				
Net		3,628.7		4,054.2
Automobile	615	227.0	786	259.3
Less deferred hire-purchase profit		20.5		(19.5)
Less deferred VAT		14.2		(16.1)
Less allowance for doubtful accounts		8.6		(9.3)
Net		183.7		214.4
Total	121,670	3,812.4	159,346	4,268.6

2. Loan receivables, Nano/Micro-finance receivables

Types of Assets	31 December 2021		31 December 2020	
	Number of Vehicles	Million Baht	Number of Vehicles	Million Baht
Loan receivables	10,776	165.8	18,568	379.4
Less deferred profit		(10.7)		(13.8)
Less allowance for doubtful accounts		(18.3)		(42.9)
Difference of exchange rate from budget conversion		0.2		0.04
Net		137.0		322.7

3. Other receivables of the Group

Types of Assets	31 December 2021		31 December 2020	
	Number of Vehicles	Million Baht	Number of Vehicles	Million Baht
Counter service receivables	1	10.5	1	19.5
Other receivables	54	1.9	63	6.3
Total	55	12.4	64	25.8

4. Customers with a proportion of outstanding loans more than 10% at the end of the period

- none -

5. The policy of setting aside allowance for doubtful accounts

In 2019, the Group has a policy to set aside allowance for doubtful accounts as follows:

■ Motorcycle

Details of allowance for doubtful accounts set aside for motorcycle hire-purchase receivables

Net balance of hire-purchase receivables*	Set-up rate of allowance for doubtful accounts (Percent)
Receivables that are not due – 1 month overdue	1.0
2-3 months overdue	20.0
4-6 months overdue	50.0
Overdue > 6 months	100.0

* Net balance of hire-purchase receivables after less deferred hire-purchase interest and VAT

* In 2019, the Group considers to set an additional 1% allowance for doubtful accounts of the outstanding receivable value.

In 2020, the Group has set aside allowance for doubtful accounts according to the new accounting standard TFRS9, which includes motorcycle and automobile receivables.

Allowance for doubtful accounts of motorcycle hire-purchase receivables

(Unit: Million baht)

	31 December 2021		31 December 2020	
	Net balance of hire-purchase receivables*	Allowance for doubtful accounts	Net balance of hire-purchase receivables*	Allowance for doubtful accounts
Receivables that are not due – 1 month overdue	3,281.1	96.2	3,413.3	107.7
2-3 months overdue	423.5	85.3	746.2	140.6
4-6 months overdue	241.8	137.0	371.1	231.7
Overdue > 6 months	27.0	26.2	33.0	29.4
Total	3,973.4	344.7	4,563.6	509.4

* Balance after less deferred hire-purchase interest and VAT

■ Automobile

Details of allowance for doubtful accounts set aside for automobile hire-purchase receivables

Net balance of hire-purchase receivables*	Set-up rate of allowance for doubtful accounts (Percent)
Receivables that are not due – 1 month overdue	1.0
2-3 months overdue	2.0
4-6 months overdue	20.0
7-12 months overdue	50.0
Overdue > 12 months	100.0

* Balance after less deferred hire-purchase interest, VAT, and insurance

Allowance for doubtful accounts of automobile hire-purchase receivables

(Unit: Million Baht)

	2021		2020	
	Net balance of hire-purchase receivables*	Allowance for doubtful accounts	Net balance of hire-purchase receivables*	Allowance for doubtful accounts
Receivables that are not due - 1 month overdue	166.2	0.3	179.0	0.3
2-3 months overdue	6.6	0.03	12.0	0.05
4-6 months overdue	4.9	0.2	16.3	0.7
7-12 months overdue	8.7	2.2	11.0	2.7
Overdue > 12 months	5.9	5.9	5.5	5.6
Total	192.3	8.6	223.8	9.4

* Balance after less deferred hire-purchase interest and VAT

■ Loans

Details of allowance for doubtful accounts set aside for loan receivables and Nano/Micro finance receivables

Net balance of hire-purchase receivables*	Set-up rate of allowance for doubtful accounts (Percent)
Receivables that are not due - 1 month overdue	1.0
2-3 months overdue	20.0
4-6 months overdue	50.0
Overdue > 6 months	100.0

* Net balance of loan receivables after less deferred interest

Allowance for doubtful accounts of loan receivables and Nano/Micro finance receivables

(Unit: Million Baht)

	2021		2020	
	Net balance of hire-purchase receivables*	Allowance for doubtful accounts	Net balance of hire-purchase receivables*	Allowance for doubtful accounts
Receivables that are not due - 1 month overdue	102.4	2.4	276.1	12.0
2-3 months overdue	32.6	4.8	51.5	8.1
4-6 months overdue	18.6	9.8	36.7	22.1
7-12 months overdue	1.6	1.2	1.0	0.5
Overdue > 12 months	0.1	0.07	0.2	0.2
Total	155.3	18.3	365.5	42.9

* Balance after less deferred interest

* In 2019, the Group considered setting aside additional allowance for doubtful accounts for 1% of outstanding receivable value.

For allowance for doubtful accounts set aside for other account receivables, the Group shall consider the set-up rate as follows:

Details of allowance for doubtful accounts set aside for other account receivables

Net balance of hire-purchase receivables*	Set-up rate of allowance for doubtful accounts (Percent)
Receivables that are not overdue - (< 1 year)	0
Receivables that are overdue > 1 year	100

Revenue Recognition Policy and Revenue Recognition Suspension Policy

Prior to 2008, the Group had a policy to recognize interest income from hire purchase by using the Sum of the Digits method starting from January 1, 2008. The Group changed its hire-purchase interest income recognition policy by using the real interest rate method instead for new hire-purchase contracts beginning in 2008 in accordance with the amendments to TAS 29: Leases and recorded income from each installment on an accrual basis.

The Group has a policy to suspend revenue recognition for the portion arising from hire-purchase receivables that are overdue for more than 3 consecutive installments, both motorcycles and cars.

For receivables with overdue payments for more than 3 consecutive periods that cease recognizing revenues and resume payment as normal, the Group shall recognize hire-purchase interest as income on a cash basis.

Bad debt write-off policy

Motorcycle hire-purchase receivables

The Group has a policy to write off bad debts of motorcycle hire-purchase receivables. If the debtor is overdue for 3 installments or more, the Group will terminate the contract and seize the asset back. But if the debt is tracked and found that it was unable to enforce the payment of debt or return the asset, the Company shall consider the bad debt write off in the same direction as the Company's bad debt provision. This must be reviewed by the relevant agencies to present to the management for approval on writing off bad debt according to the Company's regulations.

Automobile hire-purchase receivables

If the automobile receivable is overdue 3 installments or more, the Group shall terminate the contract and seize the asset back as well. However, if the receivable is overdue for more than one year, the Group shall expedite and consider legal action till the last. Unless it is considered that the balance of such debt is not worth the expenses that will occur in the future, then the bad debt will be written off according to the law.

Non-performing assets (NPA)

Non-performing assets are stated at account balance according to net book value or net value from the sale of assets, whichever is lower.

The Group has provided an allowance for decrease in value of non-performing assets as follows:

Outstanding balance less than one year	30%
Outstanding balance over one year	100%

The number of seized vehicles in comparison with the balance of hire-purchase receivables of the Group

Year	Number of seized vehicles (cars) (1)	The total amount of hire-purchase receivables (number of contracts/cars) (2)	Percent (3) = (1)/(2)
Motorcycle			
31 December 2019	5,854	232,743	2.5
31 December 2020	2,216	158,560	1.4
31 December 2021	1,055	121,055	0.9
Automobile			
31 December 2019	-	-	-
31 December 2020	-	-	-
31 December 2021	-	-	-

Investments recorded by cost method

As of December 31, 2021, Thitikorn Public Company Limited has long-term investments in subsidiaries with details as follows:

(Unit: Million Baht)

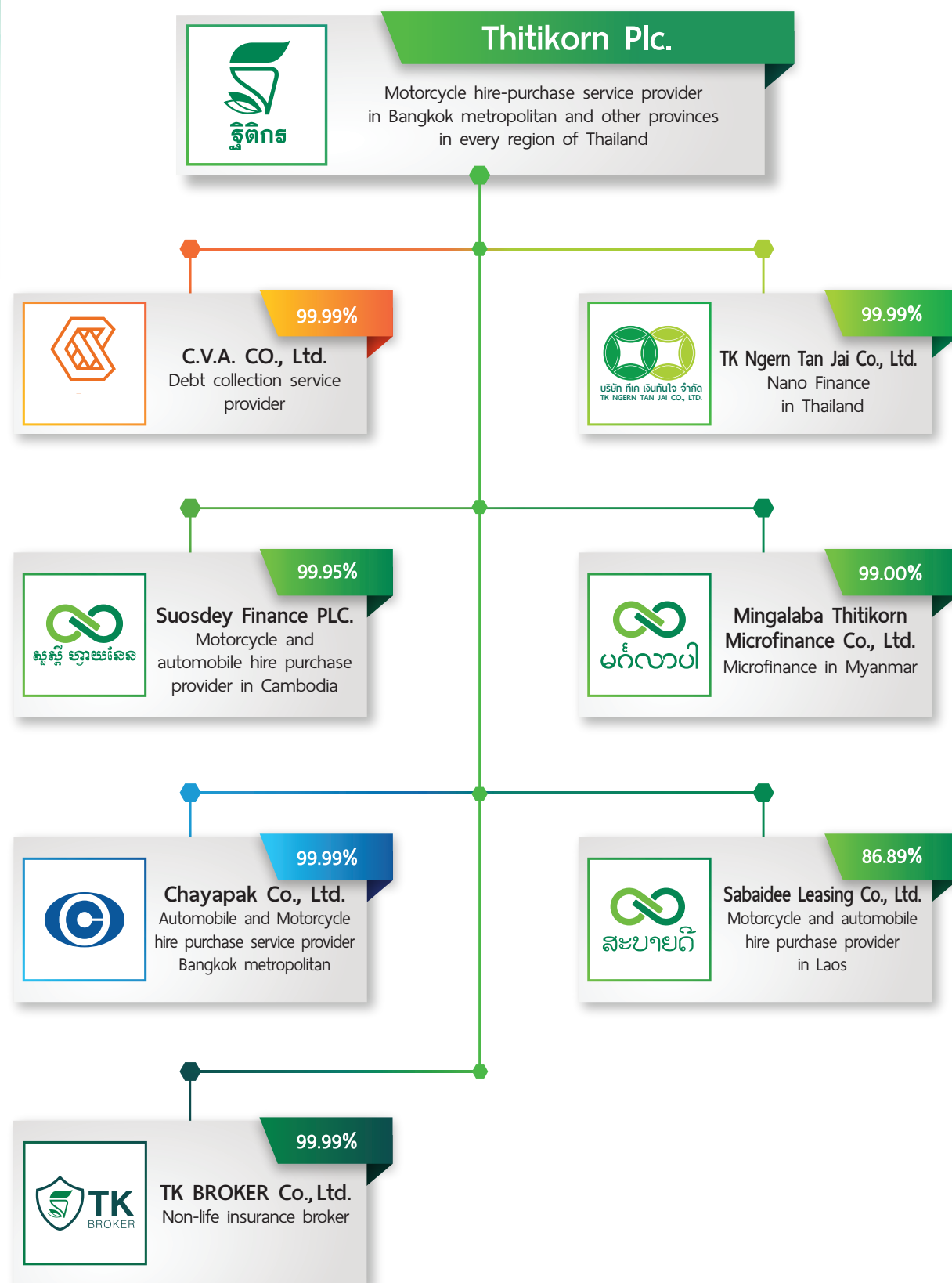
31 December 2021				
Company	Business	Issued and Paid-up Capital	Percent of Direct and Indirect Investment	Investment Value
1. C.V.A. Company Limited	Provide hire-purchase motorcycle and related services including reconditioning	50.0	99.99	49.99
2. Chayapak Company Limited	Provide motorcycle and automobile hire-purchase service	40.0	99.99	43.99
3. TK Ngern Tan Jai Company Limited	Nano-finance	50.0	99.99	49.99
4. Suosdey Finance PLC	Provide motorcycle and automobile hire-purchase service	132.2	99.95	132.14
5. TK Broker Co., Ltd.	Non-life Insurance Broker	3.0	99.99	3.0
6. Sabaidee Leasing Co., Ltd.	Provide motorcycle and automobile hire-purchase service	58.0	86.89	42.0
7. Mingalaba Thitikorn Microfinance Co., Ltd.	Micro-finance	4.7	99.0	4.65
Total				322.8
Less Allowance for Impairment				(4.7)
Net				321.1

The Company has a long-term investment policy in all seven subsidiaries, each of which has a committee to jointly formulate policies and strategies that shall be implemented by the management of each subsidiary. The main policy of all seven subsidiaries must be approved by the Board of Directors.

(5) Undelivered work

- none -

1.3 The shareholding structure of the Group is presented as follows;





Juristic entities of more than 10%

1. Company name : C.V.A. Company Limited
 Address (Headquarter) : 69 Ramkhamhaeng Rd., Huamark, Bangkapi, Bangkok 10240
 Tel 0 2310 7000 Fax 0 2318 3339
 Business Type : Motorcycle Hire-Purchase and debt collection service
 Number and type of securities (sold) : Common stock 50,000 shares

2. Company name : Chayapak Company Limited
 Address (Headquarter) : 71 Ramkhamhaeng Rd., Huamark, Bangkapi, Bangkok 10240
 Tel 0 2310 7000 Fax 0 2318 3339
 Business Type : Automobile Hire-Purchase
 Number and type of securities (sold) : Common stock 40,000 shares

3. Company name : Suosdey Finance PLC
 Address (Headquarter) : No.119-121, Russian Federation Boulevard, Sangkat Teuk Thla, Khan Sen Sok, Phnom Penh, Cambodia
 Business Type : Motorcycle and Automobile Hire-Purchase
 Number and type of securities (sold) : Common stock 4,000,000 shares

4. Company name : Sabaidee Leasing Co., Ltd.
 Address (Headquarter) : 077, Thaduea Road
 Unit 05, Ban Buengkayong Srisattanak, Vientiane Capital, Lao PDR
 Business Type : Motorcycle and Automobile Hire-Purchase
 Number and type of securities (sold) : Common stock 1,906,250 shares

5. Company name : TK Ngern Tan Jai Co., Ltd.
 Address (Headquarter) : 71 Ramkhamhaeng Rd., Huamark, Bangkapi, Bangkok 10240
 Tel 0 2310 7000 Fax 0-2318-3339
 Business Type : Nano Finance
 Number and type of securities (sold) : Common stock 50,000 shares

6. Company name : Mingalaba Thitikorn Microfinance Co., Ltd.
 Address (Headquarter) : No. 218, 29th Street, Yong Gyi Qr., Bago, Republic of the Union of Myanmar.
 Business Type : To carry out microfinance business and other forms of financing operations as permitted by the relevant supervisory authorities and the applicable laws.
 Number and type of securities (sold) : Common stock 200,000 shares

7. Company name : TK BROKER Co., Ltd.
 Address (Headquarter) : 69 Ramkhamhaeng Rd., Huamark, Bangkapi, Bangkok 10240
 Tel 0 2310 7000
 Business Type : Non-life insurance broker
 Number and type of securities (sold) : Common stock 30,000 shares

1.4 Number of registered capital and paid-up capital

Common stock

The Company has a registered paid-up capital of Baht 500 million, which is divided into Baht 500 million ordinary shares with a par value of one baht per share.

Shareholders

Major shareholders as of March 9, 2021

Major Shareholders	Number of Shares	% of Shareholding
1. Zin Thonglor Co., Ltd.	211,800,000	42.36
2. Ms. Prathama Phornprapha	30,644,267	6.13
3. Mr. Prapol Phornprapha	25,566,667	5.11
4. Ms. Prin Phornprapha	25,425,400	5.09
5. S.P. International Co. Ltd.	18,200,000	3.64
6. Mrs. Anothai Phornprapha	15,366,666	3.07
7. Mr. Satitphong Phornprapha Group	13,000,000	2.60
- Mr. Satitphong Phornprapha	7,000,000	1.40
- Mrs. Nongnuj Phornprapha	6,000,000	1.20
8. Ms. Suphatana Phornprapha	10,666,670	2.13
9. Mr. Raksanit Phornprapha Group	9,500,000	1.90
- Mr. Raksanit Phornprapha	9,450,000	1.89
- Mrs. Sirirat Phornprapha	50,000	0.01
10. นายเจนทัศน์ เสงวีเศรษฐกุล	7,200,000	1.44
Total	367,369,670	73.47

Source: Major shareholders' report as at the closing date of the share-registered book, March 9, 2021 prepared by Thailand Securities Depository Co., Ltd. (TSD)

1.5 Issuance of other securities

The Company has other securities as follows:

Debentures

As of December 31, 2020, the Company had outstanding debentures totaling Baht 1,070.00 million, the type of which was "Specify the name of debenture holder who is unsubordinated, unsecured, and there is no representative of debenture holder." Fixed interest rate was 2.27-2.70% per annum, remaining term of debentures was 1-2 years. The credit rating of the debentures was "A-" by TRIS Rating Co., Ltd. as of July 31, 2020.

1.6 Dividend Payment Policy

Thitikorn's dividend payment policy to the shareholders is to pay dividend at the rate of not exceed 60% of net profit after tax (Consolidate).

For the dividend payment of the subsidiary companies, dividends shall be paid at the rate of not less than 30% of net profit after tax of each year

The Company financial performance, cash flow, capital requirements for business expansion or others will be considered to facilitate the Company for payment of dividend. Payment of dividends is subject to approval of the General Shareholders' Meeting; interim dividend payment may be approved by the Board of Directors and to be acknowledged by the next General Shareholders' Meeting.

Dividend Payment Table

Operation Period	2016	2017	2018	2019	2020
Earning per share (Baht)	0.85	0.93	0.81	1.01	0.74
Dividend per share (Baht)	0.45	0.52	0.45	0.55	0.42
Dividend Payout Ratio (%)	53.2	55.7	55.2	54.5	57.1

2.1 Risk Management Plan and Policy

The Board of Directors places great importance on effective risk management, by establishing risk management policy and framework to regularly monitor effectiveness of the risk management. The Company is in finance industry; therefore, careful financial management must be taken by establishing risk management measures to prevent and mitigate risk and its effect on the Company's operations. This includes stringent credit approval applied for both customers and employees. Risk Management Committee has been assigned to regulate and support the risk management practice of the Company on various aspects, and provide suggestions and comments to the Board of Directors.

Risk Management Policy

- Establish proper and adequate risk management process, guideline and measures.
- Determine risk appetite and risk events or level as early warning indicators.

Risk Management Guideline

The Board of Directors has established the "Risk Management Committee" to be responsible for

- Identifying risk factors and seeking measures to mitigate or minimize the risks to prevent impact on the Company's operations and stakeholders.
- Pinpointing early warning signs and irregular transactions, enabling timely implementation of strategies, plans and methodologies.
- Reviewing risk management policy and risk management system at least once a year and every time there is a significant change in risk level to ensure effectiveness. This includes early recognition of warning signs and irregular transactions.

Examining risk management system or evaluating risk management effectiveness at least once a year and whenever there are significant changes to risk level as well as focusing on early warning signs and irregular transactions.

2.2 Risk Factors for the Company's Business Operations


2.2.1 The Company's Business Risk

The risk from compliance with and changes in rules and regulations from relevant authorities.

(a) The Company fails to comply with relevant laws, regulations and announcements obliged to the business operations correctly and completely, both in terms of laws, regulations and announcements that exist today and those that will be amended in the future and may have a negative impact on the business financial position, performance and business opportunities of the Company.

Motorcycle hire-purchase business is the main business of the Company, coupled with a nano-finance business under the supervision of the Bank of Thailand. As of December 31, 2021, the motorcycle hire-purchase business generates 68.5 percent of the Company's total revenue. The government has implemented a policy to protect consumers who are credit service recipients by enforcing relevant laws to control the Company's business operations, which are as follows:

1. The Notification of Ministry of Finance re: Business Subject to Approval to Clause 5 of the Revolutionary Council Decree 58 (Personal Loan Under Supervision) (including the amendments)
2. The Notification of the Bank of Thailand No. Sor Nor Sor. 13/2563 re: Determining Criteria, Methods, Conditions on Personal Loan Under Supervision for Non-financial Business Operators (including the amendments)
3. The Notification of the Committee on Contracts re: Prescribing Hire-Purchase for Car and Motorcycle Business as Contract-Controlled Business B.E. 2561 (2018) (including the amendments)
4. (Draft) The Notification of the Committee on Contracts re: Prescribing Hire-Purchase for Car and Motorcycle Business as Contract-Controlled Business B.E.
5. Debt Collection Act B.E. 2558 (2015) (including amendments)
6. Personal Data Protection Act B.E. 2562 (2019) (including amendments)
7. Credit Information Business Act B.E. 2545 (2002) (including amendments)
8. Money Laundering Prevention and Suppression Act B.E. 2542 (1999) (including amendments)

- 
9. Notification of the Insurance Commission re: Rules and Conditions of Licensing for Juristic person to be a Non-life Insurance Broker
 10. The Insurance Commission Act B.E. 2550 (2007)

The Company has never had any disputes with the Bank of Thailand that may lead to a lawsuit in court.

In addition, the Company has Legal Department and Risk Management Committee responsible for analyzing legal and regulatory risks related to the Company's operations and following up on amendments to laws related to the Company's business operations. If necessary, the Company shall employ external legal advisors to provide advice and give legal opinions to enable the Company to conduct business in line with the law.

(b) Risks on Personal Data Protection Law


Thitikorn Public Company Limited operates the business of providing car and motorcycle hire-purchase service as microfinance to support employment and job creation. Due to having a lot of customers, strict personal data retention is required to protect the risk of customers' personal data leakage as well as the risk that may arise from personal data breaches. The Company must strictly comply with the requirements of relevant laws such as the Personal Data Protection Act (PDPA) B.E. 2562 (2019).

Thitikorn Public Company Limited has a risk management plan as follows:

1. Set up Personal Data Protection Policy in accordance with laws and relevant notifications from the government sectors.
2. Determine personal data management process and concise data accessibility, design appropriate control measures, and have regular reviews on the risk management plan.
3. Raise awareness and understanding among personnel in the organization.
4. In case the Company is required to disclose personal information to a government agency as requested, the Company must have processes of examining legalistic power and analyzing information content to be in accordance with the law and must not cause a personal data breach.
5. Rights of data subject must be complied as required by law as follows:
 - 1) Right to be informed of details, including the purpose of data collection.
 - 2) Right of access by submitting requests to access their own personal data and right to rectification by asking the organization to update inaccurate or incomplete personal data.
 - 3) Right to data portability, by requesting for the transfer of personal data to other data controllers.
 - 4) Right to object to processing, including the collection, usage, or disclosure of personal data; right to erasure by asking personal data to be deleted or destroyed or making personal data to be unidentifiable; and right to restrict processing, by requesting for the suspension of use of personal data.
6. There are measures for collecting, using, or disclosing and destroying data so that the data subject can be assured that the information will not be leaked.

Financial Risk

The Company's major source of income is interest income derived from hire-purchase, of which interest rates are being fixed throughout the duration of contracts. Fluctuation in interest rates which is the Company's cost of fund would directly affect to the Company's operation; therefore, the Company has maintained a large portion of its long-term fixed rate borrowing from financial institutions with three-year fixed interest rates and 2-3 years term debenture issuance in order to limit interest rate volatility risk. As of December 31, 2021, the Company has long-term fixed rate borrowing of Baht 391.5 million (including current portion of Baht 240.4 million) and debenture of Baht 400.0 million (including current portion of Baht 400.0 million). Long-term borrowing and debenture represented 90.0% of the total borrowing of Baht 880.0 million. TRIS Rating assigned the Company rating at "BBB+" (Stable), therefore, reassured both financial institutions and investors' confidence in the Company's solid financial status, which caused the Company to be offered better financing terms and conditions.



Risk from Operation

Risk from competitors

- Motorcycle Hire Purchase

The motorcycle hire purchase is a highly competitive industry due to low barrier of entry for any new comer with large capital base. However, with more than 48 years of experiences in the industry, the Company maintains large customers' database, which is a major resource for the Company to review credit and give the approval effectively. Besides, speedy services to customers with support from 63 business alliances in Bangkok and 524 business alliances in the provincial together with our experienced credit officers, make the Company more competitive advantages than others.

- Automobile Hire Purchase

For automobile hire purchase industry, large finance companies, joint-venture with automobile manufacturers companies or multinational companies, with strong capital base and low cost of fund had recently faced with intense price competition to gain more market shares. Especially, hire purchase for new automobile that offers low interest rate. Last year most automobile hire purchase providers experienced non-performing loan caused to decelerate its new automobile hire purchase activities. The Company took this opportunity to screen for high quality customers and focus on new automobile hire purchase sector, since the competition was not fierce.

Risk from non-performing loan

Being Independent from any regulations or limitations, the opportunity to expand its portfolio depended on the capability of each company. Every operator in the industry, without stringent internal control for credit approval and effective management, would encounter higher risk of non-performing loan. The Company had set up policies that include standardize credit approval criteria, strict credit approval process, requirement of guarantor or collateral for all contracts that allow flexibility to customize terms and conditions to match with individual risk. Besides, the Company had continued to set sufficient reserve that counted for future risks.

Risk from loss in sales of foreclosed assets

After the Company received 3 installments from its customer, it was likely that any loss from sales of foreclosed assets is limited. However, when loss incurred, the remaining difference would be collected from the customer then the guarantor. Nevertheless, if the difference could not be claimed, there would have to book some loss, the amount of which depended on the condition, depreciation, brand, model, years, and demand on the asset. With in-house rebuilt center, as well as several branches in the provincial to accommodate the sales of foreclosed assets, the Company could efficiently control the risk from loss in sales of foreclosed assets.

Risk from the dependency on expertise

By performing systematic approval process, with operation manual, as well as applying credit scoring in the credit approval process, all credit officers can perform standardized tasks; as a result, the Company could reduce its dependency on its employees. Furthermore, the Company also provided appropriate incentive to retain these employees as well as improve any necessary skills and capabilities to enhance their working efficiency.

Risk from governmental supervision

The hire purchase business is currently under the supervision of the Office of the Consumer Protection Board (OCPB), an organization with responsibility to protect consumer's right to receive a fair contract including contract duration, termination processes and maximum of default interest rate, which is allowed not higher than effective rate + 3% per annum and must not over 15% per annum effective from July 1, 2018 (previously was at MRR of Krung Thai Bank + 10%). Hire purchase business is not under the Bank of Thailand's supervision, however, the increase in governmental supervision to standardize the business practice in the future may affect the whole hire purchase business industry. Nevertheless,



the Company has followed the Bank of Thailand's rules and regulations governing financial institutions such as loan loss reserve, and revenue recognition. The Company believes that governmental supervision in the future has no significant impact on the group's operations.

Governmental supervision on the hire purchase industry tends to be increased, which may cause high barriers to entry, not only for smaller operators whose operations do not meet with standards but also new entrants who will not easily enter the industry.

Risk from duration mismatch between hire purchase portfolio and sources of fund

The average hire purchase term for motorcycle and automobile is between 24-30 months and between 48-60 months, respectively. Therefore, maintaining of major portion in short-term borrowing may be considered a risk if the financial institution calls back for its short-term loan. The Company is a prime customer of more than 14 financial institutions and has a solid financial status and excellent past records, even during financial crisis in 1997, the Company loan has never been called. However, to mitigate risk for duration mismatch, the Company has increased its long-term borrowing portion to minimize assets and liability mismatch. As of December 31, 2021, the Company long-term fixed rate borrowing was Baht 391.5 million and debenture was Baht 400.0 million. The Company long-term fixed rate borrowing (including current portion of fixed long-term loans) accounted for 90.0%, which helps the Company minimize risk from duration gap.

2.2.2 Investment risk of securities holders

Risk from the Company having more than 50% of shares owned by a majority shareholder

As of March 9, 2021, the Phornprapha family held 377,572,000 shares of the Company, representing 75.51% (more than 50% of the total number of shares sold of the Company). Therefore, Phornprapha Group had almost all control over all voting of resolutions at the shareholders' meeting, whether it was the appointment of directors or a requisition of resolution on other matters with the votes of majority at the shareholders' meeting except for a resolution required by law or regulations to be passed by a three-fourths majority vote cast by the shareholders at the meeting. This resulted in other minor shareholders being unable to collect votes to check and balance an agenda item proposed by the major shareholders.

The Company and the Board of Directors are committed to treating all shareholders equitably, fairly, and considering on the benefits of the Company and shareholders as stipulated in the Good Corporate Governance Policy publicly announced. This includes defining operational procedures and the level of approval authority on various operations of the Company as well as examining important projects carried out by executives and the directors. An invitation letter for the shareholders' meeting will specify the opinions of the Board of Directors adequately and appropriately for the shareholders to receive the directors' opinion on the said transaction and use it as a basis for further decision-making. Besides, in case the Company has connected transactions that require approval from the shareholders' meeting, shareholders who have any interests in the said connected transaction have no right to vote on such agenda. Over the years, the Company has been assessed on good corporate governance at a 5-star level for 3 consecutive years and received "Investor Choice Award" with a full score of 100 on the quality assessment for the arrangement of Annual General Shareholder Meeting for 13th consecutive year. It is obvious that the Company places great importance on good corporate governance and aims to raise the trust and confidence on shareholders and all concerned parties continuously.



3. DRIVING FOR SUSTAINABILITY

3.1 Sustainability Management Policy and Goal

With a commitment to conduct business with transparency based on good corporate governance, the Company has an ultimate goal; that is the sustainability of the organization which creates shared values on economy, society and environment in the Company's business chain. To enhance sustainable development, the organization's sustainability development policy has been formulated as business guidelines of the Company Group as follows:

Sustainability Strategy

1. Establish a sustainable development strategy for the organization that covers good corporate governance, corporate risk management and new risks that may arise in the future.
2. Determine processes to assess and respond to risk issues affecting the Company's sustainability in terms of economy, society, environment, and good governance, and such issues are considered critical in business planning, business decisions and operational processes so as to maintain the stability and sustainability of the organization.

Good governance

1. Uphold the principles of integrity and transparency in business operations and performance and comply with the laws, rules, regulations, methods, and standards set by regulatory agencies.
2. Uphold and follow the guidelines and practices set forth in the Company's Code of Conduct including relevant policies, regulations, announcements of the Company in relation to good corporate governance, risk management, business continuity management, policies on shareholders, employees, society and environment, anti-corruption, safety, occupational health and working environment, usage of network systems and computers, etc.

Economy

1. Seek ways to develop and improve operational efficiency in all activities continuously by determining goals, methods of measurement, monitoring and assessment of the sustainability of the activities.
2. Develop and promote corporate innovation and new technology as a business strategy to create added value and long-term corporate growth as well as mutual benefits on society and environment.
3. Promote and support allies, partners, and stakeholders throughout the business chain to operate in accordance with the guidelines of sustainable development.

Safety

1. Stimulate awareness and cultivate a culture of safety, environmental protection, and social responsibility continuously and regularly.
2. Set a "Zero" accident at work by developing, improving, and upgrading safety standards beyond regulatory requirement. Besides any operations without proper and adequate safety control measures and trainings are prohibited.

Human Rights

1. To be an organization that accepts and respects diversity and treats all employees and workers without discrimination by giving equal opportunity and assigning enough tasks according to their abilities with reasonable returns and prohibits the employment of workers under the age of 18 and illegal workers.
2. Take care and protect the safety of all employees and the Company's assets without affecting the rights and safety of others. This includes protecting personal rights as well as confidentiality, disclosure, and use of personal information.
3. Respect rights of all employees, workers and partners of the Company, honor and treat them all with equality and human dignity.



Human Rights and Labor Justice

The Company has designated a policy on non-violation of human rights, stating that employees are equally treated and given opportunities to develop themselves for professional advancement to ensure sufficient capabilities to perform their duties. Executives and employees are obligated to comply with human rights principles which considered as part of their duties and must be no violation of human rights. The Company prohibits the use of child labour and human trafficking and discourage engaging in or accepting any form of bribery or corruption.

During the year 2021, the Company has not received any complaints relating human rights violation from employees, suppliers and other stakeholders which building the confidence that the Company's operation has not cause or possible to cause adverse impact to communities and society.

Society and Community

1. Take care and treat employees fairly and equitably without discrimination against race, color, religion, sex, age, sexual orientation, or disability to provide a good quality of life for all employees.
2. Strengthen and promote participation of communities and related stakeholders with openness to opinions, transparent and constructive consultations, equal treatment to each other and respecting for differences as well as supporting the improvement of the quality of life and the strength of the community
3. To carry out work on social development and public benefits by cooperating with network partners, including communities, government agencies and the public sector to improve the well-being and environment of the community in society.

Human Resources Development

1. Employee compensation and benefits

The Company provides fair remunerations appropriate to the responsibilities and work performance of each employee. Various benefits are also provided to employee in addition to those governed by laws such as performance bonus, employee rewards program, provident fund, and annual physical checkup arrangements.

2. Competency Development

The Company is confident that personnel development by various methods is important to encourage employees with potential and performance to maximize their knowledge and skills that will help strengthen the competitiveness of the organization. The program is divided into training and development for both new staff and the existing ones.

2.1 Training and development for the new staff

Orientation for new staff; a training that provides knowledge and understanding to new personnel in order to provide basic understand of the organization and enable them to adjust and create harmonize working environment.

2.2 Training and development for the existing staff

The Company has established a plan for personnel development to encourage employees to meet the operational goals as well as to prepare them for the jobs (rotation) and promotion. These include the framework of development as follows:

- Development according to training by the position and years of service so the employees will be equipped to handle and manage for each position according to the Company's expectations.
- In-house Seminar, the experienced staff from various aspects will be assigned to be the trainers.
- Sending the staff to attend seminars outside the Company.

3. Health Care Project

The Company recognizes importance of its employees' health and thus places great emphasis on promoting good health and quality of life by set up the following programs continuously.

- Annual medical check-up with check-up program that suitable for each staff's age and job characteristic.
- Against Drugs program within the organization.

- Medical assistance benefits to relieve employee's financial burden which related to medical treatment fees for both cases of in-patients and out-patients.
- Various employee wellness programs, the exercising facilities are available to relief employees from work and join the activities together. The Company also sponsors in employees' sport activities since 2009 to create a harmonious workplace, strengthen teamwork, and provide learning and development opportunities to the employees.

4. Employee disaster relief program

The relief program exists to help employees affected by natural disasters such as floods and rainstorms whose assets were destroyed to recover and replenish necessities in return to work and living.

On January 19, 2016, Thitikorn Plc. group in collaboration with the Company's Executives and employees, had donated cash to assist the fire victim, Mr. Wittawat Meksong, the Nakhon Ratchasima branch's Manager in the amount of Baht 145,000.

5. Safety workplace policy

The Company places great emphasis on safety of workplace, fire drills and safety trainings has been continuously organized. The Company has set up working environment and facilities with sufficient safety equipment to ensure safety and healthy working environment, including provide Safety Riding training course as well as encourage helmet wearing.

6. Employee's welfare and quality of life development program

The Company values employee's quality of life, thus provide various benefits to support the welfare and development of employees together with the sustainable growth of the Company.

- Employee welfare fund is established to compensate employees who suffer bodily injury or property damage from accident (during working hours and off hours).
- Funeral allowance fund is set up to grant allowance among members for the funeral expenses of an employee and of employee's immediate family member.
- Group accident insurance is provided to compensate in the event of death, loss of sight or limb, or disability of an employee due to accident during 24 hours. The sum insured is in accordance with each employee's position.
- The scholarship for employees' children is continually granted each year to the eligible dependent children of employees which are awarded for school years from kindergarten up to university level.
In 2020, the Company has provided 892 scholarships or Baht 1,588,500 for children of employees. Hence, Thitikorn PLC has continued this program for educational support for the tenth year with realizing importance role of education in society and nation development. This program is meant to enhance quality of human resources for our society and to build morale for employees and their families.
- Housing loan granted by Government Housing Bank in the amount of 100% of home appraisal value or purchase price with a low interest rate.
- Other welfare benefits including weddings ceremony, funeral ceremony for employee or employee's immediate family member.
- The employee recognition program with annual financial reward is launched to enhance morale and motivate outstanding employee performance and dedicated service.

Environment and Response to Climate Change

1. Manage waste from the service process systematically to ensure that every process of business operations is based on proper caring and treatment to reduce the impacts on the environment both short term and long term.
2. Use various resources for maximum efficiency.
3. Think and seek ways and methods to minimize the use of resources and energy as well as decrease waste emissions and greenhouse gases to ensure that the impacts on the environment, community, and society are prevented, controlled, and reduced to a minimum.

Collaboration with all sectors to promote sustainable development

Raise awareness for everyone in the organization to collaborate, both in terms of laws and regulations, with all sectors including governments, businesses, communities, and civil society to promote sustainable development.

3.2 Managing impact on stakeholders in the business value chain

In 2021, the Company has determined the importance of each group of stakeholders and their impact on the growth and sustainability of business operations as shown in the table below, focusing on the priority and the method of the Company in responding to each group of stakeholders effectively. This enables the Company to achieve its business objectives under the framework of responsibility to stakeholders in terms of economy, society, and environment according to good corporate governance guidelines.

Stakeholders	Expectation	Ways of Engagement	Implementation
Shareholders	<ul style="list-style-type: none">- Income, share price and dividend that give worthwhile returns- Treating shareholders equitably- Fair business practices and transparent disclosure of information- Guidelines for good Corporate governance- Reputation and credibility of the Company	<ul style="list-style-type: none">- Annual Shareholders' Meeting- Annual Report- Provide opportunities for shareholders to comment via the Company's website.- Meet investors through several activities.- Provide investment-based information through the Company's communication channels	<ul style="list-style-type: none">- Determine strategies and goals that are in line with the growing trend of business.- Organize the annual shareholders' meeting to be a platform for asking questions and expressing their opinions.- Provide opportunities for the shareholders to express comments on various issues through the Company's channels.- Oversee operations to ensure compliance with good corporate governance.- Perform operations strictly under relevant laws and regulations.
Customers	<ul style="list-style-type: none">- Deliver quality and speed of service.- Employees must be honest.- Protect customer data.- Compliance with the terms and conditions of the contract	<ul style="list-style-type: none">- Provide information of service and various products through the website.- Ready for service and provide channels for lodging comments and complaints through the Company's website and e-mail that can satisfy customers effectively.	<ul style="list-style-type: none">- Be able to provide clear, accurate, and transparent information.- Review the operating process and service on a regular basis to ensure that the current system responds to customer need.- Develop IT capabilities to meet the needs of customers.- Comply with the Code of Conduct on protecting the confidentiality of all stakeholders.



Stakeholders	Expectation	Ways of Engagement	Implementation
Employees	<ul style="list-style-type: none"> - Define roles, duties and responsibility of each position. - Receive fair and persuasive compensation and welfare close to those in the same business. - Develop employee potential and promote career advancement according to the level of positions and duties. - Have safety at work and good working environment. 	<ul style="list-style-type: none"> - Use Intranet of Human Resources Department to prepare information for communication and exchange comments. - Strengthen good relationship through various activities both online and offline. - Attend training courses. - Use KPIs as a tool for performance appraisal and measurement. 	<ul style="list-style-type: none"> - Organize Staff Meeting according to job titles at least once a year to inform progress and exchange ideas. - Organize both HR and CSR activities throughout the year for employee engagement. - Organize regular training to increase employee potential. - Use principles of performance appraisal according to Key Performance Indicators (KPIs) - Treat employees fairly.
Partners	<ul style="list-style-type: none"> - Have clear business objectives. - Comply with terms and conditions according to contractual agreements. - Have clear system and workflow. - Have effective teamwork with fair and equal practices. - Protect data privacy. - Provide communication channels for expressing ideas and comments. - Uphold Anti-corruption Policy. 	<ul style="list-style-type: none"> - Use IT systems to support communication for effective operation. - Set up channels for filing a complaint when treated unfairly. - Organize meetings and monitor the continuity of work plans. 	<ul style="list-style-type: none"> - Build a good relationship to create confidence and trust in doing business with each other. - Protect confidential information and keep record according to applicable rules, regulations, and business needs. - Notify of the Code of Conduct and practices including anti-corruption.
Business Competitors	<ul style="list-style-type: none"> - Conduct business with honesty and comply with relevant law. 	<ul style="list-style-type: none"> - Provide accurate information on the Company's website. 	<ul style="list-style-type: none"> - Adhere to fair competition and business operation policies. - Follow the organization's best practices and good governance in business operations.
Creditors	<ul style="list-style-type: none"> - Be trustworthy and conform to terms and conditions of the contract. 	<ul style="list-style-type: none"> - Define and communicate policies as well as clear procedures and regulations in doing business. 	<ul style="list-style-type: none"> - Be trustworthy and strictly conform to terms and conditions mutually agreed by creditors. - Build relationships with creditors to create confidence and trust with each other.



Stakeholders	Expectation	Ways of Engagement	Implementation
Society, community and Environment	<ul style="list-style-type: none"> - Build engagement of all stakeholders to give them chances to participate in social and environmental activities. 	<ul style="list-style-type: none"> - Organize CSR social activities every year to let employees to participate in the CSR project and exchange knowledge from joining community activities. - Disseminate CSR projects through internal and external communication. 	<ul style="list-style-type: none"> - Adhere to the policy supporting participation in giving back to society and community as well as developing the environment regularly. - Cultivate awareness of employees in social responsibility, community, and environment. - Encourage sharing knowledge on giving back to society through training and practice from various activities. - Participate in creating innovations for the Company's sustainability.
Public sector/ government agencies/related organizations	<ul style="list-style-type: none"> - Conduct business in compliance with the law. - Define and conform to corporate governance policy. - Communicate to employees about compliance with the law. - Cooperate and support business operations. 	<ul style="list-style-type: none"> - Communicate to employees about regulations and matters of law related to the operation via the Company's channels. - Provide Compliance training to employees in all departments and take a test to ensure the correct understanding. 	<ul style="list-style-type: none"> - Strictly adhere to the law. - Publish all policies, regulations including ethical and operational guidelines for employees to acknowledge and comply. - Follow-up the compliance with rules and regulations regularly.

3.3 Sustainability management in environmental dimensions

1. Environmental policies and practices

From the sustainability policy on environmental dimensions (Environment Policy), the Company is committed to protecting the environment, occupational health, and safety in workplace of personnel, property, and work processes. This includes preventing pollution and improving the workplace's environment by focusing respectively on the Re-Use to manage the use of nonrenewable resources to the maximum benefit, implementing resource management, cleaning, reducing supplies, and sorting out materials that are not beneficial to the workplace and environment.

2. Environmental performance

The Company has not yet prepared the information of greenhouse gas (GHG) emission in business to help reduce environmental impact, which is currently under the study to find ways of data preparation. The Company, however, has implemented business activities in areas of the environment as follows:

Energy Conservation and Efficient Use of Energy

The Company is committed to controlling the use of resources and energy efficiently coupled with giving knowledge and creating awareness among employees including those involved in the role and responsibility on preventing environmental impact.

- Replacement of electronic appliances use in the Company and its branches with energy saving models.
- Post water conservation signs and posters in office

- Encouraging walk up the stairs for one floor instead of taking the elevator to save energy
- Encouraging turn off computer when not in use
- Turning off the lights during lunch break or in working areas where not in use by employee and Executives for long period

- “Reduce Plastic Usage” campaign was organized to create involvement of as many employees of the Company and its subsidiaries as possible. The SPI declaration has been signed, stating to reduce plastic waste, use of cloth bags instead of plastic bags, replace the use of foam or single use plastic food packaging with reusable food containers and utensils. The Company also plans to promote these activities to the employees’ families in the future.

- “Business travel” The Company has reduced unnecessary business trips by using information technology to replace travel for meetings and seminars abroad which resulted in a decrease in travelling abroad by 100% in 2021. This is due to the Company’s commitment to reducing greenhouse gas production and the epidemic situation of COVID-19

- “Waste Management” In 2021, the Company has seriously undertaken activities related to waste management by initiating and creating employee engagement to save the environment by separating waste with a desire to enhance employee awareness and make behavioral changes starting from their workplace and passing to their own homes. Such various activities resulted in a significant change in the Company, for example, employees were aware of environmental problems, recognized the importance of sharing social responsibility, and took part in joining the Company’s activities such as separating plastic bottles, paper, and general waste, separating food waste from containers, and clean plastic food packaging.

- “Using water” The Company launched a campaign to raise awareness among employees in the cost-effective use of water resources, causing an effective decrease in water consumption in 2021, for example, not opening the water tap while cleaning dishes and using equipment designed for water saving.

Giving knowledge to personnel in the organization

The Company places importance on environmental policies which are announced to employees through internal communication channels. Apart from building employee awareness to use resources and energy economically, the Company also encourages them all to take action together seriously. It is regarded as the responsibility of every employee to perform duties that affect not only themselves but also their society and the organization.

Green investment

- Reduction of paper usage by encourage employees to keep important document or information in electronics files (eDocument) in order to reduce paper usage while increase convenient in use.

- In 2021 Mobile Applications which are TK Plus and Line@ TK Plus has been launched which allowed quick and safely access to customer information. In addition, customers can make payments via application using online banking which reduce paper usage such as monthly invoices and receipts for more than 5 million sheets or saving 332 trees and reducing CO2 emission for 12.5 tons per year. For a positive impact on the environment and cost effectiveness, the Company is determined to carry out the same practices at the overseas branches.

- Consider using alternative energy in business operations and promoting products that use alternative energy for a sustainable environment.

3.4 Sustainability management in social dimensions

1. Social policies and practices

The Company formulates the development policy for sustainability in the social dimension by considering the value chain as well as the process of operating activities in relation to respect for human rights, fair treatment of workers and economic stability of the community.

2. Social performance

Respect for human rights – The Company is aware of respect for human rights, which is a fundamental right that all human beings should have in order to live with dignity regardless of race, color, sex, language, religion, and political beliefs. The Company communicates to the stakeholders involved in the Company’s operating activities on policies and practices that the Company will not support any violation of human rights or any act that does not respect human rights both in terms of labor and in all aspects. The Company supports employment of the disadvantaged groups including people with disabilities as prescribed by law.

In the past year, the Company had no case of human rights violation.

Fair treatment of worker – The Company has established a policy on fair treatment of workers with strict compliance. Management must treat employees fairly and manage work without bias, support them to improve their potential for advancement and increase their work efficiency as well as encourage them to understand and follow the Code of Conduct as well as provide appropriate welfare for employees apart from those required by law. The Company has established a policy to pay remuneration based on performance evaluation and key performance indicators (KPIs) at fair rates and in the level that is equal to the industry standard. The Company provides a provident fund for employees and continually develops knowledge and abilities for its employees.

In the past year, the Company had no labor law disputes.

Responsibility to consumers, customers, and partners – The Company will treat customers and partners fairly without discrimination and does not disclose information of customers or business partners known from dealing business, the information of which is normally reserved and not disclosed unless it is a disclosure according to legal duties. The Company will also comply with the terms and conditions mutually agreed with customers and partners fairly, and provides various channels through which can communicate with customers clearly such as e-mail and the Company's website.

Contributions to community or society development – The Company will act or control to ensure the compliance with applicable laws and regulations, and also has social responsibility by means of cooperation, support and volunteering to do activities beneficial to the community and society in both nearby communities and other communities fairly. If unable to comply with the terms or conditions, the Company shall promptly inform customers to find a solution together.

In the year 2021, the Company has undertaken projects that promote both quality of life and economic stability for the community as follows:

1. Organizing blood donation activities 3 times with Siriraj Hospital in which 274 employees donated blood totaling 123,300 CC to help deliver safe blood to patients in the crisis of COVID-19. TK and its affiliates have continuously organized blood donation activities more than 18 times, total amount of blood donated 646,100 cc.
2. Provide influenza vaccination of 450 doses for employees and family members.
3. Provide scholarships and outstanding scholarships to employees' children, totaling 871 scholarships, divided into 179 outstanding scholarships for children of employees with a grade of 3.5 up studying in primary, secondary, and tertiary levels, and 692 scholarships for employees' children, a total amount of which was 991,000 Baht.
4. Provide equipment to prevent the spread of the COVID-19 virus to the Republic of Fiji by Dr. Chumpol Phornprapha, Chairman as Honorary Consul-General of the Republic of Fiji in Thailand, together with Mr. Prapol Phornprapha, Deputy Managing Director of Thitikorn Public Company Limited. The equipment included 300 face shields, 5,000 pairs of latex gloves, 400 PPE kits and 293 fingertip oxygen monitors, totaling 250,000 baht, donated for helping people in the Republic of Fiji who are affected by the Covid-19 epidemic. This is to show the strong relationship between Thailand and the Republic of Fiji that has been continuously long-lasting with the encouragement to all parties to move forward and go through the great crisis.



4. MANAGEMENT DISCUSSION AND ANALYSIS : MD&A

The Thai economy in 2021 started to expand again by 1.6% after the year 2020 at -6.2%, which is the second negative figure to the year 1998 at -10.8% due to the Asian financial crisis. Thai exports expanded well at 17.1% from a low calculation base. This is also due to the reopening of many countries, especially those with high-income status such as the United States, the EU, Japan, and China, which multiplied the demand and resulted in high commodity prices and shortages of many products. The exportation faced unprecedentedly high shipping prices due to the shortage of shipping containers. Moreover, the average of crude oil price (WTI) for the year 2021 was USD 68.2 per Barrel which increased by 76.7% from 2020 of USD 38.6 per Barrel, resulting in higher prices of major agricultural products in Thailand such as rubber, oil palm, tapioca, corn, cane, and sugar. The agricultural sector experienced a 1.5% expansion due to the persistent drought and lower yields than usual. Thailand achieved 6.12 million tons of rice exportation or 6.7% increase. However, the export value decreased 7.1% from the previous year, which made Thailand the world's third-largest rice exporter. Severe drought crisis from 2020 has continued a problem of concern to the agricultural sector. Thai household debt remained at the highest level at 89.3% of GDP or Baht 14.3 trillion in the third quarter of 2021, which made Thailand the world's 12th highest-household debt countries and the 5th in Asia. The tourism sector in 2021 continued to be negative for the second year with only 427,869 foreign tourists recorded, which decreased by 98.9% compared to 2019 of 39.9 million tourists. The number of domestic tourists was 90 million in 2021 or 60.8% decrease compared to 2019 with 229.7 million. In 2021, the foreign and domestic tourists generated revenue of Baht 380 billion or decreasing by 87.3% compared to 2019 of Baht 3,000 billion. In 2021, the investment applications value received by the Board of Investment (BOI) totaled Baht 642,680 million or 59% increase from Baht 404,610 million. In the past year, Thailand invested in research of a COVID-19 vaccine (ChulaCov19) at the Vaccine Center of the Faculty of Medicine, Chulalongkorn University and Chulalongkorn Hospital. The vaccine trial was launched on Monday, June 14 2021, at Chulalongkorn Hospitals, Thai Red Cross. It is expected to be available before the middle of 2022, which will help Thailand better cope with future outbreaks.

In 2021, motorcycle market increased from the previous year after the third consecutive years of decline. However, automobile market continued to decrease for the third consecutive year. The motorcycles sales were 1,610,223 or increased by 6.1% from 1,517,682 in 2020, while automobile sales were 759,119 or decreased by 4.2% from 792,146 in the previous year. These situations directly affected the Company's business.

At the end of the year 2021, the Company's net hire-purchase receivables, loan receivables, nano finance receivables, and micro finance receivables were totaling Baht 3,949.4 million or decreased by 14.0% from Baht 4,591.3 million in the past year. As of the end of 2021, Motorcycle hire-purchase receivables amounted to Baht 3,628.7 million or decreased by 10.5 % from Baht 4,054.2 million in the past year, while automobile hire-purchase receivables were Baht 183.7 million or decrease by 14.3% from Baht 214.4 million baht of the previous year. Total loan receivables were Baht 99.6 million or 66.5% decreased from Baht 297.7 million. Nano finance receivables amounted to Baht 36.9 million or increased by 54.4% from Baht 23.9 million in the past year, and micro finance receivable in Myanmar at the end of the year 2021 amounted to Baht 0.5 million or decreased by 53.5% from Baht 1.1 million.

In 2020, Thailand has administered 104.1 million doses of vaccination, or 65.8% of the population had been given two doses of vaccine. Globally, there were 8,901,730,198 doses of vaccination at the end of 2021 or 48.9% of the population had been given two doses of vaccine. It is expected that the world's population can thoroughly be vaccinated in 2022, which will put an end to the severity of the disease. If Thailand can speed up the vaccination process, it is expected to have a positive effect on the business expansion and quality of the hire-purchase receivables of the Company's groups. For the plan of the next phase, the Company has prepared in case the pandemic continues by maintaining strict measures on loan origination and effective loan quality monitoring. On the other hand, if the situation resolves for the better, the Group is ready to expand business instantly using the Company's cash which is sufficient for at least 12 months of expansion. This plan and measure is expected to positively affect the company's performance in the medium and long term.

Performance Overview

Revenue

For Thailand automotive industry in 2021, motorcycle market increased from the previous year at 6.1% after the third consecutive year with a sales drop. The automobile sales contracted for the third consecutive years at 4.2% from the previous year which resulted in the decrease of Thitikorn Group's total revenue. The Company group's total revenues were Baht 2,002.4 million, decreased 21.4% from Baht 2,548.2 million in the previous year. The Company's revenues by category are as follows;

	2021		2020		2019		%	%
	Million Baht	%	Million Baht	%	Million Baht	%	% YOY 21-20	% YOY 20-19
<u>Hire-purchase income</u>								
Motorcycle hire-purchase	1,360.2	68.0	1,977.3	77.6	2,945.8	79.2	-31.2	-32.9
Automobile hire-purchase	10.7	0.5	16.3	0.6	20.8	0.5	-34.3	-21.6
Total hire-purchase income	1,370.9	68.5	1,993.6	78.2	2,966.6	79.7	-31.2	-32.8
<u>Loan receivables/ Nano finance</u>								
Loan receivables	5.7	0.3	12.4	0.5	17.0	0.5	-53.6	-27.1
Nano, Micro finance receivables	12.3	0.6	0.9	0.0	0.2	0.0	1,262.3	350.0
<u>Other income</u>								
Sales of merchandises	34.6	1.7	0.2	0.0	4.3	0.1	17,968.8	-95.3
Fee income	34.0	1.7	39.7	1.6	62.6	1.7	-14.2	-36.6
Bad debt recovery	277.6	13.9	240.6	9.4	259.7	7.0	15.4	-7.4
Others *	267.3	13.3	260.8	10.2	408.7	11.0	2.5	-36.2
Total other income	613.5	30.6	541.3	21.3	735.3	19.8	13.3	-26.4
Total revenues	2,002.4	100.0	2,548.2	100.0	3,719.1	100.0	-21.4	-31.5

Remark * Others includes bad debt recovery, service income, contract preparation fee, collection fee, service fee, interest income and others, additional information are described in Note to Financial Statements No. 22 Other income

In 2021, total hire-purchase income was Baht 1,370.9 million, decreased 31.2% from Baht 1,993.6 million in the previous year. Motorcycle hire-purchase income was Baht 1,360.2 million, decreased 31.2% from Baht 1,977.3 million in the previous year. Automobile hire-purchase income was Baht 10.7 million, decreased 34.3% from Baht 16.3 million in the previous year. The Company policy was not to expand automobile hire-purchase business due to its yield much less than motorcycle hire-purchase. Income from loan receivables was Baht 5.7 million and incomes from Nano finance and Micro finance were Baht 12.3 million, respectively. Other income was Baht 613.5 million, increased 13.3% from Baht 541.3 million in the previous year. The increase of other income resulted from the establishment of a specific unit to accelerate outstanding debt.

In 2021, hire-purchase income was accounted for 68.4%, incomes from loan receivables, nano finance and micro finance were accounted for 0.9%, and other income was accounted for 30.7% of the total revenues, respectively.

Expenses

Due to economic situation and highly competitive business environment the Company has maintained its policy to be strict on loan origination together with efficient business operations management. The 2021 selling and administrative expenses was lower than the previous year as shown below:

Million Baht	2021	2020	2019	% YOY 21-20	% YOY 20-19
Cost of sales	32.2	0.2	5.1	16,731.2	-98.0
Selling and administrative expenses	1,059.7	1,361.2	1,885.2	-22.1	-27.8
Bad debt and provision for doubtful accounts	252.4	639.7	1,093.8	-60.5	-41.5
Finance cost	34.2	73.3	125.3	-53.3	-41.5
Total expenses	1,378.5	2,074.4	3,109.4	-33.5	-33.3

In 2021, the Company total expenses were Baht 1,378.5 million, decreased 33.5% from Baht 2,074.4 million in the previous year. Since cost of sales (motorcycles) were Baht 32.2 million and selling and administrative expenses were Baht 1,059.7 million, decreased 22.1% from Baht 1,361.4 million in the previous year due to efficient cost management in the organization together with work tools improvement by increasing use of digital technology.

Bad debt and provision for doubtful accounts for 2021 was Baht 252.4 million, decreased 60.5% from Baht 639.7 million in the previous year. This resulted by the Company's policy to accelerate write off of bad debt and doubtful accounts for several consecutive years. Together with a stringent loan origination which contributed to continue improvement in customers credit quality.

In 2021, the Company average cost of borrowing was 2.9% per annum, interest expenses was Baht 34.2 million, decreased 53.3% from Baht 73.3 million in the previous year, due to reduction in borrowing corresponding to the situation and efficient management of funds.

Net profit

In 2021, the Company net profit was Baht 471.8 million, increased 28.3% from Baht 367.6 million in the previous year. Despite the decrease of total income, the net profit increased due to efficient cost management in the organization (as aforementioned).

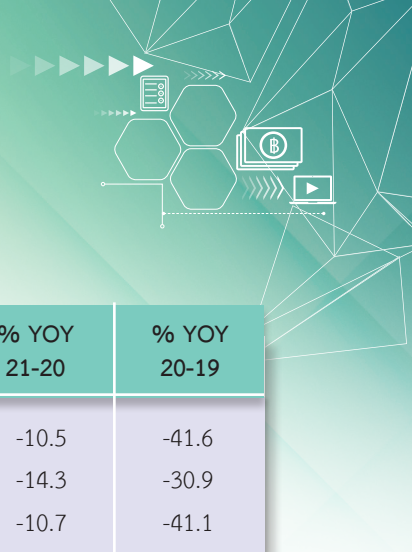
Profitability ratios by category over the last three years are as follows:

	2021	2020	2019
Profitability Ratios			
Interest Income (%)	32.5	33.4	35.9
Motorcycle hire purchase	35.4	36.0	37.2
Automobile hire purchase	5.4	6.2	5.9
Loan receivables and Nano & micro finance receivables	20.3	20.5	23.8
Interest rates (%)	2.9	3.0	3.0
Motorcycle hire purchase	2.9	3.0	3.0
Automobile hire purchase	2.9	3.0	3.0
Loan receivables and Nano & micro finance receivables	2.9	3.0	3.0
Spread (%)	29.6	30.4	32.9
Motorcycle hire purchase	32.5	33.0	34.2
Automobile hire purchase	2.5	3.2	2.9
Loan receivables and Nano & micro finance receivables	17.4	17.5	20.8

Financial Status

Assets

At the end of 2021, the Company total assets were Baht 6,979.0 million, decreased 5.1% from Baht 7,356.8 million in the previous year. The Company's core assets which is motorcycle hire purchase receivables were significant decreased in line with motorcycle industry contraction (details as mentioned above) together with the Company's stringent loan origination policy for nine consecutive quarters.



Million Baht	2021	2020	2019	% YOY 21-20	% YOY 20-19
Motorcycle hire-purchase receivables - net	3,628.7	4,054.2	6,940.4	-10.5	-41.6
Automobile hire-purchase receivables - net	183.7	214.4	310.2	-14.3	-30.9
Total hire-purchase receivables - net	3,812.4	4,268.6	7,250.6	-10.7	-41.1

At the end of 2021, the Company net hire-purchase receivables outstanding was Baht 3,812.4 million, decreased 10.7% from Baht 4,268.6 million in the previous year. Net motorcycle hire-purchase receivables outstanding was Baht 3,628.7 million, decreased 10.5% from Baht 4,054.2 million in the previous year, while net automobile hire-purchase receivables outstanding was Baht 183.7 million, decreased 14.3% from Baht 214.4 million in the previous year. Net loan receivables was Baht 99.6 million, decreased 66.5% from Baht 297.7 million in the previous year. Nano finance receivables were Baht 36.9 million, significantly increased 54.4% from Baht 23.9 million in the previous year due to expansion by strategically target to creditworthy existing customers. At the end of 2021, Micro finance receivables in Myanmar were Baht 0.5 million, 53.5% decreased from Baht 1.1 million in the previous year.

Motorcycle and automobile hire purchase portfolios of the Company were well diversified by nature of business risk among large number of customers. Individual contract had average value of not exceeding Baht 55,000 and Baht 650,000 for motorcycle and automobile respectively. The Company, therefore, had less risk abided by the repayment of any specific contract. The Company has stringent policy for loan loss reserve, at the end of 2021 loan loss reserve was provided at Baht 371.6 million or 8.6% of net hire-purchase receivables (120.5% coverage ratio) compared with 7.1% of more than 3 months overdue receivables.

For the year 2021, the Company had net hire-purchase receivables, loan receivables and Nano finance and Micro finance receivables (before net off loan loss reserve) classified by aging as follows:

Account receivables	2021		2020		2019	
	Value	%	Value	%	Value	%
Current	3,141.2	72.7	3,223.7	62.6	5,149.4	63.2
Overdue=1 month	408.5	9.5	644.7	12.5	1,277.3	15.7
Overdue 2-3 month	462.8	10.7	809.8	15.7	1,354.7	16.6
Overdue 4-6 month	265.3	6.1	424.1	8.2	333.9	4.1
Overdue 7-12 month	35.7	0.8	42.2	0.8	31.5	0.4
Overdue>12 month	7.5	0.2	8.6	0.2	1.3	0.0
Total receivables - net	4,321.0	100.0	5,153.0	100.0	8,148.1	100.0

In 2021, account receivables overdue less than 3 months represented 92.9% of total receivables, increased from 90.8% in the previous year. Account receivables overdue more than 3 months decreased to 7.1% from 9.2% in 2020 due to economic slowdown which effect receivables quality. However, the Company has policy to focus on customers' credit quality for its loan origination, to accelerate debt collection especially from large long outstanding receivable accounts by establishing direct responsible collection unit and to accelerate write off of bad debt.

Liabilities

At the end of 2021, the Company had total liabilities of Baht 1,322.0 million, decreased 33.9% from Baht 2,000.5 million in the previous year. The ratio between long term fixed interest rate borrowing (including the amount due within one year) vs short-term borrowing for 2021 and 2020 stood at 90:10 and 90:10, respectively. Details of borrowing by types over the last three years are as follows:

Type of Loans	2021		2020		2019	
	Value	%	Value	%	Value	%
Bank overdrafts	1.7	0.2	0.2	0.0	18.8	0.6
Promissory notes	86.8	9.8	154.6	10.5	144.4	4.3
Debenture	400.0	45.5	1,070.0	72.5	2,870.0	85.7
Long term loan	391.5	44.5	250.1	17.0	314.3	9.4
Total	880.0	100.0	1,474.9	100.0	3,347.5	100.0

Shareholders' Equity

The Company profitable resulted by stringent credit approval process and expertise. The Company paid out 2020 dividend to shareholders of the Company at the rate of 0.42 baht per share, in the amount of Baht 210.0 million on May 13, 2021. Change in shareholders' equity during the fiscal years is as follows:

Million Baht	2021	2020	2019	% YOY 21-20	% YOY 20-19
Equity Balance as at the beginning of the year	5,356.3	5,284.9	5,062.4	1.4	4.4
Add Cumulative effect due to the adoption of new financial reporting standards	-	15.8	-	-	-
Add Non-controlling interests	2.6	2.4	5.3	8.3	-54.7
Add Total comprehensive income for the year	508.1	328.2	442.1	54.8	-25.8
Less Dividend paid	210.0	275.0	225.0	-23.6	22.2
Equity Balance as at the end of the year	5,657.0	5,356.3	5,284.9	5.6	1.4

At the end of 2021, shareholders' equity stood at Baht 5,657.0 million, increased 5.6% from Baht 5,356.3 million in the previous year, while retained earnings was Baht 4,152.7 million, increased 6.7% from Baht 3,890.9 million in the previous year. Debt to equity ratio (D/E) in 2021 and 2020 were 0.23 times and 0.37 times respectively.

Auditor Fee

In 2021, the Company and its subsidiaries auditor fee is as follows:

Unit: Million Baht

Name of Auditor	Auditor fee	Non-audit service fee
M.R. & ASSOCIATES Co., Ltd. (Mr. Methee Ratanasrimetha)	3.34	none

5. GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION

References :

Registrar	: Thailand Securities Depository Company Limited
Address	: 93 The Stock Exchange of Thailand Building Ratchadapisek Rd., Dindang, Dindang, Bangkok 10110 Tel 0 2009 9000 Fax 0 2009 9991
Auditor	: M.R. & ASSOCIATES CO., LTD. Mr. Methee Ratanasrimetha (Certified Public Accountant No. 3425) or Mr. Pisit Chiwaruangroch (Certified Public Accountant No. 2803) or Ms. Kornthip Wanichwisedkul (Certified Public Accountant No. 6947)
Address	: 705-706 Chaophya Tower (Shangri-La Hotel) 89 Soi Wat Suan Plu, Charoenkrung Road, Bangrak, Bangkok 10500 Tel 0 2630 7500 Fax 0 2630 7506

Other Important Information

- None -

Legal Dispute

- None -



PART 2 CORPORATE GOVERNANCE

6. CORPORATE GOVERNANCE POLICY

6.1 Overview of Corporate Governance Policy & Code of Conduct

The Board of Directors realizes the importance of corporate governance by putting Corporate Governance Policy and Business Ethics Manual in writing, which should be reviewed at least once a year. In 2021, the Board of Directors had done the review of such policy and manual to ensure compliance with the criteria related to good corporate governance, the Sustainability Assessment Criteria, or the Principles of Corporate Governance Code for Listed Companies (CG Code) of the Securities and Exchange Commission (SEC) as a framework for practice for personnel in the organization.

The Company recognizes the importance of corporate governance and establishes a mechanism to raise awareness of business ethics among employees, which became corporate culture to treat its customers, counterparties, society and colleagues with integrity and transparency as well as responsibility to society.

The Company's Long-term Plan

The Company committed to be a leading motorcycle hire-purchase provider with sustainable growth. The Company policy is to expand in both domestic and ASEAN countries. Toward the end of/Late 2014, the Company started our operation in Kingdom of Cambodia and Lao People's Democratic Republic. The Company's long-term plan is to leverage on the expertise of our human resource and efficient operation to expand our operation in Southeast Asia.

The Board of Directors has established the Audit Committee as a corporate governance mechanism to supervise and ensure that the Company's operations are integrity as well as in compliance with legal and regulatory requirements and to perform regular reviews of the Company's corporate governance policy and business code of conduct to ensure they are appropriate.

Corporate Governance Policy

The Board of Directors has well realized the importance of the good corporate governance to ensure transparency and audibility for confidence of the shareholders, employees, customers and all stakeholders in order to strengthen the competitive advantage of the Company. In order to reach such policy, the Board has ruled out the framework as follows:

- Establish the business operation policies to ensure fair and equal treatment for customers and all stakeholders
- Supervise to ensure the operations of the Company are conducted with competence and effectiveness under appropriate internal control system and risk management in order to create sustainable values of the Company.
- Avoid conflict of interest and enhance transparency and audibility in conducting business.
- Impose policy for Directors, Management, and employees to strictly comply with the code of conduct.

Business Ethics

The Company recognizes the importance to maintain good reputation and confidence in the Company Code of Conduct is set up to provide guiding principles of good corporate governance to the directors, management, and employees in performing their duties. Internal Audit Office and Audit Committee are in charged with performance monitoring in accordance with the code of business ethics.

Policy and Code of Conduct for Directors

Details of the Board of Directors will be disclosed in the form of 56-1 One Report, on the topics of the Board of Directors and the report on key operating performance in corporate governance.

Policy and Code of Conduct for Shareholders and Stakeholders

The Company has instituted the corporate governance policy as the framework to define roles and responsibilities in business operations. All directors, executives and staff of the Company and its subsidiaries are expected to apply the guidelines strictly and consistently in line with the 5 principles of Good Corporate Governance, in order to ensure that business operations are at the highest levels of responsibilities, transparency and equitable treatment of all stakeholders.



The Principles of Good Corporate Governance for Listed Companies 2012 comprises the principles and the recommended best practices that are presented in 5 categories, namely:

1. Rights of shareholders
2. Equitable treatment of shareholders
3. Role of stakeholders
4. Disclosure and transparency
5. Responsibilities of the Board

The Board of Directors places great importance on enhancing the directors', executives' and staff's awareness of their roles and responsibilities in good corporate governance set forth by the Board. Corporate governance policy and business code of conduct are regularly communicated to the executives and employees at all levels via channels as follows:

1. Business code of conduct
2. Good corporate governance policy
3. The Company's website, Investor Relations section
4. Orientation of new staff

Rights of Shareholders

The Board of Directors recognizes the importance of the rights and confidence of shareholders. The Board has set a guideline for protection of the basic rights of shareholders, which include buying, selling, or transferring shares; receiving their rightful portion of Company profits; obtaining relevant and adequate information of the Company; attending and voting in the shareholders' meetings, and making decisions on any transactions that significantly affect the Company, including the following principles:

1. The Company encourages every shareholder including institutional investor to attend the Annual General Meeting.
2. The Company invites shareholders to submit questions in advance. Information relates to advance submission of questions are published on the Company's website.
3. In 2021, the Company convened the Annual General Meeting (AGM) on April 26, 2021. The Company assigns Thailand Securities Depository Co., Ltd., the Company's Share Registrar to send the invitation to the shareholders' meeting together with adequate information in advance by 23 days prior to the meeting date. The invitation contained details regarding date, time, venue of the meeting and map, agenda and related information including the opinion of the Board on each agenda, proxy form as prescribed by the Ministry of Commerce, independent directors' profiles for the shareholders' selection on proxy appointment, and the Company regulations on the meeting and voting procedures.
4. Before each meeting, the Chairman shall notify the meeting about the voting and vote counting procedures for each agenda. The voting summary for each meeting agenda is clearly recorded.
5. Encourage shareholders to use ballots. 'Voting tickets' provided for each significant agenda for shareholders to cast their vote. Voting tickets which voted against a resolution as well as abstained should be collected for transparency and reference.
6. The Chairman shall allocate appropriate time and encourage transparency with equal opportunity for shareholders to express their opinions and raise their queries. The Company shall endeavor to arrange for all Directors especially the Chairman, and the President of the sub-committees to attend the shareholders' meeting to answer the queries and clearly explain and clarify concerns raised by shareholders.
7. The Company shall record the minutes of the meeting accurately and completely which includes clarifications on voting procedures and resolutions. The Company shall publish the above minutes on its website and submit it to the Stock Exchange of Thailand within 14 days from the date of the meeting.



8. The Company regularly disseminates information to shareholders via the Stock Exchange of Thailand's (SET) channel and the Company's website.

9. The Company sets up a channel for the minority shareholders, to contact Independent Directors directly via e-mail addresses of the Corporate Secretary.

Equitable Treatment of Shareholders

The Company values and treats all shareholders fairly and equally through the following actions:

1. The Company publishes invitation to the shareholders' meeting together with meeting agenda on the Company's website in advance by 43 days prior to the meeting date. This is to allow the opportunity for shareholders to study relevant information in advance prior to the meeting invitation is delivered.

2. The Company provides opportunity for shareholders to propose items for the agenda of the shareholders' meeting or submit queries prior to the meeting date which is announced to all investors via SET news portal and publicized on the Company's website up to seven months in advance. Criteria for agenda proposals and considerations are clearly defined on the Company's website.

3. The Company provides opportunity for each shareholder to nominate persons qualified to be the directors in compliance with the criteria established by the Company and with nominated persons' consent. The Company then processes further via the Nominating Committee and discloses the nomination procedure through the Stock Exchange of Thailand's information dissemination channel and the Company's website for six months in advance of the Annual General Shareholders' Meeting.

4. The Company prepares invitation to the shareholder meeting in both Thai and English and publicizes on the Company's website.

5. The meeting is conducted in accordance with the order of agenda as arranged in the notice of the meeting, additional agenda item should not be proposed without advance notification being made to all shareholders, so that shareholders will have enough time before making decisions.

6. On the agenda for appointment of Directors, voting ballots shall be provided and shall be voted individually. All voting tickets are collected from each shareholder including the voting for, against and abstain on the agenda.

7. The Company sends proxy forms which allow shareholders to specify their voting decision together with director profiles for the shareholders' selection on proxy appointment of independent directors to attend the meeting on their behalf.

8. Directors are obligated to annually report on their own and any other related persons' interest in relation to the management of Company and shareholdings in the Company to the Board of Directors.

9. During the consideration of connected transactions, or transactions that may cause conflict of interest the director or management with conflict of interest will abstain from any considerations and voting for the approval on the transactions.

10. The Board of Directors has established measures to prevent transactions that may result in a conflict of interest and refrain Directors and Executives from using inside information of the Company for their own benefits, as follows:

Transaction that may cause conflicts of interest

Please refer to Authority and Responsibilities of the Board of Directors section.

Control of Inside Information

Please refer to Controlling the use of inside information under Sub-committees section.

Roles of Stakeholders

The Company recognizes the importance of the rights of stakeholders such as shareholders, customers, business alliances, creditors, investors, society, related government agencies, employees, and local community where the Company located. The Company has therefore incorporated in its Good Corporate Governance principles posted on the Company's website as follows:



1. The Company determines to operate in the business with honesty and integrity by adhering to the sustainable business development in order to generate acceptable investment return.
2. The Company has established ethical practices for selection business alliances to ensure equal, fair, systematic, and transparent treatment toward them based on fair benefit for both parties.
3. The Company treats creditors in accordance with the agreed conditions or trade agreements and provides creditors with complete and correct information to prevent any impacts that may result in damage to the creditors. The Company complies with loan agreement conditions including borrowing objective, repayment, collateral, and other covenants. In the event that the Company is unable to perform any of its obligations under the agreement, the advance written notice will be provided to the creditor in order for both parties to use all reasonable efforts to remedy the issue. The Company has never defaulted on any loan conditions with the financial institutions.
4. The Company determines to create customer satisfaction and effectively protect the rights of customers including keep all information confidentially. In this regard, the Company was awarded certificates from the Office of the Consumer Protection Board (OCPB) in 2001 for its hire purchase contracts being fair to consumers.
5. The Company has followed its guidelines in order to express responsibility to the public sector by strictly following the provisions of laws and regulations issued by supervisory agencies. The Company readiness to provide complete and accurate information in response to requests made by government agencies to show its transparency, as well as fostering confidence and mutual trust.
6. The Company treats all competitors fairly by adhering to the best competition practices, the Company does not have any litigation case with any of its competitors.
7. The Company has clear policy regarding safety issues, welfare, employee rights as well as equal treatment to the Company management and employees to provide them with appropriate compensation. The Company's provident fund was established for the employees' long-term benefits. The Company treats every employee fairly and provides employees with reasonable welfares which are comparable to similar companies in the same industry and in accordance with individual's knowledge, capability, skills, and job characteristics. Staff welfare is reviewed to ensure that it is suitable for the changing economic situation as well as trainings and developments are continuously provided in order to enhance the employees' skills and competency.

Health and Safety Statistics

Average days absent from work of employees	2019	2020	2021
Sickness absence (Days/Person)	4.8	4.7	5.7
Work related injury and sickness absence (Days/Person)	1.7	1.0	26.8
Accident (Times)	6	1	4
Work related death (Person)	1	1	1

The Company provided internal training courses to staff of all levels, including management. There are also training courses and seminars organized by external institutions including professional training, information technology, safety, environment, business administration and management as well as walk rally to promote staff's unity and teamwork. In addition, Safety Riding training course has been provided to field staff to reduce accident rates from motorcycle riding.

8. The Company has developed channels for stakeholders to file complaints to the Board of Directors regarding any suspicions about any illegal or unethical conduct, incompleteness of financial data and internal control system. Stakeholders are able to file complaints to the Whistleblowing Committee and specified authority in order to determine examination process, investigate and report to the Managing Directors and Audit Committee for taking proper action.



The Whistleblowing written policy is posted on the Company's website in order to acknowledge employees of processes and procedures for reporting misconduct incidents.

To protect the complainants, the complainants may choose to have their names revealed or concealed. The Company will keep the name of the complainant confidential and will reveal it only if it is necessary for the responsible party to solve the problem. Complaints or requests for any other information can be filed via

1. Email : audit@tk.co.th
2. Post : sending a letter to
Manager of Internal Audit Office
Thitikorn Public Company Limited
69 Ramkhamhaeng Rd., Huamark, Bangkok 10240
3. Telephone number: 0 2310 7233, 0 2310 7110
4. Independent Director via website: www.tk.co.th
5. The Company's secretary: filling in the "Whistleblowing form" posted on website www.tk.co.th
6. Email address: Investor@tk.co.th or submission by mail.

For complainants' confidence, the Company places importance on keeping information confidential. The complaint will be forwarded to committee and only concerned and responsible person.

There is no complaint addressed to the Company during the year 2021, however, the Company will promote additional communication channels via the Company to all stakeholders.

Disclosure and Transparency

The Board of Directors has realized the importance of information disclosure to the investors, with respect to financial reports and non-financial information. The Company has strict policies to disclose information in a complete, transparent, and timely manner for both financial statement and information disclosure in compliance with the Stock Exchange of Thailand regulations for the investors to clearly understand the Company's status and operating results. Furthermore, the Company's executives regularly communicate with institutional investors, shareholders, analysts, and other shareholders in order to equally provide information to shareholders and investors.

In 2021, the Company provided information on the result of business operations both financial and non-financial for analysts and investors through telephone conversation, one-on-one meeting and actively participation in quarterly analyst meetings organized by the Stock Exchange of Thailand, as summarized below:

- | | |
|---|----------|
| • Foreign and local institutional investors meeting with management | - times |
| • Questions and answers through telephone conversations | 35 times |
| • Business trips, meetings with shareholders and investors | - time |
| • Opportunity day participation | 4 times |
| • Company Visit | 5 times |

Investors can view the live Opportunity Day webcast and its re-run via website www.set.or.th/oppday as well as easy access through Company link www.tk.co.th.

The Company has set up channels for equitable access to its information include not only dissemination channels of the Stock Exchange of Thailand, the Annual Registration Statements (Form 56-1 One Report) and the Annual Report, but also through the Company's website both in Thai and English versions. The Company recognized that proper disclosure would build confidence and company values. The Company has appointed Corporate Secretary to regularly updated disclosure information.

Regardless of Investor Relation Department, investors and shareholders can contact Managing Director Office for further company information by telephone at 02-3107110, 7112 during business hours or by email at Investor@tk.co.th and our website at www.tk.co.th.

Disclosure of significant financial and non-financial information of the Company covers:

- Disclosure of the Company financial statements such as an annual financial report and quarterly financial reports which demonstrate company financial status and performance. Financial statements must be audited or reviewed by the auditors under the list approved by the office of the Stock Exchange Commission and approved by the Board of Directors. The Board of Directors is accountable for accuracy, completeness and reliability of

the Company's Financial Statements and financial information as appeared in the Annual Report. The Company's and subsidiaries' financial Statements are prepared in accordance with the generally accepted accounting standards by using accounting policies that are appropriate, complete, and adequate for safeguarding the Company's assets and preventing any fraud, taken on the regular basis. Important information is also adequately disclosed within the notes to financial statements. The Board of Directors has appointed the Audit Committee to review the financial statements, connected transactions and internal control. Audit Committee provides reports on audit issues to the Board of Directors prior to disclose to shareholders. The Board provides the Statement of the Board of Directors' Responsibility for Financial Statements, which included in the Annual Report.

- Disclosure of the names and profiles of directors, sub-committee members and executives
- Disclosure of remuneration policy for directors and executives.
- Disclosure of directors' and executives' holdings of the Company securities.
- Disclosure of transactions with conflicts of interest.
- Disclosure of the roles taken, and duties performed by the Board of Directors and sub-committees during the year, such as each director's meeting attendance records.

Responsibilities of the Board of Directors

Board Structure

The Board of Directors consist of individuals who are knowledgeable, competent, and experienced in business operations including industries, accounting and finance, business, management with well understand of their roles, duties, and responsibilities regardless of their gender and age, to conduct duties efficiently.

The Board of Directors consist of eleven directors with various qualifications, which are skills, experience, and expertise, one of them were female as follows:

Executive Director	6 persons
Non-executive Director	1 persons
Independent Director	4 persons, represented 36.36% of total directors

Name	Position	Date of Appointment
1. Dr. Chumpol Phornprapha	Chairman	6 June 2003
2. Mr. Apichart Kasemkulsiri	Independent Director/President of the Audit Committee/President of the Nomination and Remuneration Committee	25 April 2019
3. Mrs. Saowanee Kamolbutr ⁽¹⁾	Independent Director and Audit Committee	23 February 2021
4. Mr. Kiattikhun Chartprasert ⁽²⁾	Independent Director and Audit Committee	1 March 2021
5. Mr. Wiboon Perm-Arayawong	In dependent Director/Nomination and Remuneration Committee	23 April 2013
6. Mr. Raksanit Phornprapha	Director/Executive Director	6 June 2003
7. Mr. Satitphong Phornprapha	Director	6 June 2003
8. Ms. Prathama Phornprapha	Managing Director/President of the Executive Board	6 June 2003
9. Mr. Prapol Phornprapha	Director/Executive Director	6 June 2003
10. Mr. Aphichai Uemsathienporn	Director/Executive Director/Nomination and Remuneration Committee/Corporate Secretary	14 May 2020
11. Mr. Prasit Sainonsee	Director/Executive Director	25 April 2018

Remark: ⁽¹⁾ Mrs. Saowanee Kamolbutr was appointed as Director, effective from February 23, 2021, in replacement of Mr. Surin Dhammanives.

⁽²⁾ Mr. Kiattikhun Chartprasert was appointed as Director, effective from March 1, 2021, in replacement of Mr. Kanich Punyashthiti.



The Board of Directors has participated in the derivation of vision, missions and strategies as well as regulated, monitored and assessed to ensure that the management have operated according to the specific business goals efficiently. The Board shall ensure that its executives and employees conduct the businesses in compliance with related laws and regulations and shareholders' resolutions in order to maximize value creation for the Company as well as preserve the interests of all stakeholders.

The Board of Directors defined that the Company's vision, missions, and code of conduct to be reviewed and approved annually or as appropriated.

1) Number of years for each term on directorship position and number of companies that each director may take up position are defined in accordance with the guidelines recommended by the Stock Exchange of Thailand. The Company's directors should not hold directorship in the listed companies at more than 5 companies for the directors to dedicate time and effort for their duties.

The term of office of the Company's directors is 3 years; independent directors should not be in the position for continuously 3 terms which are 9 years. Sufficient information on directorship positions in other companies must be provided within the Annual Registration Statements (Form 56-1 One Report) and the Annual Report.

Managing Director is not allowed to hold the position of director in other listed companies exceeding five companies.

Ms. Prathama Phornprapha, Managing Director does not hold the director positions in other listed company aside from the Company's subsidiaries.

2) Separation of Control of the Chairman of the Board and the Managing Director

The Company specifies that the Chairman of the Board of Directors must not be the same person as the Managing Director in order to separate the duty of establishing policies from managing the Company's daily business operations and to ensure no misuse of directorship or unlimited management power. In addition, 4 independent directors are appointed to the board of directors (36.4% of total members) to provide effective checks and balances on the powers.

Roles and responsibilities of Chairman of the Board are as follows:

1. To summon meeting for the Board of Directors. The Chairman or his assignee shall send notices of the summoning of a meeting to the Directors at least 7 days prior to such meeting unless for an urgent business matter.
 2. To set the board meeting agenda in consultation with the Managing Director.
 3. To take the chairman role of the Board of Directors meeting and the Shareholders' meeting.
 4. To cast the vote in case of an equality of votes in the Board of Directors meeting and the Shareholders' meeting.
 5. To conduct the effective meeting and ensure its in line with corporate regulations as well as encourage all directors to participate in the discussion and express their opinions freely.
- 3) The Chairman of the Board is not either a chairman or a member of any committee.
- 4) Independence of the Chairman of the Board

Chairman is a representative of major shareholders of Dr. Chumpol Phornprapha Group with 49.1% of shareholding (as of March 9, 2021), however, the Board of Directors consists of 4 independent directors or 36.4% of total members can effectively check and balance power. The Chairman independently performs his duty and does not influence or convince other directors during discussions, encourages all directors to discuss and express opinion openly by giving sufficient time to find mutual resolution on all matters considered at the Board of Directors' meeting.

5) The Company appoints Corporate Secretary on the following roles and responsibilities as required by law.

1. To provide advice, support, and guidance to the Board of Directors on governance, compliance and regulatory matters.
2. To assist in the implementation of good corporate governance strategies and ensure that the board's decisions and instructions are properly carried out and communicated.



3. To prepare and filing all the important documents.
 - The register of directors
 - Notice and minutes of the board meeting, annual report, notice and minutes of shareholders meeting
4. To assist the board of directors to act properly with due care.
5. To communicate with the shareholders as appropriate.
6. To communicate and liaise with the related governing authorities.

6) Clearly define and separate roles and responsibilities of the Board of Directors, the Audit Committee, and the Managing Director. Trainings are regularly provided to the employees regarding their roles and responsibilities. The Company carefully reviews any item that could be construed as a conflict of interest.

- 7) Oversee to ensure that the Managing Director manages the Company in accordance with the policy.

Authority and Responsibilities of the Board of Directors

According to corporate regulations, the Board of Directors has the obligation and responsibility to perform its duty in accordance with laws, objectives and regulations of the Company, and resolutions of shareholders' meetings, as well as to consider and approve the Company's policy and management direction. The Board of Directors also oversees and monitors to ensure that business operations are managed effectively with carefulness and for the utmost benefits of the Company.

1. To define vision, mission, values and business strategy of the Company.

2. To establish the Corporate Governance Policy and Code of Conduct in writing and annually reviews compliance with the policies to ensure that every directors, management and employees has strictly complied with the policies as published on the Company website.

3. To define overall direction and strategies and approve business plan and budget of the Company. The Board shall ensure that management team adopts and implements the policies based on the approved business plan and budget efficiently and effectively based on balancing short and long-term goals for the best interests of the shareholders.

The company's annual strategies are

1) To maintain the Company's dealer base in the existing branches area as well as monitor a screening system for high quality customers.

2.1) To increase number of dealers in the existing service areas.

2.2) To expand dealer base in new areas without existing branch.

3) To emphasize Digital Mobile usages among credit officers and collection officers for connection to the Company's database which results in a shorter period for credit application review and approval.


4) To expand our business and increase new customer groups in the AEC region which is experiencing strong economic growth.

5) To strengthen brand awareness and reliability through communications and executives' experiences.

6) To offer several service channels which allow customers to made installments payment when and how they prefer and meet their needs.

In 2021, TK BROKER Company Limited has been established as an additional subsidiary, which is currently in the process of applying for a business license as a non-life insurance broker.

Furthermore, TK plus application and Line@TK Plus have been launched as additional channels to facilitate customers for hire-purchase agreements monitoring, installment payment through TK Plus application using online banking and acquiring company's news and information. At present, the number of registered users for TK Plus application are accumulated to 126,253 users and for Line@TK Plus are 88,843 users who are in accordance with company's strategic plan.



4. Conflicts of interest

The Company put focus on any transaction that potentially cause the conflicts of interest as well as consider it carefully to prevent conflicts of interest and connected transactions. The Company has established measures to monitor any transaction in accordance with rules and regulations as the listed company to react when conflicts of interest arise. Therefore, it was disclosed in the Company annual report and the Annual Registration Statements (Form 56-1 One Report) with all detail of the connected transaction together with transaction value, objectives, and counter party.

- 1) In the meeting of the Board of Directors, should a director have conflicts of interest in any decision making, abiding to the regulation the Chairman of the Board will request for the director to leave the meeting room in order not to vote for the matter. In case of the Chairman of the Board has conflict of interest; the remaining directors will be elected as new Chairman of the Board to conduct the meeting until the matter has been resolved and recorded in the minutes of the Board meeting.
- 2) Directors are obliged to report on his or her securities holdings in the company, his or her spouse's and any minor children to the Securities and Exchange Commission in accordance with the Notification of the Securities and Exchange Commission regarding Director practice on acquisition or disposition of securities and conflicts of interest reporting.

Conflicts of Interest Policy

Conflicts of interest may arise where Directors, executives and all employees place his or her personal interests before the interests of the Company. Conflicts of interest can arise in a wide variety of ways; therefore, the company has established guidelines for everyone to react when conflict of interest occurred as follows.

1. Policy on acceptance gifts, giving gifts or any other benefits

Acceptance of gifts, giving gifts or any other benefits including hosting business receptions by the Company and its subsidiaries are acceptable in tradition festive occasion with reasonable value. In addition, such conduct should be considered to avoid having conflict of interest of oneself against or unfair acts detrimental to the Company or its subsidiaries.

2. Policy on additional private work

Any additional private work of directors, executives, and employees must not impair individual's ability to perform duties and normal working hours. Directors, executives, and employees are prohibited from engaging in or assisting others in engaging in businesses that are direct or indirect competition with the Company.

3. Policy on monetary incentives and rewards offering

The company has a policy of not offering money, incentives, rewards, or any privileges to customers, vendors, external agencies or any persons to obtain any kind of businesses other than traditional receptions with appropriate value, trade discount, and the Company's sales incentives and promotion scheme.

5. Internal Control and Internal Audit Systems

The Board of Directors has established an effective internal control and internal audit systems for the Company, as well as having regular monitoring and review to ensure effectiveness of the systems.

The Board of Directors has realized the importance of internal control, both in management and operations level. Responsibilities of each management and employee were stated clearly including management, supervision, financial control, risk management, and asset utilization. Closely monitoring, control and assessment are regularly conducted and reported to the responsible management of each department and the Board of Directors.

The Board of Directors has also realized the presence of the Internal Audit unit to ensure that internal audit, business operation and activities of the Company are undertaken in line with the established policies with efficiency and in compliance with laws and regulations applied. The Internal Audit unit will perform audit function and submit the audit report directly to the Audit Committee. From past experience, no major setbacks or errors were found, and the operations worked as planned.

6. Risk Management

The Board of Directors places great importance on effective risk management, by establishing risk management policy and framework to regularly monitor effectiveness of the risk management. The Company is in finance industry; therefore, careful financial management must be taken by establishing risk management measures to prevent and mitigate risk and its effect on the Company's operations. This includes stringent credit approval applied for both customers and employees. Risk Management Committee has been assigned to regulate and support the risk management practice of the Company on various aspects and provide suggestions and comments to the Board of Directors.

Risk Management Policy

- Establish proper and adequate risk management process, guideline and measures.
- Determine risk appetite and risk events or level as early warning indicators.

Risk Management Guideline

The Board of Directors has established the "Risk Management Committee" to be responsible for

- Identify risk factors and seek measures to mitigate or minimize the risks to prevent impact on the Company's operations and stakeholders,
- Early recognize of warning signs and irregular transactions, enabling timely implementation of strategies, plans and methodologies,
- Review risk management policy and risk management system at least once a year and every time there is a significant change in risk level to ensure effectiveness. This includes early recognition of warning signs and irregular transactions

7. Review the Company's financial reporting and disclosure process to ensure that it is accurate, complete and reliable in accordance with generally accepted accounting principles.

8. Establish the Company's objectives, business plan and budget, as well as monitor and supervise over the management to operate in accordance with the established policies, except for the following actions which require approval from shareholders meeting:

- 1) Actions requiring shareholders' approval by laws.
- 2) Entering connected transactions with a value that require shareholders' approval in accordance with the regulations and Notifications of the Stock Exchange of Thailand concerning connected transactions of listed companies.
- 3) Major acquisition or disposal of assets transactions with a value that require shareholders' approval as stipulated by regulations and Notifications of the Stock Exchange of Thailand concerning acquisition or disposition of assets of the listed companies.

Authority and responsibilities of Managing Director

1. To responsible for the management of the overall organization and/or administer the daily operations of the Company pursuant to policies and business plans approved by the board and/or resolutions of the meeting of shareholders
2. To develop business plans, delegated authority matrix and strategies for consideration by the Board of Directors and report to the board on the status of the business plans and strategies
3. To set up the organizational structure and management policies covering employee selection, training, employment, and termination as well as to define wage rates, salary, compensation, bonus, and other benefits for employees.
4. To monitor the corporate performance and provide alternative plan and strategies according to the Company's short-term and long-term goals, business plan and market competition.
5. To oversee the complete operation of an organization in accordance with the strategic plans. This includes financial, risk, internal control, operation, and facilities as well as resources management.



6. To represent the company and issue powers of attorney to others in order to liaison with government agencies and other regulators.
7. To present and strengthen positive image of the Company to public, shareholders, customers and employees.
8. To ensure good corporate governance are in place.
9. To be empowered to establish, revise, amend and update the Company's work rules including recruitment, appointment, removal, and staff discipline as well as to determine employees' salary, other benefits including allowances and other welfares.
10. To consider, negotiate and approve an entering into contractual obligation relating to the Company's operation, and/or conducting normal business transactions, and/or within authorization limit approved by the Board of Directors.
11. To be authorized and to be responsible in any tasks assigned by or in complied with policies approved by the Board of Directors.

To grant and/or delegate powers to other persons to perform specific tasks. Any delegated powers and/or assigned tasks must be complied with the scope of a letter of Power of Attorney, and/or regulations, rules or orders established by the Board of Directors. The delegated powers and/or assigned tasks must not create the conditions for the Managing Director or his/her authorized person take part in the business transactions that might have conflicts of interest with the Company and its subsidiaries (as imposed by Notification of the Securities and Exchange Commission or Notification of the Capital Market Supervisory Board), except for an approval of the business transactions according to the policies and principles approved by the meeting of shareholders or the Board of Directors.

Board Meeting

- 1) The Board of Directors meeting schedule and agenda are set in advance during the year so that each member of the board can manage time to attend meetings.
- 2) The Board of Directors meetings are regularly scheduled, and extraordinary meetings may be scheduled as necessary with clear agenda. Notice of the meeting is sent out at least 5 days prior to the date of the meeting so as to provide sufficient time for the Board of Directors to study and review the information. The Chairman of the Board always promotes transparent consideration and allocates adequate time and opportunities for the Directors consideration and discussion.
- 3) The Board of Directors shall consider and elect one or several directors to be Vice-Chairman whose duties are in accordance with the Company's regulations and as the Chairman assigns.
- 4) At the board meeting, there must be at least one-half of the total number of directors to constitute a quorum. In the event of the Chairman's absence or inability to perform the duties, the Vice Chairman shall take his place. If the Vice-Chairman is absent or unable to perform the duties, the directors in attendance shall elect one among themselves to chair the meeting instead.
- 5) When a resolution is passed in a board meeting, the minimum quorum requires not less than two-thirds of the total number of directors.
- 6) Every director is obligated to attend more than 75% of the Board of Directors meetings arranged during the year.
- 7) The Chairman and the Managing Director together shall consider and choose the Board of Directors' meeting agenda and give opportunity for each of the director to be able to propose matter for the meeting agenda.
- 8) Board of Directors may also request for having the management and top executives attend the meeting to provide additional information and clarify any issues and get acquainted with the Directors.
- 9) Board of Directors is entitled to request for additional information from the Managing Director, Corporate Secretary and other assigned management. Directors can seek independent professional advice concerning the company's business, when considered necessary, with the company's expenditure.



10) At the meeting, a director with any interest in the matter under consideration is prohibited from attending the meeting and voting regarding the matter. In the consideration of any matters, directors are entitled to request for any relevant documents for details examination or the management or the person directly in-charge to attend the meeting in order to provide explanation or additional information relevant to their responsibilities. The Board of Director's meeting resolutions are reached according to most votes. Any objection by directors to the resolution must be recorded in the minutes of the meeting.

11) Non-executive Director shall occasionally holds a meeting among themselves as deemed appropriate without the presence of the Executive Director in order to discuss openly regarding to the Company business activities or any matters of interest. Accounting manager is also invited to provide information, answer questions made by the Committee without any involvement in decision making or approval. The meeting results will be reported to the Board of Directors for acknowledgement.

12) Minutes of the meeting is recorded in written and the approved minutes from the Board of Directors is kept completely and in order, readily available for review by the Directors and relevant parties.

13) The Board of Directors' minute of the meeting consists of important information such as date, starting-closing time of the meeting, location of the meeting, lists of absent and present directors, summary of the significant content of issues discussed, recommendations, observations, and the Board of Directors' voting resolution, name of minute taker and reviewer. The minutes are signed by the chairman of the meeting.

14) The number of the Board of directors' meetings is appropriate for the Directors' duties and responsibilities, and the Company's nature of business. The attendance of each Director is disclosed in the Annual Report.

In 2021, there are 4 Board of Directors' meetings and 4 Audit Committee meetings. Details of directors and members of each committee's attendance are presented as specified in the topic of the Report on Key Performance in Corporate Governance.

Development of Directors and Executives

The continuous and consistent development for Directors is a key focus of the Company. The Board of Directors encourages and provides knowledge and educations for the person relevant to the corporate governance, such as Directors, Audit Committee members, Independent Directors, and the Corporate Secretary. Directors and Executives are regularly update themselves by attending seminars, and meetings organized by the Thailand Institute of Directors (IOD), the Stock Exchange of Thailand, and Stock Exchange Commission.

Once a new director is appointed, management should arrange for the essential information including Company's regulation, Good Corporate Governance principles and business ethics, the Company's business nature and operations as well as trainings beneficial to a listed company directorship for enabling the director to fully perform his/her duties, which is in accordance with the Board's development policy.

During the year 2021, Directors and Executives had attended trainings and seminars organized by various entities to enhance skills and knowledge as follows.



Attendees	Training/Seminar topic	Organizer
1. Ms. Prathama Phornprapha	<ul style="list-style-type: none"> - TLCA Professional Development Program (TLCA CFO CPD) 2021, the third session - TLCA Professional Development Program (TLCA CFO CPD) 2021, the fourth session - TLCA Professional Development Program (TLCA CFO CPD) 2021, the sixth session - TLCA Professional Development Program (TLCA CFO CPD) 2021, the seventh session 	Thai Listed Companies Association (TLCA) Thai Listed Companies Association (TLCA) Thai Listed Companies Association (TLCA) Thai Listed Companies Association (TLCA)
2. MS. Siripen Neamcharoun	- How to Development a Risk Management Plan (HRP 29/2021)	Thai institute of Directors (IOD)

6.2 Code of Business Conduct

The Board of Directors has provided Code of Business Conduct Manual, which shall be reviewed regularly as determined by the Board of Directors. The review was conducted in accordance with the law or changes within the Company and was disseminated to all employees for thorough study through the Company's website. The main points of this manual by which directors, executives, and employees are required to use as their working principles, are as follows:

1. Message from the Chairman
2. Principles of doing business
3. Code of Conduct for Executives
 - Business management duties
 - Relationships with shareholders, customers, business partners or creditors, competitors, and employees
 - Responsibility to environment, community, and society
4. Code of Conduct for Employees
 - Code of conduct to oneself
 - Code of conduct to supervisors
 - Code of conduct to colleagues
 - Code of conduct to subordinates
 - Code of conduct to the Company's customers or visitors
 - Code of conduct to the Company
 - Code of conduct to work

This is to ensure that directors, executives, and employees have knowledge and understanding of good corporate governance principles including business ethics. The Company, therefore, requires that knowledge be provided through orientation for new employees who sign acknowledge on the compliance with the policy and business ethics and such knowledge and understanding are needed to be reviewed on a regular basis every year. In 2021, no directors, executives, or employees do any actions that violate the Company's business ethics.

Succession Plan

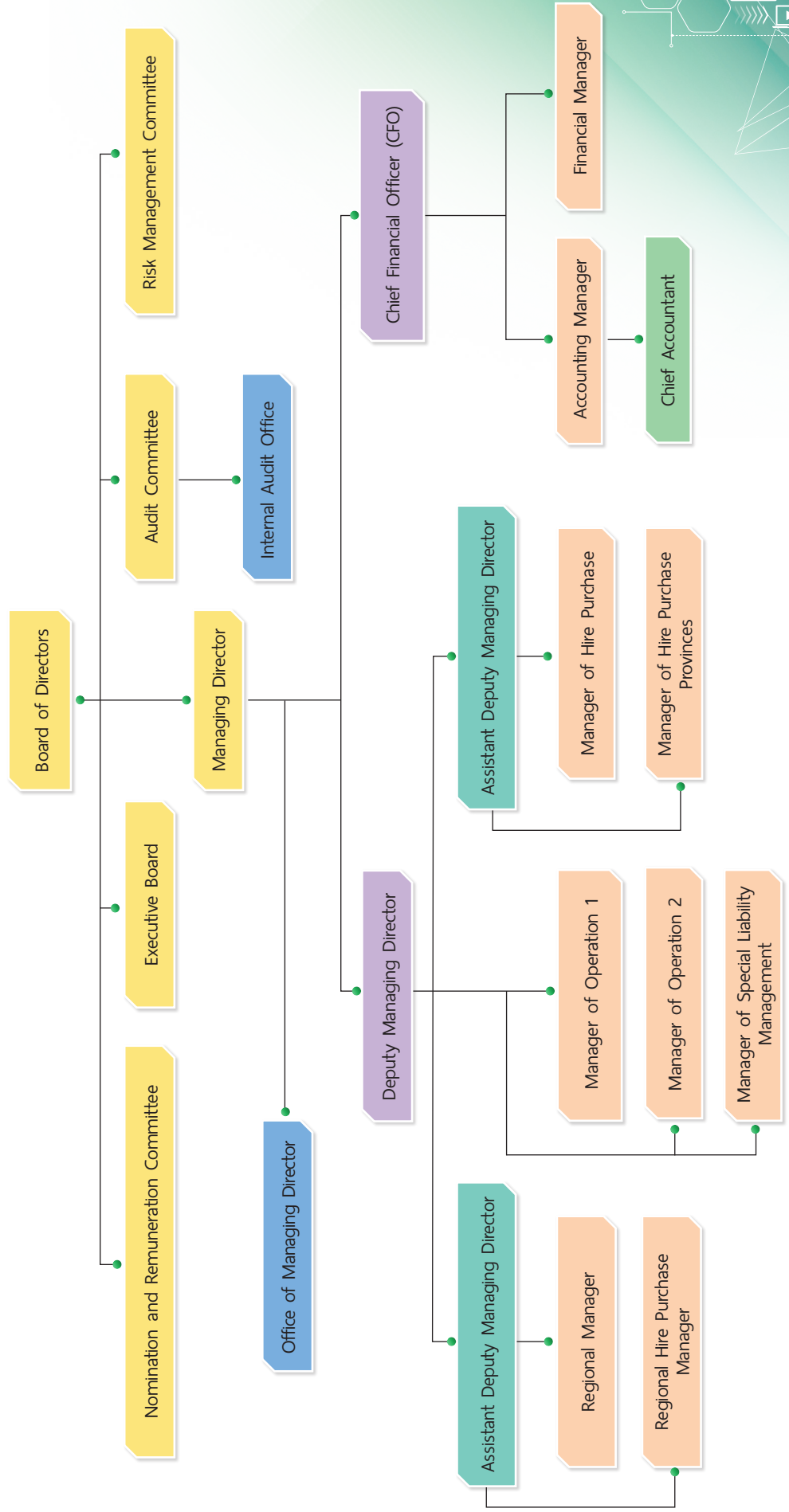
The Board of Directors assigned the Managing Director and Management to prepare a succession plan for key positions in different levels of executives and annually review and assess work profiles and potential of each individual. The Company encourages job rotations in order to develop the Management's skills in various aspects and prepare for capability and readiness for replacement.

6.3 Significant Changes and Development in Policies, Practices and Governance Systems in the Past Year

The Company is aimed to develop several fields of work to comply with the principles of good corporate governance of a listed company including various good corporate governance assessment criteria, adapted by the Board of Directors to suit the corporate governance structure of the Company. In 2021, the corporate governance

7. STRUCTURE OF CORPORATE GOVERNANCE AND IMPORTANT INFORMATION REGARDING BOARD OF DIRECTORS, SUB-COMMITTEE, EXECUTIVES, EMPLOYEES AND OTHERS

7.1 Organization Chart as of December 31, 2021





7.2 Board Composition

Board Composition

1. Board of Directors must be composed one of third, but not less than 3 independent directors.
2. The Audit Committee is composed of not less than three qualified independent directors, acting independently, and performing duties and responsibilities as stipulated by the Stock Exchange of Thailand. All members possess the qualifications and experiences to perform duties and responsibilities as Audit Committee including reviewing the reliability of financial statements.
3. The Board of Directors clearly determines and distinguishes duties and responsibilities of the Board and the management of the Company as described under Corporate Governance section.

Definition, Qualification and Criteria for Selection of Independent Director

1. Holding not exceeding 1% of the total voting shares of the Company, its parent company, subsidiary companies, associated companies or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director.
2. Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling party of the Company, its parent company, subsidiary companies, associated companies, or juristic person who may have conflicts of interest unless the foregoing status has ended not less than 2 years.
3. Not being a person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. These include spouses of daughters and sons of the management, major shareholder, controlling party or a person who is in the process of nomination as the management or controlling party of the Company or its subsidiaries.
4. Not having any business relationship with the Company, its parent company, subsidiary companies, associated companies or any juristic persons who may have conflicts of interest that may interfere with an independent judgment, or not being existing or previous major shareholder, director other than independent director or management of the stakeholders of the Company, its parent company, subsidiary companies, associated companies or any juristic persons who may have conflicts of interest unless the foregoing relationship has ended not less than 2 years. Business relationships include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial support which causes liability or obligation exceed 3% of the net tangible assets or above Baht 20 million, whichever is lower.
5. Neither being nor having been an auditor of the Company, its parent company, subsidiary companies, associated companies or juristic persons who may have conflicts of interest, and not being a major shareholder, director other than independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary companies, associated companies or juristic person who may have conflicts of interest unless the foregoing status has ended not less than 2 years.
6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary companies, associated companies or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing status has ended not less than 2 years.
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.
8. Being unable to have an independent opinion regarding the business operation of the Company

Qualification of Audit Committee

1. Being appointed by the Board of Directors or the shareholders' meeting.
2. All members are independent directors.
3. Not being a director who has been appointed as a representative of the Board of Directors to make decision in respect of business operation of the Company, its parent company, subsidiary companies, same-level subsidiary companies, or juristic person who may have conflicts of interest.
4. Not being a director of the Company's parent company, subsidiary companies, or same-level subsidiary companies, which are listed companies.
5. Possessing adequate qualifications and experiences to perform duties and responsibilities as Audit Committee, of which at least one member is qualified and experienced to review the reliability of financial statements.

7.3 Sub-committees

The Board structure consists of four sub-committees, including the Audit Committee, the Executive Board, the Nomination and Remuneration Committee and the Risk Management Committee.

Authority and Responsibilities of each board or committee are described below:

Audit Committee

As of December 31, 2021 the Audit Committee consisted of 3 independent directors as follows;


- | | |
|--------------------------------|----------------------------------|
| 1. Mr. Apichart Kasemkulsiri | President of the Audit Committee |
| 2. Mrs. Saowanee Kamolbutr | Audit Committee |
| 3. Mr. Kiattikhun Chartprasert | Audit Committee |

Secretary to the Audit Committee: Mrs. Cholticha Yodsri

The first-three ranking Audit Committee has sufficient knowledge and experience to review the trustworthiness of financial reports.

Authority and Responsibilities of the Audit Committee

1. To review the Company's financial report to ensure accuracy and adequacy.
2. To review that the Company has established appropriate and effective internal control system and observe the independence of the internal audit unit, as well as to approve the appointment, transfer, and dismissal of the chief of an internal audit or any other units in charge of an internal audit.
3. To review the Company compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and any relevant laws governing the Company's business.
4. To select and propose for appointment and termination of the Company's auditor and audit fee, as well as to attend a meeting with the auditor without the presence of the management at least once a year.
5. To consider the connected transactions, or transactions that may lead to conflicts of interest in accordance with the laws and regulations of the Stock Exchange of Thailand to ensure that such transactions are appropriate and most beneficial to the Company.
6. To prepare the Report of the Audit Committee and disclose the report in the Annual Report. The Report of the Audit Committee must be signed by the Chairman of the Audit Committee and at least contain the following information.
 - 1) An opinion on the accuracy, completeness and trustworthiness of the Company's financial report,
 - 2) An opinion on the adequacy of the Company's internal control system,
 - 3) An opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws governing the Company's business,
 - 4) An opinion on the suitability of the auditor,
 - 5) An opinion on the transactions that may lead to conflicts of interest,



Authority and Responsibilities of the Risk Management Committee

1. Consider and give opinions on the draft policy and risk management framework as well as define the level of Risk Appetite and Risk Tolerance to cover important types of risks such as financial risk, investment risk, liquidity risk, and risks that affect the reputation of business before presenting to the Board of Directors for consideration and approval.
2. Acknowledge, consider, and approve the results of the risk assessment, guidelines and risk management measures including an action plan to manage residual risks to ensure that the Company has adequate and appropriate risk management.
3. Supervise and support the Company's risk management achieve success in accordance with the set objectives and goals as well as suggest ways to prevent and reduce the risk level to that of Risk Appetite; assess and monitor the risk action plan continually and suitably for business conditions to ensure that risks are adequately and appropriately managed.
4. Supervise and support to conduct the review and verification on the policy and framework of risk management at least once a year to ensure that the policy and the filtering of active risk management remains consistent and appropriate to the overall business conditions of the Company.
5. Communicate and exchange information, and coordinate on the risks and the internal control, as well as report the performance of the Risk Management Committee to the Audit Committee and the Board of Directors for their attention continuously.

Executive Board

The Board of Directors has appointed the Executive Board to assist in providing advices and suggestions in its managerial responsibility and other matters assigned by the Board of Directors. As of December 31, 2021, the Company's executive board consisted of 5 directors as follows:

- | | |
|--------------------------------|----------------------------------|
| 1. Ms. Prathama Phornprapha | President of the Executive Board |
| 2. Mr. Prapol Phornprapha | Executive Director |
| 3. Mr. Raksanit Phornprapha | Executive Director |
| 4. Mr. Prasit Sainonsee | Executive Director |
| 5. Mr. Aphichai Uemsathienporn | Executive Director |
- Secretary to the Executive Board: Mr. Aphichai Uemsathienporn

Authority and Responsibilities of the Executive Board

1. To supervise the day-to-day management on behalf of the Company as to maximize Company's benefits.
2. To formulate business plan, budget, and management structure and authority in order to meet the objectives assigned by the Board of Directors.
3. To conduct normal business transactions and enter into contractual obligation.
4. To manage the Company business and its affair in accordance with the Company Articles of Association, Shareholders approval and/or the Board of Directors' approval.
5. To review and report quarterly financial statements which have been reviewed and approved by the Audit Committee to the Stock Exchange of Thailand and Securities and Exchange Commission of Thailand.
6. To responsible in any tasks assigned by the Board of Directors, however, any assigned tasks have to comply with laws, rules and regulations. Any executive or person that might have conflicts of interest with the Company and its subsidiaries does not take part in any irregular business transaction or terms and conditions trading. The transactions are to be reported to the Board of Directors in accordance with the rules and regulations imposed by the Stock Exchange of Thailand.
7. Having authority to approve and proceed as follows:
 - 7.1 Authorities to approve credit facilities and credit limit

Unit : Baht

Authority to approve credit facilities	Motorcycle	Motorcycle Big Bike	Used Car (Secondhand car)	New Car	Other Credits
Manager of Hire Purchase	125,000	800,000	800,000	1,800,000	75,000
Assistant Deputy Managing Director	< 150,000	<1,000,000	<1,000,000	< 2,500,000	< 120,000
Deputy Managing Director	< 1,200,000	<1,250,000	< 1,250,000	< 5,000,000	< 2,500,000
Managing Director	< 2,500,000	< 2,500,000	< 2,500,000	< 10,000,000	< 20,000,000
Executive Board	> 2,500,000	> 2,500,000	> 2,500,000	> 10,000,000	> 20,000,000

Authorities to approve credit facilities and credit limit for Subsidiaries (Laos, Cambodia)

Authority to approve credit facilities	Selling price		Dawn payment (25%)		Loan amount/LTV (75%)	
	USD	THB	USD	THB	USD	THB
Department Manager	70,000	2,310,000	17,500	577,500	52,500	1,732,500
Assistant Deputy Managing Director	80,000	2,640,000	20,000	660,000	60,000	1,980,000
Deputy Managing Director	100,000	3,300,000	25,000	825,000	75,000	2,475,000
Managing Director	200,000	6,600,000	50,000	1,650,000	150,000	4,950,000
Executive Board	>200,000	>6,600,000	>50,000	>1,650,000	>150,000	>4,950,000

* Exchange rate 1 USD = 33 Baht

- 7.2 Authority to sign MOU (Memorandum of Understanding), Confidentiality Agreement, Letter of Intent and a preliminary agreement to buy or sell assets, liabilities or business. Rent or lease the property between the parties. Summarize and present to the Board of Directors for consideration and approval.
- 7.3 Authority to apply for credit facility and issue bonds for the Company's business operation under the following conditions:
 - 7.3.1 Amount per transaction is not exceeding 1,000 million baht.
 - 7.3.2 Term is not exceeding 5 years.
 - 7.3.3 Report the matter to the Board of Directors in the next meeting.
- 7.4 Authority to employ a financial advisor, tax advisor, legal advisor, inspectors, appraisers, broker or agent in relation to the Company's operation as intended in Article 7.2 and 7.3 or in accordance with accounting standards and/or the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and any relevant laws governing the Company's business.

7.4 Information about the Management

The Management Team

As of December 31, 2021, the Management team consisted of 8 members as follows:

- | | |
|----------------------------------|------------------------------------|
| 1. Ms. Prathama Phornprapha | Managing Director |
| 2. Mr. Prapol Phornprapha | Deputy Managing Director |
| 3. Mr. Aphichai Uemsathienporn | Assistant Deputy Managing Director |
| 4. Mr. Prasit Sainonsee | Assistant Deputy Managing Director |
| 5. MS. Siripen Neamcharoun | Accounting and Finance Manager |
| 6. Mr. Somboon Narasunthornkun | Manager of Operation 1 |
| 7. Mr. Taweesak Charoensakyothin | Regional Manager |
| 8. Mr. Piti Ngamlert | Foreign Credit Manager |

Remuneration of Directors and Management

1) Monetary Remuneration

Director Remuneration

The Company has established a clear policy on remuneration of directors to be comparable to the industry benchmark of similar-size. The remuneration is sufficient to attract and retain qualified directors and management in order to maximizing the company's benefits. Directors would be offered remuneration in the form of salary, provident fund and bonus, which are linked to the Company's performance.


While Independent Directors and Advisor to the Board of Directors would be paid in the form of attendance fee which is a fixed amount as approved by the shareholders' meeting.

The Nomination and Remuneration Committee considered the remunerations of the Directors by considering the appropriateness in many aspects. Comparisons with other companies in the same industrial sector were made, including expansion of business and operating results. The organizational structure is deemed appropriate and corresponding to responsibilities and motivate the Directors and Management to achieve both short and long term strategies.

The Annual General Meeting 2021 resolution has approved remuneration for Directors and committee members as follows:

- Attendance fee of 40,000 Baht/Director/Meeting.
- The attendance fee for any committee members is 40,000 Baht per meeting for each director, while Chairman of committee attendance fee is 45,000 Baht per meeting.

In 2021, total remuneration of the five Directors who held the position as Independent Directors, committee members and advisor to the Board of Directors in the form of attendance fee are as follows:



Name	Position	Attendance fee (THB)			
		Board of Director	Audit Committee	Nomination and Remuneration Committee	Total
1. Mr. Apichart Kasemkulsiri	Independent Director/ President of Audit Committee/ President of Nomination and Remuneration Committee	200,000	180,000	45,000	425,000
2. Mrs. Saowanee Kamolbutr	Independent Director/ Audit Committee	160,000	120,000		280,000
3. Mr. Kiattikhun Chartprasert	Independent Director/ Audit Committee	160,000	120,000		280,000
4. Mr. Wiboon Perm-Arayawong	Independent Director/ Nomination and Remuneration Committee	200,000		80,000	280,000
5. Mr. Kanich Punyashthiti	Independent Director/ President of Nomination and Remuneration Committee/ Audit Committee	40,000	40,000	45,000	125,000
6. Mr. Surin Dhammanives	Advisor to the Board of Directors	160,000	40,000		200,000
	Total	920,000	500,000	170,000	1,590,000

Management Remuneration

The Company determines remuneration for the Management based on the Company's performance together with individual performance and contribution. In 2021, Management remuneration for 12 members consisted of salary and bonus in the amount of Baht 32,330,494.00

2) Other remuneration

2.1) Other Director remuneration – None

2.2) Other Management remuneration

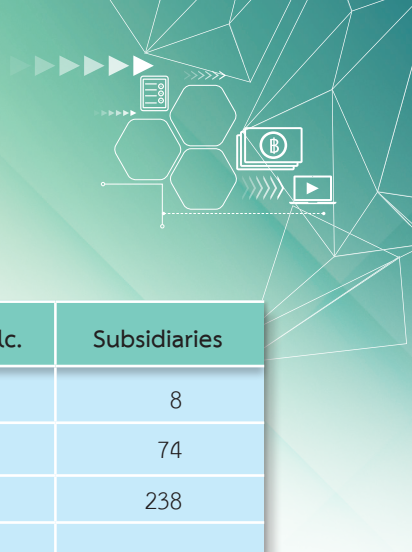
Provident fund

The Company contributes to the provident fund for the Management at 3% of monthly salary. In 2021 provident fund contributions for 12 members of the Management team was Baht 38,088.00.

7.5 Information about Employees

Human Resources

As of December 31, 2021, Thitikorn has totaling of 1,633 employees. During the year 2021, total employee remunerations in the form of salary, bonus, welfare, provident fund contributions and others were Baht 501.0 million consisted of Baht 415.0 million for the Company and Baht 86.0 million for its subsidiary companies.



Year 2021	Thitikorn Plc.	Subsidiaries
- Hire Purchase Management and Debt Collection Office (Person)	763	8
- Operations Office (Person)	6	74
- Regional Department	27	238
- Accounting Office (Person)	26	-
- Finance Office (Person)	12	-
- Special Liabilities Management Office (Person)	31	44
- Internal Audit Office (Person)	24	-
- Office of Managing Director (Person)	369	11
Total employees (Person)	1,258	375
Total employee remuneration (Million Baht)	415.0	86.0

During the past three years, there was no significant change in number of employees, nor labour litigation case.

The Company provides the provident fund for employees who shall have savings after their retirement, resignation, or disability with the Company's contribution at the rate of 3% of salary. The Company encourages the provident fund committee to select a fund manager who complies with good governance principles because the provident fund is an investment approach that can lead to the best and long-term interests of the fund members who are employees of the Company.

NUMBER OF EMPLOYEES WHO ARE MEMBERS OF THE PROVIDENT FUND (EMPLOYEES)	PROPORTION OF EMPLOYEES WHO ARE MEMBERS OF THE PROVIDENT FUND / TOTAL NUMBER OF EMPLOYEES (%)
35	2.51%

Remunerations paid to the employees in 2021 was Baht 501.0 million including monthly salaries, wages, and other benefits.

Remunerations and Welfare Benefit to the employees

The Company's remuneration of employee in form of salaries and bonuses are appropriate and corresponding to Company's growth and business expansion which providing stable employment and equitable opportunities. The Company provides compensations to employees at no less than the rate required by law such as Social Security contributions. In addition, the Company has provided other welfares to employees including provident fund contributions, medical reimbursement, annual health check-up program, up-country travelling allowance, group insurance and uniform and other relief payments such as funeral expenses, children tuition fund, employee disaster relief program and employee recognition rewards for acknowledging employee contributions which stimulate the motivation and morale of staff to ensure a continuous growth of the Company.

Employee Development Program

Thitikorn group supports employees learning and development continuously to ensure that each individual possesses of necessary knowledge, competencies and skills in order to provide a quality service to customers. The group emphasizes on managing its business operations in a transparent manner according to the Good Corporate Governance principle and ensures that employees conduct their duties with business ethics. In addition, the group has provided orientation to all new employees for guiding and introducing the employees to the basic of business operations and culture of the Company. The Company also provides regular internal training and external training programs especially in hire purchase, computer, and others such as accounting taxation which appropriate for each function that employee works for.

Employee Training Records

Description	Year 2019	Year 2020	Year 2021
Number of employees	1,960	1,581	800
Training hours	11,760	9,486	4,800

Shareholding by the Directors and Management

For the Year End 2020 and Year End 2021, shareholding by the Directors presented in number of shares including the securities holding of their spouses and any minor children.

1) Shareholding by the Directors

Name	Shareholding (Shares)			Spouse
	As of December 31, 2020	Change + (-)	As of December 31, 2021	Shareholding of Spouse
1. Dr. Chumpol Phornprapha	-	-	-	15,366,666
2. Mr. Apichart Kasemkulsiri	-	-	-	-
3. Mrs. Saowanee Kamolbutr	-	-	-	-
4. Mr. Kiattikhun Chartprasert	-	-	-	-
5. Mr. Wiboon Perm-Arayawong	-	-	-	-
6. Mr. Raksanit Phornprapha	9,450,000 (1.89%)	-	9,450,000 (1.89%)	50,000
7. Mr. Satitphong Phornprapha	7,000,000 (1.40%)	-	7,000,000 (1.40%)	6,000,000
8. Ms. Prathama Phornprapha	30,644,267 (6.13%)	-	30,644,267 (6.13%)	-
9. Mr. Prapol Phornprapha	25,566,667 (5.11%)	-	25,566,667 (5.11%)	-
10. Mr. Aphichai Uemsathienporn	-	-	-	-
11. Mr. Prasit Sainonsee	33,000 (0.007%)	-	33,000 (0.007%)	-

2) Shareholding by the Management *

Name	Shareholding (Shares)			Spouse
	As of December 31, 2020	Change + (-)	As of December 31, 2021	Shareholding of Spouse
1. Mr. Taweesak Charoensakyothin	-	-	-	-
2. Ms. Siripen Neamcharoun	-	-	-	-
3. Mr. Piti Ngamlert	-	-	-	-
4. Mr. Somboon Narasunthornkun	-	-	-	-

* **Remark:** Disclosed information only on the Management besides those who are the Directors.

7.6 Other Important Information

Information of Those Appointed to Control or Perform Duties in the Company

1) Corporate Secretary

The Board of Directors meeting had the resolutions to appoint Mr. Aphichai Uemsathienporn to be Corporate Secretary of Thitikorn, effective from May 9, 2018. Qualifications and profile of the Corporate Secretary is shown in Attachment 1.

2) Chief Accountant (the officer that has primary responsibility for overseeing all accounting functions)

The Board of Directors has approved to appoint Mrs. Wannatkamol Piemkhumdee as the Chief Accountant, effective from November 12, 2018. Qualifications of the Chief Accountant are presented in the Attachment 1.

3) Head of Internal Audit

The Company has assigned Mrs. Cholticha Yodsri as Secretary to the Audit Committee and to act on behalf of the Manager of the Internal Audit Office, effective from 2018 to perform auditing and supervise the operation to ensure good internal control system and proper risk management as specified by law or regulators' practices or by the Company. The qualifications of the person holding the position of Head of Internal Audit appears in attachment 3.

4) Investor Relations Information

The Company has set up the Investor Relations Department, of which Mr. Werachai Lertluckprecha is taking care as a center for disclosing information, news, and movements of the Company to create correct understanding among all related parties such as retail investors, institutional investors, shareholders, securities analysts, etc., as well as develop and maintain good relationships with them to ensure that all parties shall receive information accurately and equally.

Investor Relations Contact Information

Mr. Werachai Lertluckprecha

Phone: 0 2310 7002

Email: Investor@tk.co.th

Website: www.tk.co.th

Auditor Fee

In 2021, the Company and its subsidiaries paid auditor fee as follows:

Unit : Million Baht

Name of Auditor	Auditor fee	Non-audit service fee
M.R. & ASSOCIATES Co., Ltd. (Mr. Methee Ratanasrimetha)	3.34	None

8. REPORT ON PERFORMANCE IN CORPORATE GOVERNANCE

Summary of the performance of the Board of Directors in the past year

- Consider and approve the selection and nomination of auditors, and consider the appropriate remuneration as proposed by the Audit Committee before presenting at the annual general meeting of shareholders for consideration and approval.
- Consider and approve the nomination of the former director who has retired by rotation to return to the Company's director for another term, and consider and approve the appropriate remuneration as proposed by the Nomination and Remuneration Committee before presenting to the shareholders at the annual general meeting for consideration and approval.
- Consider and approve the proposal of the annual dividend before presenting it to the shareholders at the annual general meeting for consideration and approval.
- Consider the financial statements and operating results for the year 2021.
- Consider the financial statements and operating results for the first quarter of 2021.
- Consider the financial statements and operating results for the second quarter of 2021.
- Consider the financial statements and operating results for the third quarter of 2021.
- Consider investment projects in new businesses.
- Consider improving the charter of the sub-committees.

Nominating, developing, and evaluating the performance of the Board of Directors

Nomination of independent directors

Regarding the appointment of independent directors, Nomination and Remuneration Committee will consider the qualifications of independent directors to select and present them to the Board of Directors and the meeting for approval and appointment. Details of independent directors appear in Attachment 1.

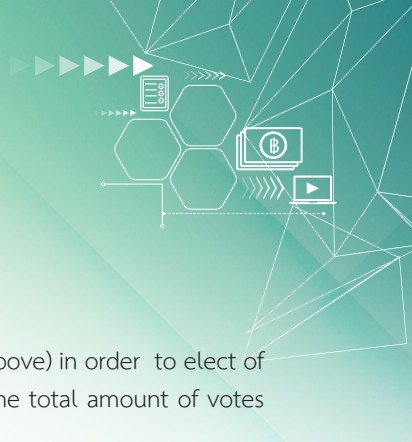
Selection of Directors and Executives

Nomination of Directors

The Nomination and Remuneration Committee, which consisted of 2 independent directors from the total 3 members, shall identify and propose qualified nominees to be appointed as the Company's Directors according to the Company's criteria. Nomination and Remuneration Committee shall consider each director's experience and expertise in various professions, which are deemed beneficial to the Company's operation, as well as the committee size, structure and composition. The Nomination and Remuneration Committee has provided opportunity for directors and shareholders to propose names of qualified persons for the directorship position. The qualified individuals will be recommended to the Board of Directors and proposed to the Annual Ordinary Shareholders' Meeting for consideration and approval. The following characteristics should be considered for a candidate to be selected;

1. Technical competence, capable and leadership characteristic.
2. Professional expertise and experienced in various fields which are deemed beneficial to the Company's operation.
3. Board vision and strategic thinking as well as morality and ethics which lead the Company to sustainable growth.
4. Do not seek personal or related person benefit from insider information or disclose confidential information to the Company's competitors or any execution that might cause conflicts of the interest.
5. Dedicate time and effort for the highest benefit of the Company.
6. Have not been convicted of fraud or illegal activities either personal or on behalf of company.
7. Perform his/her duty within the govern scope and responsibilities.

In accordance with the Company's Articles of Association, at each Annual General Shareholder's Meeting, one third of the Directors are required to resign by rotation. Then, Directors will be selected and appointed as per the Shareholders' approval under the following procedures. In case that the nominated Director was not the former Director, the Company will provide adequate personal profile for the Shareholders' considerations.

- 
- (1) Each Shareholder will have one vote for each share held.
 - (2) Each Shareholder may exercise up to the total amount of the votes entitled (as per above) in order to elect of any one person being proposed for a Directorship, and may allocate or divide out the total amount of votes entitled among several candidates.

The candidate receiving the highest votes in the respective order of voting will be selected and appointed as a Director to complete the total number of Directors of the Company as agreed. In the event of two persons having the same highest number of votes that may result in a situation that the number of Directors of the Company exceeds the agreed total, then the Chairman will then have the deciding vote to elect only one person to be appointed as a Director.

- **Nomination of Managing Director**

The Executive Board shall identify and propose qualified nominees to the the Nomination and Remuneration Committee's consideration and further recommendation to the Board of Directors for approval. Nomination and Remuneration Committee shall consider on the candidates' character, technical competence, and employment experiences that are useful to the Company. The successful candidate should well understand the Company's business and share the Board's operating philosophy in order to ensure that the Company's goals are met.

- **Nomination of Executives**

The Company select appropriate persons with knowledge, capability and moral to be nominated as the Company's Executives. The staff development program has been established to prepare the Company's employees for being promoted to Executive positions in the future. Through staff competency assessment, employees who meet competency requirements will be assigned for more challenging work and higher level of responsibility. The Company has development plan for employees in every level to ensure readiness for replacement.

- **Nomination of Audit Committee**

The Board of Directors has appointed an Audit Committee consisting of Independent Directors.

Performance Evaluation of Board of Directors

Self-assessment of the Board of Directors and Sub-committees

In 2021, the Board of Directors has formulated self-assessment procedures to assess on the performance as a whole board and committees and of individual director including the Managing Director. The self-assessment form from the Stock Exchange of Thailand has been adapted for the Board of Directors to review the performance and specify the problems and obstacles during the past year for achieving more effective operation. Self-assessment of performance of the Board of Directors and sub-committees were conducted as a whole and individual by referring to the guidelines of the Stock Exchange of Thailand and revising as appropriated for the Company. The Board of Directors has jointly considered the results of the assessment of the committees' performance over the past year and established guidelines for improvement for the following years.

For the self-assessment for the board of directors and sub-committees as a whole and on an individual basis, the company secretary is assigned to collect and summarized the performance assessment and additional comments (if any) to the Board of Directors for acknowledgment and discussion to further improvement. For the year 2021, Self-assessment topics and results are as follows;

- Self-assessment for the board of directors and sub-committees covers 6 topics namely, Board structure and qualifications, Roles, duties and responsibilities of the Board, Board meetings, Duties of directors, Relationships with management and Self-improvement of directors and management.

The results of the overall board performance evaluation concluded that the Board's performance was rated at "Excellent" level with a score of 220.82 or 96.85 percent.

- Self-assessment for directors on an individual basis involves as assessment of 3 topics which are Board structure and qualifications, Board meetings and Roles, duties and responsibilities of the board.

The results of the self-assessment of directors concluded that the Company's directors' performance were rated at "Excellent" level with an average score of 42.36 or 96.28 percent.

Self-assessment of Sub-committees

Sub-Committees consists of Audit Committee, Nomination and Remuneration Committee, the Executive Board and Risk Management Committee. Performance assessment for the Sub-Committees are undertaken and the results are presented to the Board of Directors once a year. In 2021,

The results of Audit Committee performance evaluations were rated at "Very Good" level with a score of 179.67 or 88.07 percent and was already presented to the Board of Directors meeting.

The results of Nomination and Remuneration Committee performance evaluations were rated at "Excellent" level with a score of 69.67 or 91.67 percent and was already presented to the Board of Directors meeting.

The results of Risk Management Committee performance evaluations were rated at "Excellent" level with a score of 54.16 or 90.24 percent and was already presented to the Board of Directors meeting.

Managing Director Evaluation

To conduct assessment of Managing Director's performance at least annually using guideline provided by the Stock Exchange of Thailand (CEO Evaluation Form) which evaluate on the following criteria; (1) Leadership (2) Strategy formulation (3) Strategy execution (4) Financial planning/Performance (5) Relationships with the Board (6) External Relations (7) Human Resources Management/Relations (8) Succession (9) Product/Service Knowledge (10) Personal Qualities.

Evaluation processes are as follows:

1. The Board of Directors evaluate the performance of the Managing Director at least annually.
2. The Company Secretary summarizes and reports the Managing Director's performance evaluation results to the Board of Directors.

The Managing Director's performance evaluation results are personal and should not be disclosed.

Meeting Attendance and Remuneration of Independent Directors

Meeting attendance and number of meetings attended by the Board of Directors and Sub-committees during the year 2021, are as follows:

Name	Position	Attendance Records			
		Annual General Meeting of Shareholders	Board of Directors	Audit Committee	Nomination and Remuneration Committee
1. Dr. Chumpol Phornprapha	Chairman	1/1	4/4		
2. Mr. Raksanit Phornprapha	Director	1/1	4/4		
3. Mr. Satitphong Phornprapha	Director	1/1	4/4		
4. Ms. Prathama Phornprapha	Managing Director	1/1	4/4		
5. Mr. Prapol Phornprapha	Director/ Deputy Managing Director	1/1	4/4		
6. Mr. Prasit Sainonsee	Director	1/1	4/4		

Meeting Attendance and Remuneration of Independent Directors (Cont.)

Name	Position	Attendance Records			
		Annual General Meeting of Shareholders	Board of Directors	Audit Committee	Nomination and Remuneration Committee
7. Mr. Aphichai Uemsathienporn	Director	1/1	4/4		2/2
8. Mr. Apichart Kasemkulsiri	Independent Director/ President of Audit Committee/ President of Nomination and Remuneration Committee	1/1	4/4	4/4	1/1
9. Mrs. Saowanee Kamolbutr ⁽¹⁾	Independent Director/ Audit Committee	1/1	3/3	3/3	
10. Mr. Kiattikhun Chartprasert ⁽²⁾	Independent Director/ Audit Committee	1/1	3/3	3/3	
11. Mr. Wiboon Perm-Arayawong	Independent Director/ Nomination and Remuneration Committee	1/1	4/4		2/2
Mr. Kanich Punyashthiti	Independent Director/ Audit Committee President of Nomination and Remuneration Committee	-	1/1	1/1	1/1
Mr. Surin Dhammanives ⁽³⁾	Advisor to the Board of Directors	1/1	1/1	1/1	

Remark : ⁽¹⁾ Mrs. Saowanee Kamolbutr was appointed as an independent director. instead of Mr. Surin Dhammanives, effective from February 23, 2021 onwards

⁽²⁾ Mr. Kiattikhun Chartprasert was appointed as an independent director. instead of Mr. Kanich Punyashthiti, effective from March 1, 2021 onwards

⁽³⁾ Mr. Surin Dhammanives has been resigned from Advisor to the Board of Directors since November 9, 2021

Remuneration for Individual Directors

As of December 31, 2021, the remuneration of the Board of Directors in the form of meeting allowances received from the Company as directors and advisors to the Board of Directors, was totaling 1,590,000 baht. The Company has prepared and stated in the topic of corporate governance structure and important information about the Board of Directors, sub-committees, executives, employees, and others.

Supervision over Subsidiaries' Operations

Managing Director is responsible to consider and recommend the management of the Company's subsidiaries.

The Company set policy for the nominated management to monitor the operation of the subsidiaries under the same operating policies prescribed by the Company and to review the accuracy and completeness of any required information disclosures relating to the Company undertaking any connected transactions, acquisition or disposition of assets, or any significant transactions. The subsidiaries financial information and accounting records should be made readily available for review and preparation of consolidated financial statements in a timely manner.



Corporate Governance and Compliance Monitoring

The Company places importance on corporate governance by determining relevant policies and guidelines in the Company's business ethics and corporate governance policy, coupled with promoting effective practice to build confidence in every stakeholder group.

In the past year, the Company has performed closely monitoring to ensure compliance with corporate governance that covers the following topics:

- 1) Employee care and non-discrimination
- 2) Anti-unfair competition
- 3) Caring for the environment, hygiene and safety in the organization
- 4) Information security

The follow-up results found that the Company has followed the guidelines for each issue completely.

In addition, the Company has also followed up on the following issues to achieve corporate governance compliance.

1) Conflict of Interest Prevention

To prevent situations where personal interests of directors, executives or employees may conflict with the Company's interests, the Company has announced Conflict of Interest Prevention Policy to control the Company's transactions with connected person that may cause conflicts of interest to ensure transparency and fairness to all stakeholders equally by adherence to the following principles:

1. The transaction must be approved through a transparent process by the directors and executives performing their duties with responsibility, caution, and honesty without any stakeholders involved in the decision process.
 2. The transaction must be done for the sake of the company's benefits, similarly to any transactions done with the third party.
 3. There must be a monitoring and audit system to ensure that the transaction has gone through the right process.
- The Company has an audit committee to review and give opinions on connected transactions or any transactions that may have conflicts of interest including the disclosure of the said transaction according to the regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC).

In the past 2021, there was not any report of conflict of interest.

2) Supervision over the use of inside information and trading the Company's securities

The Company has established a written policy on the use of inside information as prescribed in the Corporate Governance policy, as follows:

1. The Company has implemented measures regarding the use of inside information in accordance with CG policy for everyone to adhere to. The Directors and executives must report their holding of the Company securities when initial appointed to the positions and disclose any changes in the status of their holdings, within three days to the Securities and Exchange Commission as per Article 59 of Securities Exchange Act (B.E. 2535).

During 2021, Directors and executives have reported the changes in their securities holdings to the Securities and Exchange Commission according to the section 59 and to the Corporate Secretary for recording. A summary of each Director and executive holding of the Company's securities will be presented to the Board of Directors in the next meeting and disclosed in the Annual Report and the Annual Registration Statements (Form 56-1 One Report).

2. In addition, according to the Company's policy, Directors, executives along with relevant department heads who are aware of inside information of the Company are prohibited to disclose any inside information to any outside person or any person who has no relevant duties and are prohibited to trade the Company's securities during the 1-month period before the financial statements are disclosed to the public, to prevent using of inside information in seeking personal benefits and to continuously perform duties under ethical standards with honesty and impartiality. Any violation shall be subjected to disciplinary action including warning, salary reduction, suspension from work and termination of employment.

These procedures were approved by the Board of Directors.

3) Anti-Corruption

For good practices of business operations and prevention of risk from potential transactions that are prone to fraud and corruption, the Company has established Anti-Fraud and Corruption policy under Corporate Governance Policy for practical fraud and corruption fighting which conform with the principles of Good Corporate Governance of the Company.

Guidelines concerning Anti-Corruption

The Company is determined to conducting business with transparency, in line with laws, against corruptions and in compliance with good corporate governance principles.

1. Anti-Corruption written policy

The Company has established Anti-Fraud and Corruption written policy, approved by the Board of Directors, and incorporated in Good Corporate Governance principles of the Company and subsidiaries.

The Board of Directors instructs all employees to strictly comply with law and regulations relating to fraud and corruption to increase confidence among stakeholders and enhance integrity and transparency business operation within the group and readiness to support anti-fraud and corruption activities.

- 1.1 Put in place risk assessment regarding unethical conduct within the organization as well as monitor, control and prevent fraud and corruption from all business transactions.
- 1.2 Disclose information of the policy in order to provide operational guidelines for Management and employees to conform. The Company establish appropriate punishment system on Management or employees who commits or involves in the fraud, bribery, or corruption.
- 1.3 The policy must be emphasized through in-house trainings and meetings in order to affirm that all Management and employees intensively concerns and realizes the importance of distribution Anti-Corruption.
- 1.4 Implement appropriate internal control systems and controls to prevent unethical conduct by Management or employees.
- 1.5 Maintain appropriate financial reporting mechanisms that are accurate and transparent.
- 1.6 This Anti-Corruption Policy covers Human Resource Management process starting from recruitment, promotion, training, performance evaluation, and remuneration. Supervisors at every level must communicate to staff for ensuring awareness and attention to the Anti-Corruption scheme and monitor such implementation to be the most effective.
- 1.7 Provide appropriate channels of communication for employees and other stakeholders to report suspicious circumstances in confidence of protection from punishment, unfair dismissal and transfer or any reprisals as well as a designed officer will be tasked with investigating all reports received.

Management meeting are organized quarterly for executives and all branch managers. In every meeting, the importance of the anti-corruption compliance and transparency of personnel are emphasized. Every employee must not neglect or ignore when seeing any corruption activities and must immediately notify the persons assigned by the Company.

On September 23, 2021, the Company arranged management meeting concerning practice guidelines on the Company's anti-corruption policies. Management has acknowledged and communication with emphasis to employees at every level to ensure effective compliance in order to prevent fraud and corruption in the workplace. Punishment must be strictly taken when an executive or a staff engaged in misconduct.

In 2021, training courses had been arranged for employees' understanding and knowledge as follows:

Objectives	Attendance (Numbers)			
	Executives (Numbers)	Supervisors (Numbers)	Staff (Numbers)	Total (Numbers)
Best Practices for Risk Management in an organization for business continuity	2	1	-	3

2. Corporate Gift Policy

The Company also prescribed policies for the group in relation to receiving or giving gifts and other benefits. Accepting or offering gifts and benefits including entertainment such as a meal are acceptable under proper circumstances or traditional practices, at appropriate values. Such situations or activities must not lead to a conflict of interest or any inappropriate advantages in making business deals for the Company and subsidiaries.

3. Whistleblowing Policy

Thitikorn Plc. and its subsidiaries conduct business based on the principles of good governance by focusing on responsibility toward society, employees, and all stakeholders by formulated written procedures on Whistleblowing, as approved by the Board of Directors.

This is to provide channels of communication to the Directors, Executives, employees and other stakeholders to file complaints or report suspicious circumstances of fraud, unlawful activities and misconduct including those in violation of the law, rules, regulations, code of business conduct, or corporate governance principles to enhance transparent and fair business operations. The whistle-blowers' information will be kept in confidential to protect the person from reprisals or retaliation.

Reporting

Employees or other stakeholders can lodge complaints regarding any suspicious acts and illegal activities to the Whistleblowing Committee through the following channels.

1. Email: audit@tk.co.th
2. Post: sending a letter to
Manager of Internal Audit Office
Thitikorn Public Company Limited
69 Ramkhamhaeng Rd., Huamark, Bangkok, Bangkok 10240
3. Telephone number : 0 2310 7233, 0 2310 7110
4. Independent Director via website : www.tk.co.th
5. The Company's secretary : filling in the "Whistleblowing form" posted on website www.tk.co.th
6. Email address: Investor@tk.co.th or submission by mail.
7. Complaints are dealt with confidential. Staff may raise a complaint to their immediate supervisor (in case of no conflict exists). Supervisor then forwards the complaint to the Whistleblowing Committee properly with due care without disclosure of the whistle-blower's information.

4. Anti-Money Laundering Act B.E. 2542 Compliance Policy

The Company and its subsidiaries are committed to preventing the organization from being used for money laundering and terrorism financing. In order to establish a culture of corporate social responsibility and cooperate with the Anti-Money Laundering Office to fight against money laundering, financing of terrorism, and being any channel to introduce the proceeds from illegal activity, the written policy on Anti-Money Laundering was established and approved by the Board of Directors, which the employees are aware of and required to strictly adhere to.

Report on Performance of the Audit Committee in the Past Year

Audit Committee Meeting

As of December 31, 2021, the Audit Committee of the Company consisted of 3 members, with Mrs. Cholticha Yodsri as Secretary of the Audit Committee.

In 2021, the Audit Committee held 4 meetings, and details of each member's meeting attendance are as follows:

Name	Position	Number of Meeting Attendance/Total
1. Mr. Apichart Kasemkulsiri	President of Audit Committee	4/4
2. Mrs. Saowanee Kamolbutr	Audit Committee	3/3
3. Mr. Kiattikhun Chartprasert	Audit Committee	3/3
Mr. Kanich Punyashthiti	Audit Committee	1/1
Mr. Surin Dhammanives	Audit Committee	1/1

Performance of the Audit Committee

The Audit Committee has served directly in overseeing the internal control system, risk management, and governance process of Management including all aspects of accounting, finance, compliance with related laws, rules, and regulations to provide an effective check-and-balance mechanism. There is also an internal audit department responsible for auditing the operations of each business function according to the audit plan, mainly based on the risk of the organization.

The Audit Committee has responsibilities to consider the audit plan, control and supervise the performance of the internal audit unit to ensure its independence and ability to perform checks and balances according to specified standards, as well as report directly to the Audit Committee to ensure the adequacy of internal control system and the effectiveness and conciseness of internal audit work that help reduce the likelihood of damage to the organization.

The Audit Committee held meetings to give opinions on the adequacy and effectiveness of the internal control system. A summary of the internal audit results for the year 2021 was reported to the Board of Directors on February 22, 2022, as shown in the Audit Committee Report, the details of which appear in Attachment 6.

Summary of the Performance of Other Sub-committees

1) Director Nomination and Remuneration Committee

As of December 31, 2021, the Company's Nomination and Remuneration Committee consisted of 3 directors, with Mr. Apichai Uam Sathienporn as Secretary of the Nomination and Remuneration Committee.

Number of meetings and attendance of the Nomination and Remuneration Committee

Name	Position	Number of Meetings Attendance/Total
1. Mr. Apichart Kasemkulsiri	President of Nomination and Remuneration Committee	1/1
2. Mr. Wiboon Perm-Arayawong	Nomination and Remuneration Committee	2/2
3. Mr. Aphichai Uemsathienporn	Nomination and Remuneration Committee	2/2
Mr. Kanich Punyashthiti	President of Nomination and Remuneration Committee	1/1

Performance of the Nomination and Remuneration Committee

- (1) Propose to the shareholders at the 2022 Annual General Meeting of Shareholders the nomination of 4 former directors who retired by rotation to return to the Company's director for another term because they have qualifications, experience and knowledge that are beneficial to the Company, as previously approved by the Board meeting.
- (2) Consider the criteria on consideration of remuneration and those of the Board of Directors and sub-committees in comparison with other companies in the same industry as to suit the duties and responsibilities of the directors and link to the Company's performance.

In summary, the Nomination and Remuneration Committee has performed the above duties according to their roles and responsibilities assigned by the Board of Directors, and is assured that for the year 2021, the Board of Directors and sub-committees has consisted of personnel who are knowledgeable and capable, and the remuneration and other benefits as shown in the annual report are also considered appropriate to the task and responsibility.

2) Executive Committee

As of December 31, 2021, the Board of Executive Directors consisted of 5 directors with Mr. Apichai Uamsathienporn as the Secretary of the Executive Committee.

Number of meetings and attendance of the Nomination and Remuneration Committee

Name	Position	Number of Meeting Attendance/Total
1. Ms. Prathama Phornprapha	President of the Executive Board	5/5
2. Mr. Prapol Phornprapha	Executive Director	5/5
3. Mr. Raksanit Phornprapha	Executive Director	5/5
4. Mr. Prasit Sainonsee	Executive Director	5/5
5. Mr. Aphichai Uemsathienporn	Executive Director	5/5

Performance of the Executive Committee

The Executive Committee acts in accordance with its powers, duties, and responsibilities to oversee the operations of the management in conformance to the policies, plans and business goals determined by the Board of Directors.

3) Risk Management Committee

As of December 31, 2021, Risk Management Committee consisted of 7 directors and executives with Mrs. Cholticha Yodsri as Secretary of the Risk Management Committee.

Number of meetings and attendance of the Nomination and Remuneration Committee

Name	Position	Number of Meeting Attendance/Total
1. Mr. Taweesak Charoensakyothin	President of the Risk Management Committee	3/3
2. Mr. Aphichai Uemsathienporn	Risk Management Committee	3/3
3. Mr. Prasit Sainonsee	Risk Management Committee	2/3
4. Ms. Siripen Neamcharoun	Risk Management Committee	3/3
5. Mr. Akom Pourbuntidgul	Risk Management Committee	2/3
6. Mr. Werachai Lertluckprecha	Risk Management Committee	3/3
7. Mrs. Cholticha Yodsri	Risk Management Committee	3/3

Performance of the Risk Management Committee

In 2021, the Risk Management Committee had several meetings to monitor the preparation of plans and the implementation of risk management plans from the risk management unit. The Risk Management Committee considered various important risk issues according to the risk management guidelines of the organization where mapping (the consistency of risk data) to various departments was performed, including supervised all agencies to comply with the requirements of the law, monitored the reports of various situations and problems occurred in the organization, which were major risks to the organization and assessed the impacts on the Company's business operations from changes occurred in the past quarter. Besides, there were processes of reviewing comprehensive risk identification, assessing risk severity, prioritizing risks as well as determining adequate and appropriate risk management methods in an effort to reduce the risk to an acceptable level of the organization.

The Risk Management Committee is assured that the Company has an adequate risk management policy.

9. INTERNAL CONTROL AND CONNECTED TRANSACTIONS

9.1 Internal Control

Report of the Audit Committee

Thitikorn Public Company Limited places importance on efficient internal control and internal audit systems. The Board of Directors has appointed the Audit Committee to assess the adequacy and appropriateness of the internal control system to ensure efficient and effective operations of the Company's business. This includes reliability of accounting system and financial reporting in order to safeguard the Company's assets, mitigate risks whether due to fraud or error, and comply with relevant laws and regulations.

At the Board of Directors' Meeting No. 4/2021 on November 9, 2021, whereas the Board of Directors including three Audit Committee members presented. The Committee using internal control assessment form and information gathering from executives to assess the Company's internal control system for the year 2020 covering 5 components, as follows.

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring Activities

The Committee viewed that the Company's internal control system is adequate and appropriate without material defect based on the current business operations and is efficiently conducted by sufficient resources. Furthermore, the internal control system is sufficient for monitoring the business operations of subsidiaries in order to protect the Company's and its subsidiaries' assets from improper transfer by unauthorized directors or executives, as well as connected transactions and conflict of interest transactions. For other aspects, the Committee is of the opinion that the Company's internal control system is appropriate.

The Independent Director and Audit Committee shared a same comment with the Board of Directors.

Five components of an internal control system are as follows:

1. Control Environment

The positive attitude toward internal control is established and maintained by the management and employees. Management has demonstrated a commitment to integrity and ethical values across the organization and consideration of each issue identified from the audit in a fair and transparent manner.

The Company's internal control system is adequate and appropriate for business undertakings, including;

- The Board of Directors oversees the business objectives to ensure that they are clearly defined and measurable to be a guidance for management and other employees.
- The Board of Directors oversees the line of roles and responsibilities of the board committees and management to be compliance with law and regulations.
- The director is competent and has expertise in business and the Board of Directors consists of sufficient number of independent directors who are knowledgeable and independent.
- Management establishes organization structure which support the effective and efficient business operations.
- Clear and appropriate authority delegation of authority among the Board of Directors, Management and staff is in place.
- Performance objectives and targets are reviewed regularly. The organization has processes of performance evaluation, incentive, reward for high performing employees and penalty for employee who engaged in misconduct. The processes are communicated to all levels of management and employees.
- The Company developed written code of conduct to provide guidelines on acceptable behaviors for the Management and employees.
- The Company has an internal control system and a process to monitor performance by each function. In addition, the Internal Audit function independently conduct audit process and prepare an internal audit plan in response to various business risk levels and directly report to the Audit Committee.

- The Company has launched the Anti-corruption policy and written guidelines which are regularly communicated to the Management and all staff for understanding and adherence.

The Audit Committee has regularly reviewed internal control system, approved annual audit plan and reviewed report on internal control matters, as well as made suggestions on improving effectiveness of internal control to prevent or mitigate any potential risks. The Committee concluded that in 2019, the Company's internal control system had no material defect.

2. Risk Assessment

The Company has placed emphasis on the risk management and appointed the Risk Management Committee to carry out the risk assessment of the business covering the whole organization as well as consistently evaluate and monitor risk assessment plans for various units in the Company. Communication system and risk management monitoring process are also established to ensure that the Management has evaluated the situations, the risk involved, along with its effect on corporate operations appropriately and in a timely manner. This also involves identifying ways to prevent, manage and trace for the root causes of risk and develop an action plan to mitigate risks. The result of such assessments needed to be submitted to the Board of Directors by the Risk Management Committee.

3. Control Activities

Control activities established by the Management are crucial to create confidence for the Company that employees at every level will use as guidelines and strictly follow.

- The Company has written policies which clearly indicate authority of the management in each level.
- The Company has established a security of the information technology system and set the permission level for users by allowing only related persons to acknowledge the information and use of software programs as necessary.
- For connected transaction, the Company has a policy indicated that transaction approval process has to be executed based on arm's length principle and most beneficial to the Company.

4. Information & Communication

The Company has encouraged a continuous development of the information technology system to serve business expansion and facilitate employees to perform their tasks; as a result, increase efficiency in the operation. For security of the information technology system, permission levels have been granted to restrict access to information in various units. Data backup has been performed annually at Sukhapiban 3 Data center.

5. Monitoring Activities

The Company has established monitoring and evaluation system to ensure that every unit possesses efficient and effective internal control system and carry out matters according to the established procedure at all times. The Management to report the facts and circumstances of significant fraudulent act, illegal acts and the other circumstance that impact over reputation and financial status of the Company to the Board of Directors together with proposed corrective action in a timely manner.

Chief of Internal Audit

At the Board of Directors' Meeting No. 4/2018 on November 12, 2018, the Company has appointed Mrs. Cholticha Yodsri as Secretary to the Audit Committee and acting as the Manager of Internal Audit Office. The committee has taken into consideration Mrs. Cholticha's experience in internal auditing within similar business and the Company for over 20 years, her knowledge of the Company's operations, therefore qualified for the position and has been proposed to the Board of Directors for approval.



The Manager of Internal Audit Office's qualifications are disclosed in Attachment 3 to the Annual Registration Statements (Form 56-1 One Report), and the Audit Committee is of the opinion that Mrs. Cholticha is appropriately qualified for the position of Internal Audit Manager with excellent performance.

In consideration of the appointment, evaluation, transfer and dismissal of Internal Audit Manager of the Company, the decision must be approved by the Audit Committee.

Internal Audit Manager of the Company has duties and responsibilities as follows:

1. Assess the adequacy and effectiveness of operational processes and information system, internal control and risk management under the missions and scope of audit work.
2. Report on key issues related to the control process in the Company's activities and guidelines for improving that process.
3. Provide suggestions to executives for achieving effective and efficient operation with good corporate governance.
4. Provide information about the progress and performance of the annual audit plan and the sufficiency of resources necessary to perform work.
5. Coordinate and supervise the monitoring and control of other matters such as Risk Management, Compliance, Safety, Code of Conduct and Audit.
6. Perform other tasks related to internal audit as assigned by the Audit Committee.

9.2 Connected Transactions

According to Thitikorn Plc. consolidated financial statements, there are connected transactions with related parties as follows:

Related Parties	Nature of Connection	Type of Transaction	Value			Necessity/Remark
			2021	2020	2019	
S.P. International Co., Ltd.	Share the same major shareholders and Board of Director members	Rental and service fees	13.11 Million Baht	13.45 Million Baht	33.35 Million Baht	Rental of office located in commercial area with all utilities, rental fee is lower than that of the fair market rate, which appraised by third party. Rental contracts are for 3 years period with expiry dates as follows: Contract 1-12 end December 31, 2022
		Interest expenses on financial lease liabilities	1.72 Million Baht	2.58 Million Baht		
		Depreciation on right of use assets	18.95 Million Baht	18.29 Million Baht		
		Utilities expenses	3.25 Million Baht	3.17 Million Baht	3.59 Million Baht	Electricity and telephone expense as cost price
		Service fee	7.91 Million Baht	8.1 Million Baht	10.2 Million Baht	Legal service fee regarding hire purchase contracts preparation and filling services and legal actions performing such as litigation and legal execution for non-performing contracts. Fee charged at agreed rate is lower than proposed rates by other service providers, which allow maximum benefit to the Company and has been approved by the Board of Directors. Service contract is one-year period ended December 31, 2022.
		Stationery and printing expenses	0.30 Million Baht	0.83 Million Baht	1.49 Million Baht	As cost price
		Vehicles for hire purchasing	60.63 Million Baht	59.32 Million Baht	108.11 Million Baht	At market price
		Commission on vehicles for hire purchasing	0.45 Million Baht	0.32 Million Baht	0.61 Million Baht	At market rates
		Other expenses	3.90 Million Baht	4.82 Million Baht	7.1 Million Baht	Mainly are vehicle maintenance fee and fuel at the agreed price
		Purchase of fixed asset	-	-	3.05 Million Baht	Vehicle for business operation and office fixtures
		Promotion expenses	-	0.12 Million Baht	0.34 Million Baht	At the agreed rates
		Sell of fixed asset	-	-	-	At market price
		Network system service fee	19.01 Million Baht	18.81 Million Baht	12.6 Million Baht	At the agreed rates
		Purchase of software	-	0.77 Million Baht	4.09 Million Baht	At the agreed price

Related Parties	Nature of Connection	Type of Transaction	Value			Necessity/Remark
			2021	2020	2019	
SPSU Plc.	Share the same major shareholders and Board of Director members	Rental expenses	-	-	0.03 Million Baht	Warehouse rental contracts; rental rates are lower than that of the market price appraised by third party. Rental period is 1-3 years with expiry date as follows: Contract 1 end July 31, 2023
		Interest expenses on financial lease liabilities	0.03 Million Baht	0.05 Million Baht	-	
		Depreciation on right of use assets	0.28 Million Baht	0.27 Million Baht		
		Other expenses	-	-	-	
Lexus Bangkok Co., Ltd.	Share the same major shareholders and Board of Director members	Other expenses	0.13 Million Baht	-	0.08 Million Baht	Purchase of office equipment
						Vehicle maintenance fee at the agreed price
Toyota Pathumthani Toyota's dealer Co., Ltd.	Share the same major shareholder and Board of Director members	Vehicles for hire purchasing	20.14 Million Baht	8.11 Million Baht	25.75 Million Baht	At market price
		Commission on vehicles for hire purchasing	0.16 Million Baht	0.05 Million Baht	0.15 Million Baht	At market rates
		Other expenses	0.40 Million Baht	0.32 Million Baht	0.27 Million Baht	Vehicle maintenance fee at the agreed price
		Promotion revenue	0.12 Million Baht	0.01 Million Baht	-	At the agreed price
Napas Co., Ltd.	Shareholding and share the same Board of Director members in subsidiaries	Sell of property foreclosed	-	0.47 Million Baht	0.58 Million Baht	At market price
		Other expenses	2.05 Million Baht	2.93 Million Baht	4.98 Million Baht	Transportation service fee at the agreed rates
Software Development Co., Ltd.	Share the same major shareholder	Network system service fee	6.98 Million Baht	6.99 Million Baht	14.11 Million Baht	At the agreed rates
		Stationery and printing expenses	1.87 Million Baht	5.18 Million Baht	8.27 Million Baht	As cost price
		Purchase of computer software	-	-	-	At the agreed price
		Purchase of computer hardware	0.43 Million Baht	0.82 Million Baht	3.1 Million Baht	At the agreed price
		Other expenses	0.27 Million Baht	0.3 Million Baht	0.96 Million Baht	At the agreed price

Related Parties	Nature of Connection	Type of Transaction	Value			Necessity/Remark
			2021	2020	2019	
Miss Prin Phornprapha	Board of Director members' relative	Rental expenses Interest expenses on financial lease liabilities Depreciation on right of use assets	- 0.09 Million Baht 1.73 Million Baht	- 0.18 Million Baht 1.68 Million Baht	0.09 Million Baht - -	Office rental contract for 3 years during 1 July 2019 - 30 June 2022 at lower rate than fair value.
Siam Brewery Co., Ltd.	Share the same major shareholder and Board of Director members	Car rental income Interest income on financial lease	0.43 Million Baht 0.11 Million Baht	0.43 Million Baht 0.97 Million Baht	0.07 Million Baht -	Car rental contract for 5 years at the agreed rate during 7 November 2019 - 7 November 2024 2 vehicles hire purchase contracts at market rates.

Measurement or procedure for approval of connected transaction

Connected transaction has to be presented to Audit Committee and/or Independent Director of the Company for consideration on such transaction in accordance to general business nature and maximizes benefit for the company.

Policy and trend for connected transaction

The Company group has a policy for future connected transaction by setting the conditions in accordance with general commercial terms based on common market price and conditions. With this regard, the Company authorizes Audit Committee and/or Independent Director to comment on price, remuneration, necessity and appropriateness of such transaction.

If there is a connected transaction within the group of companies that may result in potential conflicts of interest, the Company would follow act, notifications and/or regulations imposed by the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

In case that Audit Committee and/or Independent Director has no experiences or expertise on any connected transaction arises, the Company would seek independent counselor or authorized auditor to give the opinion for such transaction and propose to the Board of directors or Shareholders' meeting as deemed necessary. The company would disclose any connected transaction in the note to the audited financial statements.





Audit Committee's Comments on Connected Transactions

The Audit Committee has reviewed connected transactions based on the appropriateness of such transactions in accordance to general business nature and to maximize benefit of the Company as well as comparing with the fair value or market price. According to Audit Committee reviews, the comments are as follows:

- Transactions with S.P. International Co., Ltd. were a cost for office building rental contract which was lower than fair market rate; legal services fee which was lower than that offered by other service providers; program fee at agreed price; and cost of products for hire-purchasing at market price. Apart from the aforementioned included commission on vehicle sales, vehicle maintenance expenses, fuel expenses, utilities expenses, and stationery and printing expenses which were at cost prices.
- Transaction with SPSU Plc. represented office rental contract which rental fee was lower than fair market price.
- Transactions with Toyota Pathumthani Toyota's dealer Co., Ltd. consisted of purchase of vehicles for hire-purchasing, commission on vehicle sales and vehicle maintenance expenses were at market prices.
- Transaction with Lexus Bangkok Co., Ltd. was vehicle maintenance expenses at the agreed rate.
- Transaction with Napas Co., Ltd. was transportation service fee at the agreed rate.
- Transaction with Software Development Co., Ltd. consisted of network system service fee, stationery and printing expenses, purchase of computer software, purchase of computer hardware and other expenses at the agreed price.
- Transaction with Miss Prin Phomprapha represented 3 years branch's office rental contract at lower rental fee compared to fair market rates.
- Transaction with Siam Brewery Co., Ltd. represented 5 years car rental contract at the agreed rate and interest income on financial lease at market rates.

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORT

The Board of Directors is responsible for the preparation of the Company financial statement and its subsidiaries as well as to ensure that accounting data and information are accurate, complete and adequate. The Company financial statement have been prepared in accordance with the appropriate accounting policies and duly audited by a certified public accountant approved by the SEC with due prudence and discretion. Essential information was adequately disclosed in the notes to the financial statement and no information contradicted with essential data. The disclosures of information concerning the connected transactions or transactions that may cause conflict of interest were accurate and complete. The internal control system was appropriate.

The Board has assigned the Audit Committee to review the quality of financial reports, the internal control system, nomination and remuneration of auditor as well as recommendations by the Audit Committee had been regularly provided and reviewed by the board of Directors, for reasonable assurance that the preparation of the accounting information is correct.

The Board of Directors believes that the Company overall internal control system has functioned up to a satisfactory level and rendered credibility and reliability to Company financial statement and its Subsidiaries for the year ended 31 December 2021, that it has been prepared according to generally accepted accounting principles and related regulations.



Dr. Chumpol Phornprapha
Chairman



Ms. Prathama Phornprapha
Managing Director



REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of Thitikorn Public Company Limited

Opinion

I have audited the consolidated financial statements of Thitikorn Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders’ equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, I have also audited the separate financial statements of Thitikorn Public Company Limited, which comprise the separate statement of financial position as at December 31, 2021, and the separate statement of comprehensive income, the separate statement of changes in shareholders’ equity and the separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Thitikorn Public Company Limited and its subsidiaries as at December 31, 2021, and their consolidated financial performance and their consolidated cash flows for the year then ended, and the accompanying separate financial statements present fairly, in all material respects, the financial position of Thitikorn Public Company Limited as at December 31, 2021, and its financial performance and its 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 Consolidated Financial Statements and the Separate Financial Statements” section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions together with the ethical requirements that are relevant to my audit of the consolidated financial statements and the separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with such Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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



Accuracy and Completeness of Interest Income on Hire Purchase and Related Hire Purchase Receivables

Risk Description

The Company and its three subsidiaries operate in hire purchase of motorcycle and automobile as well as the related or similar lending (loan) activities and have large number of retail customers as hire purchase receivables. Income on hire purchase of the Company and its subsidiaries is interest on hire purchase whereby Thai Financial Reporting Standards specify that such interest shall be systematically recognized as income on an accrual basis throughout the contract term based on the effective interest rate method, which is complex and associated with the large number of transactions and accounting entries that initiate the significant risk in connection with accuracy and completeness of interest income on hire purchase and hire purchase receivables which are material items in the consolidated financial statements and the separate financial statements. Accordingly, the Group has applied the information systems which are specifically designed to serve the calculation and recognition of such income, together with the manual operating processes, in order to ensure the accuracy and completeness, in all material respects, of the related accounting entries. Significant accounting policies and other information relating to interest income on hire purchase and hire purchase receivables were disclosed in Notes 3, 6 and 26 to the financial statements.

Responses to the Risk

I have performed the following key audit procedures as responses to the identified and assessed significant risk in order that such risk shall be managed to appropriate and acceptable level and enable the consolidated financial statements and separate financial statements to be free from material misstatement:

- Gather understanding and assess the Group's internal control elements as well as accounting policies with respect of revenue cycle.
- Test and conclude about the design and operating effectiveness of internal controls with respect of revenue cycle.
- Test of general controls and application processing of the information technology and systems used by the Group on processing of the accounting entries with respect of revenue cycle.
- Perform the substantive audit procedures in the areas of interest income on hire purchase and the related hire purchase receivables in order to obtain the assurance on accuracy and completeness, in all material respects, of the related accounting entries as well as existence or occurrence, right and obligation, cutoff for proper accounting period, proper classification and fair presentation of entries in the consolidated financial statements and the separate financial statements.
- Perform the analytical review on information relating to changes in interest income on hire purchase and the related hire purchase receivables between periods, review of certain ratios and connectivity of information in the consolidated financial statements and the separate financial statements.



Adequacy and prudence of allowance for impairment of hire-purchase contract receivables

Risk description

The Thai Financial Reporting Standard no. 9, Financial Instruments, (“TFRS 9”) has become effective since 2020 which features change in significant principle for considering and estimating the allowance for impairment of financial assets whereby the most significant part in the Group’s financial statements is hire-purchase contract receivables. In consideration and estimate of impairment loss for the expected credit loss of hire-purchase contract receivables, the Group applies the principle pertaining to TFRS 9 which is complicate and required significant management’s judgement and also relates to use of voluminous past information and statistics of the Group together with management’s forward looking on significant relevant economic factors. Such entirely compiled information is used for processing and generating the expected credit loss model for hire-purchase contract receivables. Hence, the accounting estimate formed by such model may contain high level of uncertainty and is significant risk that directly affects adequacy and prudence of allowance for impairment of hire-purchase contract receivables in the financial statements.

Significant accounting policies and other information relating to allowance for impairment of hire-purchase contract receivables were disclosed in Notes 3 and 6 to the financial statements.

Responses to the risk

I have performed the following key audit procedures as responses to the identified and assessed significant risk in order that such risk shall be managed to the appropriate and acceptable level and enable the financial statements to be free from material misstatement:

- Read of documents and reports, inquiries and having the consultation meetings with relevant personnel in order to gather understanding in significant principles relating to TFRS 9 as well as the methods used by the Group in compilation of past information and statistics for processing and generating the model.
- Sampling for test of accuracy and completeness of the compiled past information and statistics, including information on defaults, bad debts, bad debt recovery, and classification for outstanding periods of hire-purchase contract receivable balances.
- Review and assessment of the reasonableness and acceptability on conclusion reached from information processing as well as significant assumptions and forecasts, determined by management and its advisory company, which are used for generating the model.
- Test computation of the figures attributable to the conclusion reached from information processing and information resulted in the model.
- Test computation of figures resulted from use of model as well as analysis for adequacy and prudence of allowance for impairment with hire-purchase contract receivable balances and in conjunction with other surrounding information on hands.

Other Matter

The comparative consolidated financial statements of Thitikorn Public Company Limited and its subsidiaries and the comparative separate financial statements of Thitikorn Public Company Limited for the year ended December 31, 2020 were audited by another auditor in my office, whose report dated February 23, 2021, expressed an unmodified opinion on those statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Registration Statement and the Annual Report, but does not include the consolidated financial statements and the separate financial statements as well as my auditor's report thereon. The aforesaid other information is expected to be made available to me after the date of this auditor's report.

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

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

When I read the aforesaid other information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order that they shall acknowledge and arrange the correction on such misstatement as appropriate.

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


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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements and separate financial statements.




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

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

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



(Mr. Methee Ratanasrimetha)
Certified Public Accountant
Registration No. 3425

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 22, 2022

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021 AND 2020

ASSETS

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2021	2020	2021	2020
CURRENT ASSETS					
Cash and cash equivalents	5, 31	681,650	1,813,140	524,253	1,531,513
Trade receivables					
- Current portion of hire-purchase contract receivables - net	4, 6, 27	1,920,106	2,645,325	1,221,525	1,813,616
- Current portion of loan receivables - net	6, 27	84,249	237,608	77,373	229,345
- Current portion of nano finance receivables - net	6, 27	31,593	15,295	-	-
- Microfinance receivables - net	6	522	1,122	-	-
- Other trade receivables	7	12,451	25,865	12,111	25,163
Receivables from and short-term loans to related parties	4	-	-	219,982	454,713
Current portion of loans to other parties	11, 27	58,781	-	58,781	-
Merchandises		1,606	5,108	1,606	4,941
Asset foreclosed - net	8	33,662	56,966	29,306	56,624
Other current financial asset - fixed deposits at banks	5, 31	1,900,000	400,000	1,900,000	400,000
Other current assets		14,942	8,797	13,461	7,580
Total Current Assets		4,739,562	5,209,226	4,058,398	4,523,495
NON-CURRENT ASSETS					
Restricted deposits at financial institutions	9	34,747	34,323	-	-
Hire-purchase contract receivables - net	4, 6, 27	1,892,258	1,623,263	1,254,144	1,128,175
Loan receivables - net	6, 27	15,387	60,106	5,736	48,899
Nano finance receivables - net	6, 27	5,266	8,564	-	-
Investments in subsidiaries accounted for using the cost method - net	1, 10	-	-	321,129	322,787
Loans to other parties - net	11, 27	1,415	25,752	1,415	25,752
Property for lease - net	15	17,304	17,708	-	-
Assets not used in operations	15	14,282	14,282	5,708	5,708
Property, plant and equipment - net	4, 12, 26	104,315	131,895	73,689	99,641
Right-of-use assets - net	4, 13	85,009	101,148	66,305	81,329
Intangible assets - net	4, 14, 26	3,605	5,886	2,647	4,354
Deferred tax assets - net	24	64,178	122,805	63,029	113,605
Other non-current assets		1,651	1,868	1,245	1,538
Total Non-Current Assets		2,239,417	2,147,600	1,795,047	1,831,788
TOTAL ASSETS		6,978,979	7,356,826	5,853,445	6,355,283

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

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021 AND 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND SHAREHOLDERS' EQUITY		In Thousand Baht			
		Consolidated		The Company Only	
		Note	2021	2020	2021
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings from financial institutions	16	88,454	154,846	1,688	233
Trade payables		41,854	36,728	37,750	22,677
Current portion of long-term loans	17	240,382	196,297	-	-
Current portion of lease liabilities	4, 18	43,162	37,724	36,949	32,303
Current portion of debentures	19, 27	400,000	670,000	400,000	670,000
Payables to and short-term loans from related parties	4	11,062	37,390	688,164	603,987
Income tax payable		45,968	36,241	11,218	1,009
Deposits and advances from customers		176,397	164,981	139,101	135,939
Accrued expenses and other current financial liabilities					
- Accrued sales promotions and rewards		34,505	41,404	30,309	34,758
- Others		47,736	93,764	20,469	43,827
Total Current Liabilities		1,129,520	1,469,375	1,365,648	1,544,733
NON-CURRENT LIABILITIES					
Long-term loans - net of current portion	17	151,156	53,772	-	-
Lease liabilities - net of current portion	4, 18	26,108	45,506	17,049	36,485
Debentures - net of current portion	19, 27	-	400,000	-	400,000
Liability for post-employment benefits	20	15,235	31,891	12,815	26,081
Total Non-Current Liabilities		192,499	531,169	29,864	462,566
Total Liabilities		1,322,019	2,000,544	1,395,512	2,007,299
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 1 par value					
Authorized share capital - 500,000,000 shares, Baht 1 par value		500,000	500,000	500,000	500,000
Issued and fully paid-up share capital - 500,000,000 shares, Baht 1 par value		500,000	500,000	500,000	500,000
Premium on shares	21	972,987	972,987	972,987	972,987
Retained earnings					
- Appropriated for legal reserve	21	50,000	50,000	50,000	50,000
- Unappropriated		4,152,674	3,890,913	2,934,946	2,824,997
Other component of equity					
- Difference on financial statement conversion of subsidiaries		(42,513)	(78,825)	-	-
- Gain on change in proportion of investment in subsidiary	10	6,352	6,352	-	-
Equity attributable to Owners of the Parent		5,639,500	5,341,427	4,457,933	4,347,984
Non-controlling interests	10	17,460	14,855	-	-
Total Shareholders' Equity		5,656,960	5,356,282	4,457,933	4,347,984
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,978,979	7,356,826	5,853,445	6,355,283

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

		In Thousand Baht			
		Consolidated		The Company Only	
Note		2021	2020	2021	2020
REVENUES					
Interest income on hire purchase	4	1,370,848	1,993,555	960,820	1,481,084
Interest income on loan		5,741	12,382	2,963	9,843
Interest income on nano finance		12,094	787	-	-
Interest income on microfinance		202	116	-	-
Sales of merchandises		34,584	191	34,584	191
Other income	4, 22	578,908	541,122	584,737	585,597
Total Revenues		2,002,377	2,548,153	1,583,104	2,076,715
EXPENSES					
Cost of sales		31,296	191	31,296	191
Distribution costs		919	-	919	-
Administrative expenses	4, 10, 18, 20, 30	1,059,745	1,361,147	974,169	1,198,174
Bad debt and loss on impairment of trade receivables	6	252,424	639,724	134,529	531,149
Total Expenses		1,344,384	2,001,062	1,140,913	1,729,514
Profit from Operating Activities		657,993	547,091	442,191	347,201
Finance Costs	4, 18	34,241	73,309	36,249	66,713
PROFIT BEFORE INCOME TAX EXPENSE		623,752	473,782	405,942	280,488
Income Tax Expense	24	149,391	103,793	85,998	53,056
PROFIT FOR THE YEAR		474,361	369,989	319,944	227,432
Other Comprehensive Income (Loss)					
<i>Item that will be subsequently reclassified to profit or loss</i>					
- Difference on financial statement conversion of subsidiaries		36,312	(35,076)	-	-
<i>Item that will not be reclassified subsequently to profit or loss</i>					
- Actuarial loss on re-measurement of liability for post-employment benefits - net of income tax effect by Baht 1,062 thousand for consolidated and Baht 913 thousand for the company only in 2020	20, 24	-	(4,250)	-	(3,653)
Other Comprehensive Income (Loss) for the Year		36,312	(39,326)	-	(3,653)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		510,673	330,663	319,944	223,779
Profit Attributable to:					
Owners of the parent		471,756	367,579	319,944	227,432
Non-controlling interests		2,605	2,410	-	-
Profit for the Year		474,361	369,989	319,944	227,432
Total Comprehensive Income Attributable to:					
Owners of the parent		508,068	328,253	319,944	223,779
Non-controlling interests		2,605	2,410	-	-
Total Comprehensive Income for the Year		510,673	330,663	319,944	223,779
Basic Earnings per Share (Baht)		0.944	0.735	0.640	0.455
Weighted average number of common shares		500,000,000	500,000,000	500,000,000	500,000,000

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Consolidated (In Thousand Baht)									
	Note	Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Other Components of Equity			
				Appropriated for Legal Reserve	Unappropriated	Difference on Conversion of Subsidiaries	Gain on Change in Proportion of Investment in Subsidiary	Equity Attributable to Owners of the Parent	Total Shareholders' Equity
Beginning Balance as at January 1, 2020		500,000	972,987	50,000	3,802,584	(43,749)	2,362	5,284,184	5,300,619
Change in proportion of investment in subsidiary	10	-	-	-	-	-	3,990	3,990	(3,990)
Payment of dividends	25	-	-	-	(275,000)	-	-	(275,000)	(275,000)
Profit for the year		-	-	-	367,579	-	-	367,579	369,989
Other comprehensive loss for the year		-	-	-	(4,250)	(35,076)	-	(39,326)	(39,326)
Ending Balance as at December 31, 2020		500,000	972,987	50,000	3,890,913	(78,825)	6,352	5,341,427	5,356,282
Payment of dividends	25	-	-	-	(209,995)	-	-	(209,995)	(209,995)
Profit for the year		-	-	-	471,756	-	-	471,756	474,361
Other comprehensive income for the year		-	-	-	-	36,312	-	36,312	36,312
Ending Balance as at December 31, 2021		500,000	972,987	50,000	4,152,674	(42,513)	6,352	5,639,500	5,656,960

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

THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

The Company Only (In Thousand Baht)

	Note	Issued and Fully Paid-up Share Capital	Premium on Shares	Retained Earnings		Total
				Appropriated for Legal Reserve	Unappropriated	
Beginning Balance as at January 1, 2020		500,000	972,987	50,000	2,876,218	4,399,205
Payment of dividends	25	-	-	-	(275,000)	(275,000)
Profit for the year		-	-	-	227,432	227,432
Other comprehensive loss for the year		-	-	-	(3,653)	(3,653)
Ending Balance as at December 31, 2020		500,000	972,987	50,000	2,824,997	4,347,984
Payment of dividends	25	-	-	-	(209,995)	(209,995)
Profit for the year		-	-	-	319,944	319,944
Ending Balance as at December 31, 2021		500,000	972,987	50,000	2,934,946	4,457,933

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the Year	474,361	369,989	319,944	227,432
Adjustments				
Income tax expense	149,391	103,793	85,998	53,056
Depreciation and amortization	85,390	92,286	70,166	82,394
Expenses for post-employment benefits	2,927	3,607	2,594	3,114
Loss on impairment of investment in subsidiary	-	-	4,658	-
Gain on re-measurement of lease liabilities	(1,976)	-	(2,087)	-
Loss on cancellation of lease agreements	295	-	256	-
Bad debt and loss on impairment of trade receivables	252,424	639,724	134,529	531,149
Decrease in allowance for diminution in value of asset foreclosed	(12,274)	(53,535)	(14,011)	(53,681)
Loss on write-off asset	20	924	-	-
Gain on sales of equipment	(4,665)	(547)	(4,308)	(443)
Interest income from trade receivables	(1,388,885)	(2,006,840)	(963,783)	(1,490,927)
Other interest income	(12,448)	(9,320)	(30,629)	(39,883)
Interest expense	34,241	73,309	36,249	66,713
Decrease (increase) in operating assets				
Trade receivables - hire-purchase contract receivables	154,676	2,275,687	281,913	2,061,519
Trade receivables - loan receivables	162,332	(102,561)	159,413	(100,432)
Trade receivables - nano finance receivables	(15,526)	(23,715)	-	-
Trade receivables - microfinance receivables	313	(721)	-	-
Trade receivables - other	13,414	29,603	13,052	29,395
Other receivables from related parties	-	-	1,508	361
Merchandises	3,502	(4,702)	3,335	(4,701)
Asset foreclosed	35,578	170,137	41,329	170,625
Other current assets	(4,204)	11,279	(3,940)	6,775
Other non-current assets	315	(100)	293	49
Increase (decrease) in operating liabilities				
Trade payables	5,126	15,283	15,073	8,782
Other payables to related parties	9,672	(978)	975	(1,948)
Deposits and advances from customers	11,416	3,337	3,162	14,304
Accrued expenses and other current financial liabilities	(46,747)	(27,657)	(21,847)	(25,480)
Liability for post-employment benefits	(19,583)	(13,653)	(15,860)	(12,518)
Net cash flows provided by (used in) operations	(110,915)	1,544,629	117,982	1,525,655
Interest received from trade receivables	1,476,568	2,081,495	1,049,185	1,572,311
Income tax paid	(81,135)	(116,851)	(25,213)	(51,419)
Net Cash Flows Provided by Operating Activities	1,284,518	3,509,273	1,141,954	3,046,547

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

CASH FLOWS FROM INVESTING ACTIVITIES

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Increase in other current financial asset - fixed deposits at banks	(1,500,000)	(400,000)	(1,500,000)	(400,000)
Increase in restricted deposits at financial institutions	(424)	(713)	-	-
Increase in short-term loans to related parties	-	-	(10,000)	(42,000)
Collections from short-term loans to related parties	-	-	243,000	204,529
Increase in investment in subsidiaries	-	-	(3,000)	(16,952)
Increase in loans to other parties	(40,000)	(1,415)	(40,000)	(1,415)
Collections from loans to other parties	5,556	23,013	5,556	23,013
Purchases of fixed assets	(10,394)	(20,352)	(5,119)	(22,114)
Additions to right-of-use assets	(805)	(1,200)	(77)	(1,200)
Purchases of intangible assets	(403)	(1,057)	-	-
Proceeds from sales of equipment	5,283	992	4,823	852
Proceeds from right-of-use assets	290	57	290	57
Other interest received	10,507	9,560	28,911	40,504
Net Cash Flows Used in Investing Activities	(1,530,390)	(391,115)	(1,275,616)	(214,726)

CASH FLOWS FROM FINANCING ACTIVITIES

Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	(66,392)	(8,342)	1,455	(20,598)
Increase in short-term loans from related party	-	-	142,000	140,000
Repayments of short-term loans from related party	(36,000)	-	(59,000)	(69,000)
Increase in long-term loans	375,890	261,050	-	-
Repayments of long-term loans	(234,421)	(325,291)	-	-
Payments of lease liabilities	(41,278)	(42,478)	(37,089)	(37,393)
Redemption of debentures	(670,000)	(1,800,000)	(670,000)	(1,800,000)
Interest paid	(39,383)	(91,133)	(40,969)	(84,228)
Dividends paid	(209,995)	(275,000)	(209,995)	(275,000)
Net Cash Flows Used in by Financing Activities	(921,579)	(2,281,194)	(873,598)	(2,146,219)

DIFFERENCE ON FINANCIAL STATEMENT CONVERSION OF SUBSIDIARIES**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS****Cash and Cash Equivalents at Beginning of Year****CASH AND CASH EQUIVALENTS AT END OF YEAR****Supplemental disclosures of cash flow information****a. Cash and cash equivalents at end of year**

Cash in hand	17,490	15,893	12,863	12,202
Current accounts at banks	141,254	262,301	19,859	39,488
Savings deposits at banks	522,906	1,434,946	491,531	1,379,823
Short-term fixed deposit at bank	-	100,000	-	100,000
Total	681,650	1,813,140	524,253	1,531,513

b. Non-cash transactions

Increase in payables on purchase of fixed assets	1,038	1,096	1,038	1,096
Initial recognition of right-of-use assets and lease liabilities	-	125,708	-	106,181
Right-of-use assets transferred from other current assets	-	8,069	-	4,638
Right-of-use assets transferred from other non-current assets	-	12,136	-	8,603
Increase in right-of-use assets from new lease liabilities	1,348	-	854	-
Increase in right-of-use assets and lease liabilities from re-measurement of lease liabilities	26,913	-	21,882	-

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

1. GENERAL INFORMATION

Thitikorn Public Company Limited (“the Company”) was incorporated in Thailand on August 4, 1972 and has its registered office at 69 Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240, Thailand. The Company has been listed on the Stock Exchange of Thailand since 2003.

The major shareholder is Sinthonglor Company Limited (incorporated in Thailand which holds 42.36% of the Company’s shares).

The Company and its subsidiaries principally engage in vehicle hire-purchase business and related other services. Details of the Company’s subsidiaries are as follows:

Name of Companies	Type of Business	Paid-up Share Capital (In Thousand Baht)		Percentage of Direct and Indirect Holdings (%)	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
C. V. A. Co., Ltd.	Hire-purchase motorcycle business and related services including vehicle modification services	50,000	50,000	99.99	99.99
Chayapak Co., Ltd.	Hire-purchase automobile and motorcycle business	40,000	40,000	99.99	99.99
TK Ngern Tan Jai Co., Ltd.	Nano finance and personal loan businesses (personal loan license approved on January 10, 2022)	50,000	50,000	99.99	99.99
TK Broker Co., Ltd.	Non-life insurance broker business	3,000	-	99.99	-
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	58,013*	58,013*	86.89	86.89
Suosdey Finance PLC. (Cambodia)	Hire-purchase motorcycle business	132,209**	132,209**	99.95	99.95
Mingalaba Thitikorn Microfinance Co., Ltd. (Myanmar)	Microfinance business	4,705***	4,705***	99.00	99.00

*KIP 15,250 million ** USD 4 million *** Kyat 200 million

Significant intercompany transactions between the Company and its subsidiaries were eliminated in the preparation of the consolidated financial statements.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht, which are the currency used in the operations of the Group, and in the Thai language in accordance with the financial reporting standards in Thailand including interpretations and guidelines promulgated by the Federation of Accounting Professions (“TFAC”), applicable rules and regulations of the Securities and Exchange Commission. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance, and cash flows in accordance with the financial reporting standards in Thailand.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

Except as disclosed in the significant accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

Starting from January 1, 2021, the Group has adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC), newly revised by TFAC, which became effective from the accounting period starting on or after January 1, 2021. The aforesaid adoption of newly revised TAS / TFRS / TSIC / TFRIC did not have any material effect to the financial statements of the Group.

In addition, TFAC revised and issued TAS / TFRS / TSIC / TFRIC as well as accounting guidance with effective from the accounting period starting on or after January 1, 2022 which the important part for the year 2022 related to (1) the practical expedient relating to COVID-19-related rent concessions for lessee in respect of TFRS 16 and (2) the Interest Rate Benchmark (IBOR) Reform-Phase 2 which relates to certain significant TFRSs e.g. TFRS 4, TFRS 7, TFRS 9 and TFRS 16 whereby the Group had not yet adopted in the preparation of the accompanying financial statements and has no policy to early adopt before effective period. Management of the Group has preliminarily assessed and believed that there will be no material effect to the financial statements of the Group upon adoption of the aforesaid TAS / TFRS / TSIC / TFRIC as well as accounting guidance.

The Group disclosed information for the year ended December 31, 2020 for being the comparative information in the financial statements for the year ended December 31, 2021 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as “the Group”).

Significant intercompany transactions between the Company and its subsidiaries included in the consolidated financial statements have been eliminated.

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company as well as the variable returns from a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of the subsidiaries were necessarily transformed for uniformity with the Company’s policies.

Accounting for acquisitions of non-controlling interests

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of a subsidiary, investment retained in the former subsidiary is measured at its fair value while any gain or loss is recognized in the statement of comprehensive income.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

Goodwill

The excess of business combination cost over the fair values of assets and liabilities of the acquired subsidiary is accounted for as goodwill from business combination in the consolidated financial statements (if any). Goodwill is presented as non-current asset in the consolidated statement of financial position at cost net of allowance for impairment (if any).

Foreign Currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies which are carried under historical cost convention are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Foreign entity

Assets and liabilities of foreign entity are translated to Thai Baht at the exchange rates ruling at the end of reporting period.

Revenues and expenses of foreign entity are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Differences arising on foreign currency translation or conversion are recognized as other comprehensive income or loss and separately presented as other component of equity until the investment is disposed.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost include cash on hand and cash at financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction of use or being collateral and that are subject to a low or an insignificant risk of change in value.

Restricted or collateralized deposits at banks were presented as a separate item under non-current assets in the statements of financial position.

Hire-purchase Receivables, Loan Receivables, Nano Finance Receivables and Microfinance Receivables and Allowance for Impairment for Expected Credit Loss

Hire-purchase receivables, loan receivables, nano finance receivables and microfinance receivables are stated at net realizable value which resulted from carrying book value less unearned interest income and allowance for impairment for expected credit loss. The Group provides allowance for impairment for expected credit loss in accordance with the policies discussed in the section of financial instruments. Bad debts are written off when incurred.

Other Trade Receivables and Allowance for Impairment for Expected Credit Loss

Other trade receivables are stated at their invoice values less expected credit loss (if any)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

The Group provides allowance for impairment for expected credit loss in accordance with the policies discussed in the section of financial instruments.

Merchandises

Merchandises, featuring motorcycles, are stated at the lower of cost (specific method) net of allowance for diminution in value (if any) and net realizable value. Net realized value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Allowance for diminution in value is estimated based on physical conditions of the deteriorated, damaged, obsolete, and slow-moving merchandises (if any).

Asset Foreclosed

Asset foreclosed is stated at the receivable balance net of allowance for diminution in value.

The Group estimate allowance for diminution in value of asset foreclosed as follows:

- Outstanding less than one year 30%
- Outstanding longer than one year 100%

Investments in Subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method and are stated at cost less allowance for impairment.

Property, Plant and Equipment, Property for Lease, and Depreciation

Owned assets

Land is stated at cost less allowance for impairment (if any). Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying values are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration (if any) are included as part of asset cost and subject to depreciation.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line method over the useful lives of each part of an item separately for each significant part of plant and equipment. The useful lives of the assets are as follows:

Buildings and building improvements (for use and lease)	20 years
Buildings and building improvements on rented land	10 years, 20 years, and over the lease terms
Furniture, fixtures and office equipment	5 years and 10 years
Vehicles for use and for lease	5 years

No depreciation has been charged for land and construction in progress.

Depreciation methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate. In determining the depreciable amount, residual value of particular asset is measured at amount estimated receivable currently for the asset if the asset is already of the age and in the condition expected at the end of its useful life.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

Right-of-use Asset

The Group measures right-of-use asset at cost less accumulated depreciation and allowance for impairment (if any) with adjustment pertaining to re-measurement of lease liabilities (if any).

At the commencement date, cost of the right-of-use asset comprised (1) the amount of initial measurement of lease liability, (2) lease payments made at or before the commencement date, less any lease incentives received, (3) initial direct costs incurred by the lessee (if any) and (4) an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (if any and being material).

Depreciation is charged as expense in profit or loss and calculated by the straight-line method attributable to the related lease terms which are the leases of building space the terms are between 1 years 2 months and 9 years 4 months.

Intangible Assets

Leasehold rights

Leasehold rights (balances as at the end of 2021 and 2020 were insignificant) are stated at cost less accumulated amortization and allowance for impairment (if any), which are amortized on a straight-line method over the useful lives which are the lease terms.

Software licenses

Software licenses are stated at cost less accumulated amortization and allowance for impairment (if any), which are amortized on a straight-line method over the useful lives of 5 years.

Amortization

Amortization is charged as part of administrative expenses in the statement of comprehensive income on a straight-line method over the useful lives of particular intangible assets. Intangible assets with an indefinite useful life (if any) are not amortized but are tested for indication of impairment at each reporting date. Amortization methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Impairment of Non-Financial Assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of asset's fair value less costs to sell or value in use) shall be estimated and reviewed. The review is made for individual assets or for the cash-generating unit.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

In case that the carrying amount of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying amount of the asset to its recoverable amount and by recording the devaluation in the statement of comprehensive income. The reversal of impairment losses recognized in prior years is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. The reversal of the impairment losses shall not exceed the carrying amount of the asset, net of depreciation or amortization, that would have been determined had no impairment losses been recognized for the asset in prior years.

Trade and Other Payables

Trade and other payables are stated at cost.

Lease Liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group's incremental borrowing rates (average interest rates on borrowings with similar term and characteristics to the underlying asset) shall be used. The lease payments that are not paid comprised (1) fixed payments (less any lease incentives receivable), (2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (if any), (3) amounts expected to be payable under residual value guarantees (if any), (4) exercise price of a purchase option if it is reasonably certain to exercise that option (if any) and (5) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease (if any).

After the commencement date, the Group measures the lease liability by (1) increasing the carrying amount to reflect interest on the lease liability (if any), (2) reducing the carrying amount to reflect the lease payments made (if any) and (3) re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments (if any). Interest on lease liability and variable lease payments not included in the measurement of the lease liability is charged as expense in profit or loss.

Lease fees attributable to short-term lease (not exceeding 12 months from commencement date) and lease of low-value asset are charged as expense in profit or loss on the straight-line method over the related lease terms.

Deferred interest, presented as deduction to lease liability, is amortized as finance cost over the lease term by the effective interest rate method. Each installment payment under the lease liability shall be separated into parts of principal and interest.

Employee Benefits

Short-term benefits

Salaries, wages, bonuses and contributions to social security fund are recognized as an expense upon their occurrences and on an accrual basis.

Post-employment benefits

Obligations on defined contribution plan which is the provident fund are recognized as an expense in the statement of comprehensive income when contribution to the fund on an accrual basis.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

Obligations on post-employment benefits which are defined benefit plan that will be settled to the employees upon retirement or termination are calculated by estimating the amount of future benefits that employees have earned in return for their service in the prior and current periods. The benefits are discounted using the project unit credit method to determine present value of obligations. The calculation is annually performed, or at least every three years, by the qualified actuary. Expenses from the estimated liability for post-employment benefits comprise current service cost, past service cost and interest cost, which are recognized as profit or loss whereas actuarial gain/loss on measurement is recognized as other comprehensive income or loss in the statement of comprehensive income.

Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1 inputs"), secondary priority to other observable inputs ("Level 2 inputs"), and the lowest priority to unobservable inputs ("Level 3 inputs").

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Financial Instruments

Recognition and measurement

The Group initially measures financial assets at fair value, plus transaction costs in case of financial assets that are not measured at fair value through profit or loss. Financial assets shall be classified and measured with respect to the business model on asset management and characteristics of the asset's contractual cash flows which is divided into three categories i.e. amortized cost, fair value through other comprehensive income, and fair value through profit or loss. Upon changes in business model on financial asset management are known, the affected financial assets shall be considered for proper reclassification.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

The Group initially measures financial liabilities at fair value net of transaction costs. Financial liabilities shall be classified and measured at amortized cost except for financial liabilities measured at fair value through profit or loss (such liabilities include derivative liabilities). Reclassification of financial liabilities is prohibited.

Classification and measurement

Assets classified and measured at amortized cost

- Cash and cash equivalents and fixed deposits at banks
- Restricted deposits at financial institutions
- Trade and other receivables
- Loans
- Advances and deposits or guarantees that are refundable

Assets classified and measured at fair value through other comprehensive income - none

Assets classified and measured at fair value through profit or loss - none

Liabilities classified and measured at amortized cost

- Bank overdrafts and short-term borrowings from financial institutions
- Lease liabilities, other borrowings and debentures
- Trade and other payables
- Advances received and deposits or guarantees received with payment obligation

Liabilities classified and measured at fair value through profit or loss - none

Impairment

Impairment loss from the expected credit loss of financial assets shall be recognized under General approach in the following stages:

- Stage 1 (performing): the 12-month expected credit loss shall be recognized in profit or loss. Interest income (if any) shall be calculated base on gross carrying amount without netting the allowance for expected credit loss.
- Stage 2 (under-performing): upon significant rise in credit risk and not being at low level, the Group shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated based on the same principle to Stage 1.
- Stage 3 (credit-impaired): upon significant rise in credit risk of financial asset that is considered as credit impaired, The Group shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated base on gross carrying amount net of the allowance for impairment.

For trade receivables, contract assets and lease or other similar receivables, The Group is able to adopt Simplified approach by recognizing the full lifetime expected credit loss for financial assets considered as aforesaid. In consideration and measurement of expected credit loss for both General approach and Simplified approach, the historical credit loss shall be combined with the forward looking information pertaining to the assets and significant factors relating to economic environment. The Group has used General approach for such group of assets.

For receivables and loans, the Group categorizes the population by focusing on aging balance information whereby the past records were captured for historical credit loss each of aging balance for a period of approximately 4-5 years to create the business model and determine various variables that are fit to the Group which was conducted in coordination with the contracted independent external advisory company.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

Hedge accounting

Hedge accounting is aimed for reflecting the impacts in the financial statements that are caused in risk management activities using the financial instruments on management of exposures to the risks and such risks shall affect profit or loss and/or other comprehensive income. Relationships and related accounting treatment of hedge accounting are divided into three categories i.e. fair value hedge, cash flows hedge, and hedge of net investment in foreign entity.

Derivative financial instruments are used to manage fair value risk exposed by change in foreign exchange rates arising from operating activities. Derivatives are not intended to use for trading purpose. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are recognized initially at fair value and then are re-measured at fair value. Gain or loss on re-measurement to fair value is recognized as profit or loss. The Group did not use derivatives in 2021 and 2020.

The fair value of derivatives is the quoted market price at the statement of financial position date, which is the Level 2 inputs of the fair value hierarchy whereby such price is the present value of the quoted derivative price where market approach was used as valuation technique and core information used in evaluation was the adjusted exchange rates in market to fit for the issued instrument which was computed by bank who was the counterparty.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue as well as related cost can be measured reliably whereby there is consideration about characteristics, amount, timing as well as uncertainty of revenue and contractual cash flows from contract with customer.

Interest income from hire-purchase receivable is the unearned interest income and is systematically recognized over time as revenue in each installment period based on the effective interest rate method. Income from each installment is recognized on an accrual basis (based on the due date of the installment irrespective of actual collection).

Interest income from loan receivables, nano finance receivables and microfinance receivables is the unearned interest income and is recognized over time as revenue under the time proportion based on the effective interest rate method.

Sales are recognized at a point in time as revenue when the significant risks and rewards of ownership as well as control in goods have been transferred to buyer. No revenue is recognized if there is continuing control or management involvement with the goods or there are significant uncertainties in economic benefits from sales or amount of revenue and associated costs cannot reasonably measured or the probable return of goods.

Rental income on operating lease is recognized over time on a straight-line basis over the lease term.

Dividend income is recognized at a point in time on the date the Group's right to receive payments is established which in the case of investment in quoted securities is usually the ex-dividend date.

Other interest income is recognized over time on a time proportion basis that reflects effective yield on the asset, if significant.

The following revenues are considered about risk and high uncertainty and, therefore, are recognized upon cash collection i.e. bad debt recovery in cash, collection fee income, delay payment fee income.

Other income is recognized on an accrual basis.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

Expense Recognition

Other expenses are recognized on an accrual basis.

Income Tax

Income tax on the profit or loss for the year, which is recognized in the statement of comprehensive income, is current tax and deferred tax.

Current tax

Current tax is the amount of tax payable or recoverable which is calculated from taxable profit or loss for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for the initial recognition of assets and liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply to the period when the deferred tax asset is realized or the tax liability is settled based on tax rates that have been enacted as at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Use of Estimates

In order to prepare financial statements in conformity with the accounting standard and the financial reporting standards in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period and in the period of the revision and future periods if the revision affects both current and future periods.

The significant estimates and underlying assumptions used in preparation of these financial statements which may be affected by significant uncertainty are as follows:

- Allowance for impairment of trade and other receivables
- Allowance for losses on diminution in value of merchandises and asset foreclosed
- Allowance for impairment of investment in subsidiary
- Useful lives and residual values of building and equipment, right-of-use assets, property for lease and intangible assets
- Consideration on renewal option of lease agreements and discount rates of lease liabilities
- Assumptions used in calculation and estimate of liability for post-employment benefits
- Expected amount and periods that deferred tax assets will be realized and the amount of benefits to be derived from accumulated tax losses
- Fair values and fair value measurements of financial assets, financial liabilities and other financial instruments.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

About the pandemic of Coronavirus Disease 2019 (COVID-19), the Group's management has still after the situation and continuously assessed the impacts from such matter. However, the COVID-19 situation has been highly uncertain and may affect, whether directly or indirectly, to the environment of business operations of the Group as well as estimates and judgements used for assessing values of assets, liabilities or provisions and contingent liabilities in the financial statements that are changeable depending on the assessment of COVID-19 situation in each period done by the Group's management.

Basic Earnings per Share

Basic earnings per share is calculated by dividing profit attributable to owners of the parent by the weighted average number of common shares outstanding during the year.

4. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly or significant influence, to govern the financial and operating policies of a company.

Types of relationship of related parties are as follows:

Company / Person Name	Type of Business	Type of Relationship
<u>Related companies</u>		
Sinthonglor Co., Ltd.	Holding company	Major shareholder and Co-directors & Co-shareholders
C. V. A. Co., Ltd.	Hire-purchase motorcycle business and related services including vehicle modification services	Subsidiary
Chayapak Co., Ltd.	Hire-purchase automobile and motorcycle business	Subsidiary
TK Ngern Tan Jai Co., Ltd.	Nano finance and personal loan businesses	Subsidiary
TK Broker Co., Ltd.	Non-life insurance broker business	Subsidiary
Sabaidee Leasing Co., Ltd. (Lao PDR)	Hire-purchase motorcycle business	Subsidiary through direct and indirect shareholding
Suosdey Finance PLC. (Cambodia)	Hire-purchase motorcycle business	Subsidiary
Mingalaba Thitikorn Microfinance Co., Ltd. (Myanmar)	Microfinance business	Subsidiary
S. P. International Co., Ltd.	Sale of automobile and related services	Co-directors & Co-shareholders
SPSU Public Co., Ltd.	Holding company	Co-directors & Co-shareholders
Lexus Bangkok Co., Ltd.	Sale of automobile	Co-directors & Co-shareholders
Toyota Pathumthani Toyota's Dealer Co., Ltd.	Sale of automobile and related services	Co-directors & Co-shareholders
Napas Co., Ltd.	Transportation service for motorcycle	Co-shareholders
Thitiphol Co., Ltd.	Sale of spare parts of motorcycle	Co-shareholders
Software Development Co., Ltd.	Sales of computer and services relating to computer programs	Co-shareholders
Siam Brewery Co., Ltd.	Production of beer for domestic sales	Co-directors & Co-shareholders
<u>Related persons</u>		
Prin Phonprapha	-	Relative of the Company's directors
Key management	-	Key management are persons having authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly, including the Company's director (whether as executive or otherwise)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

Pricing policies for each transaction with related parties are as follows:

Type of Transaction	Pricing Policies
Interest income on hire purchase	Market price
Management fee income	Mutually agreed prices
Sales promotion income	Mutually agreed prices
Rental income	Contract price
Interest income	MOR - 3% for domestic, 6% and 9% per annum in abroad
Other income	Cost
Rental (short-term contract) and services	Contract price
Management fee	Contract price
Utility expenses	Cost
Stationery expense	Cost
Other expenses	Mutually agreed prices
Service expenses	Mutually agreed prices
Interest expense	MOR - 3% for domestic and 6% per annum in abroad
Key management's remunerations	Mutually agreed prices
Purchase of vehicles for hire-purchases	Market price
Purchase of office equipment	Mutually agreed prices
Purchase of computer program	Mutually agreed prices
Sales of office equipment	Mutually agreed prices
Sales of asset foreclosed (forfeited vehicles)	Mutually agreed prices

Transactions with related parties for the years ended December 31, 2021 and 2020 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Interest income on hire purchase				
Related company	106	97	-	-
Management fee income				
Subsidiary	-	-	33,002	31,878
Sales promotion income				
Related companies	-	126	-	-
Rental income				
Related company	432	432	-	-
Interest income				
Subsidiaries	-	-	18,254	30,773
Other income				
Subsidiary	-	-	42	19
Rental (short-term contract) and services				
Subsidiary	-	-	864	864
Related company	13,108	13,447	13,108	13,447
Total	13,108	13,447	13,972	14,311
Gross amount (lease fee) paid for lease liabilities				
Related companies	20,094	20,177	20,094	20,177
Related person	1,800	1,800	1,800	1,800
Total	21,894	21,977	21,894	21,977
Management fee				
Related companies	7,912	8,100	6,348	6,660

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Utility expenses				
Related company	3,250	3,170	3,250	3,170
Stationery expense				
Related companies	2,168	6,005	2,154	5,943
Other expenses				
Related companies	7,474	8,744	5,443	7,055
Service expenses				
Subsidiary	-	-	135,112	128,808
Related companies	25,989	25,801	24,805	24,556
Total	25,989	25,801	159,917	153,364
Interest expense				
Subsidiary	-	-	18,089	17,405
Directors	380	2,569	-	-
Related companies	1,745	2,626	1,745	2,626
Related person	96	182	96	182
Total	2,221	5,377	19,930	20,213
Key management's remunerations				
Short-term benefits	32,292	33,157	32,292	33,157
Post-employment benefits	582	986	582	986
Total	32,874	34,143	32,874	34,143
Purchase of vehicles for hire-purchases				
Related companies	80,866	67,433	-	-
Purchase of office equipment				
Related companies	442	819	442	819
Purchase of computer program				
Related companies	-	770	-	-
Sales of office equipment				
Subsidiary	-	-	83	385
Sales of asset foreclosed (forfeited vehicles)				
Related company	-	467	-	-

Outstanding balances with related parties as at December 31, 2021 and 2020 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Hire-purchase contract receivable - net				
Related company	1,737	1,481	-	-
Receivables and short-term loans				
Accrued interest income				
Subsidiary	-	-	82	305
Advances				
Subsidiaries	-	-	3,480	4,988

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Short-term loans				
Subsidiaries (interest rate at 2.875%, 6% and 9% p.a. in 2021 and 2.875% - 3.875%, 6% and 9% p.a. in 2020)	-	-	216,420	449,420
Total	-	-	219,982	454,713
Payables and short-term loans				
Accrued interest expense				
Subsidiary	-	-	1,630	1,428
Accrued expenses				
Subsidiary	-	-	12,514	11,261
Related companies	11,057	1,117	825	835
Total	11,057	1,117	13,339	12,096
Payables on purchase of fixed assets				
Related company	5	273	5	273
Short-term loans				
Subsidiary (interest rate at 2.875% p.a. in 2021 and 2.875% - 3.875% p.a. in 2020)	-	-	673,190	590,190
Directors (interest rate at 6% p.a.)	-	36,000	-	-
Total	-	36,000	673,190	590,190
Total	11,062	37,390	688,164	603,987
Lease liabilities - net				
Related companies	21,163	41,401	21,163	41,401
Related person	900	2,700	900	2,700
Total	22,063	44,101	22,063	44,101

Movements of loans from and loans to related parties during the year are as follows:

	Consolidated (In Thousand Baht)			
	December 31, 2020	Increase	Decrease	December 31, 2021
Short-term loans from related persons				
Directors	36,000	-	36,000	-
	The Company Only (In Thousand Baht)			
	December 31, 2020	Increase	Decrease	December 31, 2021
Short-term loans to subsidiaries				
Suosdey Finance PLC.	157,181	-	-	157,181
Sabaidee Leasing Co., Ltd.	144,000	-	144,000	-
Chayapak Co., Ltd.	121,000	10,000	99,000	32,000
Mingalaba Thitikorn Microfinance Co., Ltd.	27,239	-	-	27,239
Total	449,420	10,000	243,000	216,420
Short-term loans from subsidiary				
C.V.A. Co., Ltd.	590,190	142,000	59,000	673,190

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

The Company has been guarantor for (1) short-term loan credit facilities granted by two commercial banks of Suosdey Finance PLC. amounting to USD 8.1 million (which had not yet been drawdown as at December 31, 2021) and long-term loan credit facilities granted by three commercial banks of such subsidiary totalling USD 31.3 million (drawdown of approximately USD 22.9 million as at December 31, 2021) and (2) short-term loan credit facility granted by a local bank of Sabaidee Leasing Co., Ltd., amounting to Kip 17,000 million (pertaining to percentage of shareholding) (which had not yet been drawdown as at December 31, 2021) and long-term loan credit facilities granted by a commercial bank of such subsidiary totalling Kip 8,000 million (drawdown of approximately Kip 5,600 million as at December 31, 2021). There has been no intercompany charge on these guarantees.

In addition, (1) at the Management Board's meeting on March 9, 2021, the Management Board passed the resolution to approve the Company being guarantor for loan credit facilities, granted by other commercial bank, of Suosdey Finance PLC., amounting to USD 10 million (drawdown of approximately USD 1.7 million as at December 31, 2021) and no intercompany charge on this guarantee and (2) at the Management Board's meeting on May 25, 2021, the Management Board passed the resolution to approve the Company being guarantor for loan credit facilities, granted by a commercial bank, of Sabaidee Leasing Co., Ltd., amounting to KIP 46,300 million (pertaining to percentage of shareholding), which had drawdown of approximately KIP 29,038 million as at December 31, 2021 and no intercompany charge on this guarantee.

5. CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSET - FIXED DEPOSITS AT BANKS

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Cash	17,490	15,893	12,863	12,202
Current accounts (no interest)	141,254	262,301	19,859	39,488
Savings deposits at banks (interest at 0.125% - 1.125% p.a. in 2021 and 0.05% - 0.625% p.a. in 2020)	522,906	1,434,946	491,531	1,379,823
Fixed deposits at banks (bear interest at 0.5% p.a. in 2020)	-	100,000	-	100,000
Total	681,650	1,813,140	524,253	1,531,513
6-month fixed deposits at banks (interest at 0.55% - 0.7% p.a. in 2021 and 0.55% p.a. in 2020)	1,900,000	400,000	1,900,000	400,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

6. HIRE-PURCHASE CONTRACT, LOAN, NANO FINANCE, AND MICROFINANCE RECEIVABLES - NET

Hire-Purchase Contract Receivables

	Consolidated (In Thousand Baht)					
	2021			2020		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	5,758,653	3,190,135	2,568,518	6,294,782	4,077,800	2,216,982
Accrued interest	60,119	60,119	-	68,363	68,363	-
Less Unearned income	(1,653,079)	(1,078,598)	(574,481)	(1,575,736)	(1,135,299)	(440,437)
Net	4,165,693	2,171,656	1,994,037	4,787,409	3,010,864	1,776,545
Less Allowance for impairment for expected credit loss	(353,329)	(251,550)	(101,779)	(518,821)	(365,539)	(153,282)
Net	3,812,364	1,920,106	1,892,258	4,268,588	2,645,325	1,623,263

	The Company Only (In Thousand Baht)					
	2021			2020		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	3,878,988	2,106,704	1,772,284	4,543,392	2,923,163	1,620,229
Accrued interest	38,010	38,010	-	48,792	48,792	-
Less Unearned income	(1,161,131)	(732,906)	(428,225)	(1,191,670)	(837,735)	(353,935)
Net	2,755,867	1,411,808	1,344,059	3,400,514	2,134,220	1,266,294
Less Allowance for impairment for expected credit loss	(280,198)	(190,283)	(89,915)	(458,723)	(320,604)	(138,119)
Net	2,475,669	1,221,525	1,254,144	2,941,791	1,813,616	1,128,175

Hire-purchase contract receivables as at December 31, 2021 and 2020 were classified by staging as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Performing receivables	3,447,244	3,592,232	2,198,163	2,351,934
Under-performing receivables	430,116	758,239	357,616	694,741
Credit-impaired receivables	288,333	436,938	200,088	353,839
Total	4,165,693	4,787,409	2,755,867	3,400,514
Less Allowance for impairment for expected credit loss	(353,329)	(518,821)	(280,198)	(458,723)
Net	3,812,364	4,268,588	2,475,669	2,941,791

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

The Group determines allowance for impairment for expected credit loss of hire-purchase contract receivables and loan receivables as at December 31, 2021, in accordance with the principle of TFRS 9 “Financial Instruments”. Such principle is not compliance with the accounting guidance for determination of allowance of doubtful accounts for consumer finance business, which was mutually defined by the Securities and Exchange Commission (SEC) and the Institute of Certified Accountants and Auditors of Thailand (“ICAAT”) in 2004, because the Group is able to forfeit or repossess a portion of collaterals, which are motorcycles and automobiles, from debtors. As at December 31, 2021, the Group had allowance for impairment for expected credit loss at 8.48% (10.17 % for the Company only) of total hire-purchase contract receivables before deducting allowance for impairment for expected credit loss and 13.19% (15.32% for the Company only) of total loan receivables before deducting allowance for impairment for expected credit loss.

Loan Receivables

	Consolidated (In Thousand Baht)					
	2021			2020		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	117,948	100,678	17,270	347,098	281,313	65,785
Less Unearned income	(3,173)	(1,774)	(1,399)	(6,823)	(5,036)	(1,787)
Net	114,775	98,904	15,871	340,275	276,277	63,998
Less Allowance for impairment for expected credit loss	(15,139)	(14,655)	(484)	(42,561)	(38,669)	(3,892)
Net	99,636	84,249	15,387	297,714	237,608	60,106

	The Company Only (In Thousand Baht)					
	2021			2020		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	98,211	92,021	6,190	323,672	270,820	52,852
Less Unearned income	(67)	(67)	-	(3,169)	(3,074)	(95)
Net	98,144	91,954	6,190	320,503	267,746	52,757
Less Allowance for impairment for expected credit loss	(15,035)	(14,581)	(454)	(42,259)	(38,401)	(3,858)
Net	83,109	77,373	5,736	278,244	229,345	48,899

Loan receivables as at December 31, 2021 and 2020 were classified by staging as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Performing receivables	68,375	251,130	54,831	233,330
Under-performing receivables	29,905	51,303	27,671	50,213
Credit-impaired receivables	16,495	37,842	15,642	36,960
Total	114,775	340,275	98,144	320,503
Less Allowance for impairment for expected credit loss	(15,139)	(42,561)	(15,035)	(42,259)
Net	99,636	297,714	83,109	278,244

The abovementioned loan receivables are repayable monthly at the fixed equally amount per month. The characteristics of agreements or contracts of such receivables are relevant to and continuant with the hire-purchase contract receivables.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

Nano Finance Receivables

	Consolidated (In Thousand Baht)					
	2021			2020		
	Total	Current	Long-term	Total	Current	Long-term
Nano finance receivables	47,229	41,210	6,019	30,983	21,058	9,925
Less Unearned income	(7,531)	(6,957)	(574)	(6,854)	(5,580)	(1,274)
Net	39,698	34,253	5,445	24,129	15,478	8,651
Less Allowance for impairment for expected credit loss	(2,839)	(2,660)	(179)	(270)	(183)	(87)
Net	36,859	31,593	5,266	23,859	15,295	8,564

Nano finance receivables as at December 31, 2021 and 2020 were classified by staging as follows:

	Consolidated (In Thousand Baht)	
	2021	2020
Performing receivables	34,038	24,076
Under-performing receivables	2,749	15
Credit-impaired receivables	2,911	38
Total	39,698	24,129
Less Allowance for impairment for expected credit loss	(2,839)	(270)
Net	36,859	23,859

Microfinance Receivables

	Consolidated (In Thousand Baht)					
	2021			2020		
	Total	Current	Long-term	Total	Current	Long-term
Microfinance receivables	869	869	-	1,319	1,319	-
Less Unearned income	(11)	(11)	-	(149)	(149)	-
Net	858	858	-	1,170	1,170	-
Less Allowance for impairment for expected credit loss	(336)	(336)	-	(48)	(48)	-
Net	522	522	-	1,122	1,122	-

Microfinance receivables as at December 31, 2021 and 2020 were classified by staging as follows:

	Consolidated (In Thousand Baht)	
	2021	2020
Performing receivables	-	974
Under-performing receivables	-	196
Credit-impaired receivables	858	-
Total	858	1,170
Less Allowance for impairment for expected credit loss	(336)	(48)
Net	522	1,122

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

During 2020, the Company and its subsidiaries in Thailand, Lao PDR and Cambodia, whose business are engaged in providing credit to retail customers, launched and applied several measures with respect to the governmental aim of each country in order to relief the impacts on receivables from pandemic situation of the COVID-19 by rendering assistance and compromising on payments of principal and interest to certain hire-purchase contract receivables, loan receivables and nano finance receivables, whose status of balance is in line with frame of the policy specified by the Company and its subsidiaries. The aforesaid measures are deferral of installment payment (principal and interest) for three months, reduction in installment payment to the specified minimum amounts and giving special discount in addition to normal rate for customers who prefer to early settle the account balance.

7. OTHER TRADE RECEIVABLE

Other trade receivables aged by outstanding balances as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Current	12,451	25,865	12,111	25,163

8. ASSET FORECLOSED - NET

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Balance not exceeding one year	48,105	81,379	41,866	80,891
Balance exceeding one year	2,175	4,479	2,175	4,479
Total	50,280	85,858	44,041	85,370
Less Allowance for diminution in value	(16,618)	(28,892)	(14,735)	(28,746)
Net	33,662	56,966	29,306	56,624

9. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2021 and 2020, two local subsidiaries have collateralized their fixed deposits totalling Baht 25 million with a local bank as guarantees for their overdraft lines with such bank. Such deposits bear interest between 0.25% - 1.00% p.a.

As at December 31, 2021 and 2020, two foreign subsidiaries have collateralized their deposits totalling approximately Baht 9.7 million and Baht 9.3 million, respectively, with the National Bank of each country as guarantees for establishment and doing business in each country. Such deposits bear interest between 0.25% - 1.00% p.a.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

10. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD - NET

	The Company Only					
	Paid-up Share Capital (In Thousand Baht)		Percentage of Direct Shareholding		Cost of Investments (In Thousand Baht)	
	2021	2020	2021	2020	2021	2020
C.V.A. Co., Ltd.	50,000	50,000	99.99	99.99	49,993	49,993
Chayapak Co., Ltd.	40,000	40,000	99.99	99.99	43,993	43,993
TK Ngern Tan Jai Co., Ltd.	50,000	50,000	99.99	99.99	49,997	49,997
TK Broker Co., Ltd.	3,000	-	99.99	-	3,000	-
Sabaidee Leasing Co., Ltd. (Lao PDR)	58,013	58,013	73.77*	73.77*	42,001	42,001
Suosdey Finance PLC. (Cambodia)	132,209	132,209	99.95	99.95	132,145	132,145
Mingalaba Thitikorn Microfinance Co., Ltd. (Myanmar)	4,705	4,705	99.00	99.00	4,658	4,658
Total					325,787	322,787
Less Allowance for impairment					(4,658)	-
Net					321,129	322,787

* Total percentage of direct and indirect shareholding through its two wholly-owned (99.99%) subsidiaries is 86.89%.

At the Board of Directors' meeting on November 12, 2018, the Board of Directors passed the resolution to approve the budget for the increase in the authorized share capital of Sabaidee Leasing Co., Ltd. for an additional amount of Kip 5,000 million whereby such subsidiary increased its share capital and registered the increase in share capital on October 27, 2020. As a result from this increase in share capital that was entirely invested by the Company, the percentage of shareholding of the Company in such subsidiary increased from 80.50% to 86.89%.

At the general shareholders' meeting on April 23, 2020, the shareholders passed the resolution approving the acquisition of a private company, whose business is engaged in microfinance in Myanmar, whereby the Company's management has been during the process to consider for the appropriate value for the acquisition. Subsequently, at the general shareholders' meeting on April 26, 2021, the shareholders passed the resolution approving the change in certain conditions relating to the investment proportion on plan for acquisition of such company, as the other subsidiary.

At the Board of Directors' meeting on May 11, 2021, the Board of Director passed the resolution approving the establishment of the other subsidiary, i.e. TK Broker Co., Ltd., in order to undertake non-life insurance broker business. Subsequently, on August 13, 2021, such subsidiary has been established and registered under the laws of Thailand with the authorized share capital of Baht 3 million (divided into 30,000 common shares at Baht 100 par value) of which 99.99% of shareholding is attributable to the Company while the rest is attributable to directors and management of the Company, totalling 3 persons.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

At the Board of Directors' meeting on November 9, 2021, the Board of Director passed the resolution approving the cancellation of the resolution to increase the authorized share capital of Mingalaba Thitikorn Microfinance Co., Ltd., amounting to Kyat 1,320 million (approximately Baht 33 million), to support the business expansion that was previously approved in the Board of Directors' meeting on November 9, 2017. In 2021, the management has assessed the situation and provided allowance for impairment of investment in Mingalaba Thitikorn Microfinance Co., Ltd. in full amount (approximately Baht 4.66 million, which was presented as part of administrative expenses for the year 2021) in respect of capital deficiency whereby the management considered the projected proceeds on cash flows projection from such subsidiary.

11. LONG-TERM LOANS TO OTHER PARTIES - NET

	Consolidated and The Company Only (In Thousand Baht)	
	2021	2020
Long-term loans to other parties	60,196	25,752
Less Current portion	(58,781)	-
Net	<u>1,415</u>	<u>25,752</u>

This account comprised (1) the unsecured loans to 21 agents in 2021 and 28 agents in 2020. These loans bear interest rate at 9% p.a. in 2021 and 2020 and mature during the years 2022 to 2023 and (2) the secured loan amounted to Baht 40 million to a local non-related company whose business is engaged in rendering the equipped with a baggage conveyor system and connected to an explosives detection system in the airport, which bear interest at 8% per annum and mature in November 2022. This loan was approved in the meetings of the Company's Board of Directors' meeting on November 9, 2021.

Consolidated (In Thousand Baht)

128 One Report 2021 | Thitikorn Public Company Limited

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

The Company Only (In Thousand Baht)

	Land	Buildings and building improvements	Buildings and building improvements on rented land	Furniture, fixtures and office equipment	Vehicles for use	Construction in progress	Total
Cost							
Balance as at December 31, 2019	7,802	15,291	328,018	141,042	97,069	4,929	594,151
Acquisitions	-	-	1,799	8,338	-	10,881	21,018
Disposals	-	-	(40)	(3,760)	(1,464)	-	(5,264)
Transfers in (out)	-	-	15,795	15	-	(15,810)	-
Balance as at December 31, 2020	7,802	15,291	345,572	145,635	95,605	-	609,905
Acquisitions	-	-	107	3,974	-	-	4,081
Disposals	-	-	(565)	(1,152)	(11,619)	-	(13,336)
Balance as at December 31, 2021	7,802	15,291	345,114	148,457	83,986	-	600,650
Accumulated depreciation							
Balance as at December 31, 2019	-	15,291	267,380	113,805	78,212	-	474,688
Depreciation for the year	-	-	22,803	10,547	7,081	-	40,431
Accumulated depreciation for assets disposed	-	-	(39)	(3,351)	(1,465)	-	(4,855)
Balance as at December 31, 2020	-	15,291	290,144	121,001	83,828	-	510,264
Depreciation for the year	-	-	15,669	8,966	4,883	-	29,518
Accumulated depreciation for assets disposed	-	-	(559)	(643)	(11,619)	-	(12,821)
Balance as at December 31, 2021	-	15,291	305,254	129,324	77,092	-	526,961
Net book value							
December 31, 2020	7,802	-	55,428	24,634	11,777	-	99,641
December 31, 2021	7,802	-	39,860	19,133	6,894	-	73,689

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

As at December 31, 2021 and 2020, cost of building and equipment of the Group that has been fully depreciated but still in use amounting to approximately Baht 454.5 million and Baht 443.4 million, respectively (Baht 422.5 million and Baht 411.3 million, respectively, for the Company only).

13. RIGHT-OF-USE ASSETS - NET

	Leased Building Space (In Thousand Baht)	
	Consolidated	The Company Only
Cost		
Balance as at December 31, 2019	-	-
Additions	147,113	120,622
Deductions	(390)	(390)
Balance as at December 31, 2020	146,723	120,232
Additions	31,042	24,900
Deductions	(2,529)	(2,102)
Balance as at December 31, 2021	175,236	143,030
Accumulated depreciation		
Balance as at December 31, 2019	-	-
Depreciation for the year	45,908	39,236
Accumulated depreciation for assets deducted	(333)	(333)
Balance as at December 31, 2020	45,575	38,903
Depreciation for the year	46,049	38,941
Accumulated depreciation for assets deducted	(1,397)	(1,119)
Balance as at December 31, 2021	90,227	76,725
Net book value		
December 31, 2020	101,148	81,329
December 31, 2021	85,009	66,305

14. INTANGIBLE ASSETS - NET

	Consolidated (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
Balance as at December 31, 2019	9,815	68,133	77,948
Acquisitions	-	1,057	1,057
Balance as at December 31, 2020	9,815	69,190	79,005
Acquisitions	-	403	403
Balance as at December 31, 2021	9,815	69,593	79,408
Accumulated amortization			
Balance as at December 31, 2019	9,456	59,265	68,721
Amortization for the year	200	4,198	4,398
Balance as at December 31, 2020	9,656	63,463	73,119
Amortization for the year	74	2,610	2,684
Balance as at December 31, 2021	9,730	66,073	75,803
Net book value			
December 31, 2020	159	5,727	5,886
December 31, 2021	85	3,520	3,605

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

	The Company Only (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
Cost			
Balance as at December 31, 2019	7,794	65,052	72,846
Acquisitions	-	-	-
Balance as at December 31, 2020	7,794	65,052	72,846
Acquisitions	-	-	-
Balance as at December 31, 2021	7,794	65,052	72,846
Accumulated amortization			
Balance as at December 31, 2019	7,434	58,331	65,765
Amortization for the year	200	2,527	2,727
Balance as at December 31, 2020	7,634	60,858	68,492
Amortization for the year	74	1,633	1,707
Balance as at December 31, 2021	7,708	62,491	70,199
Net book value			
December 31, 2020	160	4,194	4,354
December 31, 2021	86	2,561	2,647

As at December 31, 2021 and 2020, cost of intangible assets of the Group that has been fully amortized but still in use amounting to approximately Baht 68.2 million and Baht 62.4 million, respectively (Baht 65.6 million and Baht 62.2 million, respectively, for the Company only).

15. PROPERTY FOR LEASE AND ASSETS NOT USED IN OPERATIONS

A local subsidiary has property for lease, comprising land and buildings, which were transferred from assets not used in operations in March 2013 at the carrying amount. The details of such assets are as follows:

	Consolidated (In Thousand Baht)				
	Balance as at December 31, 2020	Movements during the Year			Balance as at December 31, 2021
		Addition	Deduction	Transfer	
Cost					
Land	12,800	-	-	-	12,800
Buildings and building improvements	8,075	-	-	-	8,075
Total cost	20,875	-	-	-	20,875
Accumulated depreciation					
Buildings and building improvements	3,167	404	-	-	3,571
Net	17,708				17,304

Depreciation for each of the years ended December 31, 2021 and 2020 amounted to approximately Baht 0.4 million.

The latest appraisal value of property for lease, appraised by The Valuation & Consultants Company Limited using comparative market price method (Market Approach) as per their reports in December 2020, amounted to approximately Baht 39.4 million.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

Assets not used in operations consists of land and commercial buildings of the Company and the aforesaid local subsidiary which have been temporarily not used in operations as at December 31, 2021 and 2020, totalling approximately Baht 14.3 million (Baht 5.7 million for the Company only). The latest appraisal value of such assets, appraised by The Valuation & Consultants Company Limited using comparative market price method (Market Approach) as per their reports in February 2019, amounted to totalling approximately Baht 85.6 million (Baht 39.9 million for the Company only).

16. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Bank overdrafts	1,688	233	1,688	233
Short-term loans from banks	86,766	154,613	-	-
Total	88,454	154,846	1,688	233

As at December 31, 2021 and 2020, the Group had credit facilities with several financial institutions as follows:

	2021	2020
Bank overdrafts (million Baht)	188.0	188.0
Short-term loans (million Baht)	2,145.0	2,145.0
Short-term loans (million USD)	8.5	8.1
Short-term loans (million KIP)	63,300.0	17,000.0

Such loans bear interest rates ranging between 2.94% - 5.75% p.a. in 2021 and 3.05% - 5.95% p.a. in 2020. In addition, the Company has to comply with the specified conditions of the loan facilities which include maintaining Debt-to-Equity ratio at the rate not exceeding 7:1 for the annual separate financial statements.

A portion of overdraft lines discussed above is secured by certain directors of the Group.

Overdraft lines of two local subsidiaries are secured by the fixed deposits as discussed in Note 9.

17. LONG-TERM LOANS - NET

	Consolidated (In Thousand Baht)	
	2021	2020
Long-term loans of a foreign subsidiary	391,538	250,069
Less Current portion	(240,382)	(196,297)
Net	151,156	53,772

As at December 31, 2021 and 2020, (1) the subsidiary in Cambodia had the balance of long-term loans with four and three foreign banks amounting to U.S. Dollar 11.2 million and U.S. Dollar 8.3 million, respectively (total credit facilities amount of U.S. Dollar 43.9 million as at the end of 2021), which is guaranteed in full amount by the Company. These loans bear interest at LIBOR plus 2.5%, 2.75% and 3.75% p.a. and interest is payable quarterly whereas loan principals are repayable during 2022 to 2024 and (2) the subsidiary in Lao PDR had the balance of long-term loan with a foreign bank amounting to KIP 5,600 million and KIP 200 million, respectively, under credit facilities amounting to KIP 8,000 million, which is guaranteed pertaining to percentage of shareholding by the Company. This loan bears interest at LIBOR plus 4% p.a. and interest is payable quarterly whereas loan principals are repayable in 2023.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

18. LEASE LIABILITIES

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Lease liabilities				
- Due for payments within one year	45,575	41,224	38,729	35,176
- Due for payments within 2 - 5 years	27,398	47,967	17,859	38,387
Total	72,973	89,191	56,588	73,563
Less deferred interest	(3,703)	(5,961)	(2,590)	(4,775)
Lease liabilities - net of deferred interest	69,270	83,230	53,998	68,788
Less current portion	(43,162)	(37,724)	(36,949)	(32,303)
Net	26,108	45,506	17,049	36,485

During 2021 and 2020, the Group cash outflow from leases (gross amount of lease fees) in the consolidated financial statements amounting to approximately Baht 48.0 million and Baht 46.7 million, respectively, and in the separate financial statements amounting to approximately Baht 41.1 million and Baht 40.8 million, respectively.

The Group had lease fees attributable to short-term leases for the year 2021 and 2020 which were presented as part of administrative expenses in the consolidated financial statements amounted to approximately Baht 1.7 million and Baht 4.0 million, respectively, and in the separate financial statements amounted to approximately Baht 0.9 million.

Amortized interest for the years 2021 and 2020, which was presented as part of finance costs in the consolidated statements of comprehensive income, amounted to approximately Baht 4.9 million and Baht 5.8 million, respectively (for the Company only amounted to approximately Baht 4.0 million and Baht 4.9 million, respectively).

19. DEBENTURES

Date of Issuance / Year of Redemption	Interest Payment	Interest Rate Per Annum (%)	Number of Unit (Baht 1,000 Each)	Consolidated and The Company Only	
				In Thousand Baht	
				2021	2020
February 23, 2018 / 2021	Semi-annually	2.27	600,000	-	600,000
September 5, 2018 / 2021	Quarterly	2.64	70,000	-	70,000
July 19, 2019 / 2022	Semi-annually	2.70	400,000	400,000	400,000
Total				400,000	1,070,000
Less Current portion				(400,000)	(670,000)
Net				-	400,000

As at December 31, 2021 and 2020, the total amount for issuance and offering of the Company's debentures was Baht 7,450 million, which was approved by the shareholders' meetings in September 2017, April 2018 and April 2019.

Under the conditions of the issuances of debentures, the Company has to comply with the specified conditions which include maintaining Debt-to-Equity ratio at the rate not exceeding 7:1 for the annual separate financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

20. LIABILITY FOR POST-EMPLOYMENT BENEFITS

The Group has obligations on post-employment benefits which were reassessed and recomputed by the qualified actuary during 2020. Movements of liability for post-employment benefits for the years ended December 31, 2021 and 2020 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Liability for post-employment benefits as at January 1	31,891	36,625	26,081	30,919
Current service cost	2,339	2,933	2,074	2,543
Interest cost	588	674	520	571
Actuarial loss on measurement	-	5,312	-	4,566
Expense recognized in statement of comprehensive income	2,927	8,919	2,594	7,680
Employee benefits paid during the year	(19,583)	(13,653)	(15,860)	(12,518)
Liability for post-employment benefits as at December 31	15,235	31,891	12,815	26,081

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

- Discount rate 1.50% (in Thailand) and 2.10% p.a. (in abroad)
- Salary escalation rate 5.90% (in Thailand) and 6.74% p.a. (in abroad)
- Employee turnover rate 0% - 67% (in Thailand) and 0% - 22% p.a. (in abroad)

The abovementioned actuarial loss on measurement in the 2020 consolidated financial statements comprised of (1) loss from changes in financial assumptions amounting to approximately Baht 3,707 thousand, (2) loss from experience adjustment amounting to approximately Baht 2,589 thousand, and (3) gain from changes in demographic assumptions amounting to approximately Baht 984 thousand.

The abovementioned actuarial loss on measurement in the 2020 separate financial statements comprised of (1) loss from changes in financial assumptions amounting to approximately Baht 3,307 thousand, (2) loss from experience adjustment amounting to approximately Baht 2,159 thousand, and (3) gain from changes in demographic assumptions amounting to approximately Baht 900 thousand.

The abovementioned changes in significant assumptions may affect the sensitivity of the balance of provision or liability for post-employment benefits in respect of the information as per the calculation report of the qualified actuary as follows:

Significant Assumptions	Liability May Increase (Decrease) from Changes in Significant Assumptions (In Thousand Baht)			
	If Assumption Increased		If Assumption Decreased	
	Consolidated	The Company Only	Consolidated	The Company Only
Discount rate (increase/decrease by 0.5%)	(1,146)	(1,027)	1,218	1,091
Salary escalation rate (increase/decrease by 0.5%)	1,447	1,294	(1,372)	(1,228)
Employee turnover rate (increase/decrease by 1%)	(3,387)	(3,039)	3,808	3,457

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

21. PREMIUM ON SHARES AND LEGAL RESERVE

Premium on shares

Section 51 of the Public Companies Act B.E. 2535 requires the public company to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“premium on shares”). Premium on shares is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires the public company to appropriate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

22. OTHER INCOME

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Bad debt recovery	277,598	240,576	266,897	237,861
Service income	86,158	87,132	84,733	84,749
Collection fee income	77,686	96,989	76,188	95,691
Delay payment fee income	34,013	39,660	17,919	32,780
Engagement fee income	24,020	12,809	13,189	12,767
Service charge income	16,321	25,455	16,071	25,118
Reversal of accrued employee bonus	15,492	-	14,825	-
Interest income	12,448	9,320	30,629	39,883
Management fee income	-	-	33,002	31,878
Others	35,172	29,181	31,284	24,870
Total	578,908	541,122	584,737	585,597

23. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Employee expenses	501,030	613,972	415,026	512,540
Bad debt and loss on impairment of trade receivables	252,424	639,724	134,529	531,149
Sales promotion	144,353	139,110	132,016	124,423
Vehicle modification and loss on sales of repossessed vehicle	103,717	238,401	97,384	240,395
Depreciation and amortization	85,390	92,286	70,166	82,394
Finance costs	34,241	73,309	36,249	66,713
Cost of goods sold	31,296	191	31,296	191
Connected system service fees	28,553	28,163	25,736	25,494
Debt collection fees	-	-	122,984	108,664
Decrease in allowance for diminution in value of asset foreclosed	(12,274)	(53,535)	(14,011)	(53,681)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

24. INCOME TAX

Corporate income tax rate announced in Thailand and Cambodia is the same rate, i.e. 20%, whereas Lao PDR is 24% and Myanmar is 25%.

Corporate income tax recorded as expense (income) for the years ended December 31, 2021 and 2020 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Income tax computed from accounting profit	124,672	94,679	81,188	56,097
Effects from non-deductible expenses	26,947	32,593	10,265	10,127
Effects from benefit of tax loss carryforward	(2,562)	(3,682)	-	-
Effects from additional deductible expenses	(58,293)	(51,796)	(56,031)	(51,528)
Current tax on taxable profit	90,764	71,794	35,422	14,696
Income tax from other comprehensive loss	-	1,062	-	913
Decrease in deferred tax assets - net	58,627	30,937	50,576	37,447
Income tax presented in statement of comprehensive income	149,391	103,793	85,998	53,056

In 2021, a local subsidiary first-ever recognized deferred tax asset on tax loss carryforward for amounting to approximately Baht 2.2 million in the consolidated financial statements.

Deferred tax assets and liability presented in statements of financial positions as at December 31, 2021 and 2020 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2021	2020	2021	2020
<i>Deferred tax assets (liability)</i>				
Effects from non-deductible items (non-taxable revenue)				
- Allowance for impairment for expected credit loss	56,190	108,234	59,048	100,199
- Allowance for diminution in value of asset foreclosed	2,960	5,779	2,563	5,749
- Liability for post-employment benefits	3,011	6,351	2,947	5,216
- Tax loss carryforward	2,239	-	-	-
- Allowance for impairment for investment in subsidiary	-	-	932	-
- Lease liabilities (assets) - net	(222)	2,441	(2,461)	2,441
Total	64,178	122,805	63,029	113,605

25. PAYMENTS OF DIVIDENDS

At the general shareholders' meeting on April 26, 2021, the shareholders unanimously approved the Company to pay dividends for the 2020 operations at Baht 0.42 per share, totalling Baht 210 million. The Company paid such dividends to the shareholders on May 13, 2021.

At the general shareholders' meeting on April 23, 2020, the shareholders unanimously approved the Company to pay dividends for the 2019 operations at Baht 0.55 per share, totalling Baht 275 million. The Company paid such dividends to the shareholders on May 12, 2020.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

26. SIGNIFICANT FINANCIAL INFORMATION CLASSIFIED BY OPERATING SEGMENT

Statement of financial position and statement of income are significant financial and core information of the Group that are provided regularly to the highest authority in decision-making operation and also used in evaluation of financial performances of the segments. However, the Group has a single core operating segment (being internal reporting segment) by product which is hire-purchase on automobile and motorcycle for general retail customers whereby the business activities with respect of loans and nano finance / microfinance to the general retail customers are insignificant portion as compared to the entire volumes and business activities. Non-life insurance broker business has not yet been started. Accordingly, the accompanying financial statements do not include the operating segment information on products and key customers.

Information on Geographic Operating Segment

	Consolidated (In Thousand Baht)					
	2021			2020		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Interest income on hire purchase	981,885	388,963	1,370,848	1,519,311	474,244	1,993,555
Other income	599,477	32,052	631,529	547,202	7,396	554,598
Total revenues	1,581,362	421,015	2,002,377	2,066,513	481,640	2,548,153
Total expenses	(1,191,640)	(336,376)	(1,528,016)	(1,817,050)	(361,114)	(2,178,164)
Profit for the year	389,722	84,639	474,361	249,463	120,526	369,989

	Consolidated (In Thousand Baht)					
	2021			2020		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Total assets by segment	5,665,555	1,313,424	6,978,979	5,986,519	1,370,307	7,356,826
Total liabilities by segment	739,927	582,092	1,322,019	1,435,517	565,027	2,000,544

Interest income on hire purchase - abroad

	Consolidated (In Thousand Baht)	
	2021	2020
Cambodia	316,870	383,633
Lao PDR	72,093	90,611
Total	388,963	474,244

The Company and its subsidiaries incorporated in Thailand have no any non-current asset located in the countries other than Thailand. However, as at December 31, 2021, the subsidiaries incorporated in Cambodia, Lao PDR and Myanmar had fixed assets and intangible assets of which the carrying amounts totalling approximately Baht 22.8 million, Baht 1.8 million and Baht 0.1 million, respectively, were presented in the consolidated statement of financial position as at December 31, 2021 (as at December 31, 2020 : Baht 23.9 million, Baht 2.1 million and Baht 0.2 million, respectively).

Other income, classified by geographic segment (almost all incurred in domestic only), included revenues from contracts with customers which are not attributable to core business activities. Such revenues had timing of recognition as follows:

	Consolidated (In Thousand Baht)	
	2021	2020
At a point in time	238,199	262,026
Over time	-	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

Other income between segments, classified by geographic segment (charged from domestic segment to abroad segment), before elimination in the preparation of the consolidated financial statements is as follows:

	In Thousand Baht	
	2021	2020
Management fee income	33,002	31,878
Interest income	16,389	24,144
Total	49,391	56,022

27. FINANCIAL INSTRUMENTS

The Group is exposed to the normal business risks relating to credit risk, interest rate risk, and foreign currency exchange rate risk. The Group does not use derivative financial instruments for hedging or trading purposes and there was no significant change in risk management policy relating to financial instruments during 2021 and 2020.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group. To control the risk, the Group has a prudent credit control policy, constant follow up of receivables, various numbers of customer base, as well as deposits, advances, and hire-purchased vehicles as collateral (loan receivables). Therefore, the management of the Group does not anticipate realization losses for bank deposits and debt collections from receivables in excess of the carrying amounts shown in the accompanying financial statements.

Interest rate risk

Interest rate risk arises from the potential change in interest rates. However, the Group expects that the interest rate risk is not significant since a portion of deposits at banks are current accounts while saving deposits and fixed deposits as well as loans receivables / payables, lease liabilities and debentures bear interest at fixed rates which approximate or referenced to market interest rates. Significant information regarding interest rates and due dates were disclosed in the related areas in the accompanying financial statements.

Foreign currency exchange rate risk

The Group has certain foreign currency transactions, which mainly is investment in subsidiaries, whose businesses are operated in abroad, that give rise to exposure to risk from fluctuations in foreign exchange rates. However, the management of the Group believes that the foreign exchange rate risk is not significant because of small volumes of foreign currency transactions of the Group as compared to the entire business transactions. Hence, no derivative financial instrument was used to mitigate this risk.

Fair value measurements

As at December 31, 2021 and 2020, the Group had no any financial assets and financial liabilities that is measured and presented at fair value (both on recurring or non-recurring basis) in the statements of financial position, accordingly, there was no disclosure relating to the valuation techniques and inputs used to develop measurements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

However, significant financial assets and liabilities that are not measured and presented at fair value in the statements of financial position as at December 31, 2021 and 2020 had their fair values as follows:

Item in the Financial Statements	Fair Value - Consolidated (In Million Baht)		Fair Value Hierarchy
	2021	2020	
Hire-purchase contract receivables	4,518.8	4,655.0	Level 3 inputs (discounted cash flows using market interest rates for the similar credits)
Loan receivables	87.2	242.2	
Nano finance receivables	31.5	21.1	
Loans to other parties	61.3	26.9	
Item in the Financial Statements	Fair Value - The Company Only (In Million Baht)		Fair Value Hierarchy
	2021	2020	
Hire-purchase contract receivables	2,968.2	3,265.3	Level 3 inputs (discounted cash flows using market interest rates for the similar credits)
Loan receivables	69.7	225.2	
Loans to other parties	61.3	26.9	
Item in the Financial Statements	Fair Value - Consolidated and the Company Only (In Million Baht)		Fair Value Hierarchy
	2021	2020	
Debentures	400.0	1,074.8	Level 2 inputs (the prices announced and referenced by the Thai Bond Market Association)

Other than the abovementioned items, the following assumptions were used by the Group in measuring the fair values of financial assets and financial liabilities (Level 2 inputs of the fair value hierarchy).

Cash and cash equivalents, fixed deposits at banks, restricted deposits at financial institutions, bank overdrafts, trade receivables and payables, other receivables and payables, loan receivables and payables and lease liabilities had carrying values that did not materially differ from their fair values because these financial assets and liabilities will mature in a short-term period or bear interest at fixed rates which approximate market interest rates or referenced to market interest rates.

28. COMMITMENTS ON LONG-TERM SERVICE AGREEMENTS

As at December 31, 2021, the Group had commitments on service agreements in connection with the building space lease agreements for office premises and branches whereby the related service fees are committed to pay as follows:

	Consolidated and The Company Only (In Million Baht)
Due for payments within 1 year	16.1
Due for payments within 2 - 5 years	5.0
Total	21.1

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021 and 2020

29. CAPITAL MANAGEMENT

Significant objectives of the Group's capital management are to ensure that it has appropriate financial and capital structures as well as maintaining the financial liquidity and ability to continue its businesses as a going concern. The Group did not have any significant change relating to capital management policy during 2021 and 2020.

As at December 31, 2021 and 2020, the Group's Debt-to-Equity ratio was 0.23:1.00 and 0.37:1.00, respectively (0.31:1.00 and 0.46:1.00 for the Company only, respectively).

30. REGISTERED EMPLOYEES' PROVIDENT FUND

The Company and a subsidiary have contributory registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). Membership to the fund is on a voluntary basis. Under the plan, the Company, subsidiary, and employees contribute an amount equivalent to 3% of the employee basic salary to the fund. The fund will pay back the provident fund to employees in accordance with the conditions stated in the policies of provident fund regulations.

The Group's contributions, which were recorded as part of administrative expenses for each of the years ended December 31, 2021 and 2020 amounted to approximately Baht 0.3 million and Baht 0.4 million, respectively (same amount for the Company only).

31. RERECLASSIFICATION OF ACCOUNTS

The Company reclassified certain accounts in the statements of financial position as at December 31, 2020 in order to conform to and be comparable with the presentation of the statements of financial position December 31, 2021 without effect to the previously reported profit or shareholders' equity. Such reclassification is as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	Reclassified Balance	Previously Reported Balance	Reclassified Balance	Previously Reported Balance
Cash and cash equivalents	1,813,140	2,213,140	1,531,513	1,931,513
Other current financial asset - fixed deposits at banks	400,000	-	400,000	-

32. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting on February 22, 2022, the Board of Directors approved the Company to pay the dividends for the 2021 operations at Baht 0.50 per share, totalling Baht 250.0 million, that will be proposed to the shareholders in the upcoming shareholders' meeting to be held in April 2022 with the specified date for dividend payment on May 19, 2022.

33. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been approved for issuance by the Company's Board of Directors' meeting on February 22, 2022.

ATTACHMENT ATTACHMENT 1

1.1 Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary

Name-Surname/ Position/ Date appointed	Age (Year)	Education/Training	Shareholding Ratio in the Company (%)	Family Relationship Among Directors and Executive	Work Experience in the Past Five Years		
					Period	Position (s)	Name of Organization/Company
1. Dr. Chumpol Phomprapha Chairman Date appointed 6 June 2003	80	<ul style="list-style-type: none"> - Honorary Doctor's Degree in Business Administration, Chiang Mai University - Honorary Doctor's Degree in Education, Juniata College, Pennsylvania, U.S.A. - Honorary Doctor's Degree in Business Administration, National Institute of Development Administration - Honorary Doctor's Degree in Quality Management, Rajabhat Suan Sunantha - Institute National Defence College, Class 1 - The Role of the Chairman Program (RCP 13/2006), Thai Institute of Directors (IOD) 	3.07	<ul style="list-style-type: none"> - Ms. Prathama and Mr. Prapol's father - Mr. Raksanit and Mr. Sattiphong's older brother 	2003 - Present 2019 - Present 2003 - Present 1992 - Present 1988 - Present 1980 - Present	Chairman Director Director Chairman Chairman Chairman	Thitikorn Plc. Peace & Living Plc. Zin Thonglor Co., Ltd. Lexus Bangkok Co., Ltd. SPSU Plc. S.P. International Co., Ltd.
2. Mr. Raksanit Phomprapha Director Date appointed 6 June 2003	75	<ul style="list-style-type: none"> - B.A., California College of Commerce, CA, U.S.A. - Director Accreditation Program - DAP Class 67/2007, Thai Institute of Directors (IOD) 	1.89	<ul style="list-style-type: none"> - Dr. Chumpol's younger brother - Mr. Sattiphong's older brother - Ms. Prathama and Mr. Prapol's uncle 	2003 - Present 2003 - Present 1987 - Present 1979 - Present	Director Executive Director Director Director	Thitikorn Plc. Thitikorn Plc. SPSU Plc. S.P. International Co., Ltd.
3. Mr. Sattiphong Phomprapha Director Date appointed 6 June 2003	72	<ul style="list-style-type: none"> - Master of Economics, University of Detroit, MI., U.S.A. - Director Accreditation Program - DAP Class 67/2007, Thai Institute of Directors (IOD) 	2.60	<ul style="list-style-type: none"> - Dr. Chumpol and Mr. Raksanit's younger brother - Ms. Prathama and Mr. Prapol's uncle 	2003 - Present 1997 - Present 1979 - Present	Director Managing Director Director	Thitikorn Plc. SPSU Plc. S.P. International Co., Ltd.

All directors authorized to sign to bind the Company according to the Company's certificate of registration. Include holdings by spouse and minor children

Name-Surname/ Position/ Date appointed	Age (Year)	Education/Training	Shareholding Ratio in the Company (%)	Family Relationship Among Directors and Executive	Work Experience in the Past Five Years		
					Period	Position (S)	Name of Organization/Company
4. Mr. Wiboon Perm-Arayawong Independent Director and Nomination and Remuneration Committee Date appointed 23 April 2013	64	<ul style="list-style-type: none"> - Master of Business Administration (MBA), The University of Chicago Graduate School of Business - Mater of Business Administration (MBA), Thammasat University - Bachelor of Engineering (B. Sc.), Chulalongkorn University - Degree, Thai National Deference College, Public-Private Sector, 17 Class, Thailand National Defense College, National Defense Institute - Diploma, Advanced Executive Course on Judicial Process, Judicial Training Institute - Capital Market Academy Leadership Program (CMA 3) - Director Certification Program - DCP Class 1/1999, Thai Institute of Directors (IOD) - The Role of the Chairman Program (RCP 2000), Thai Institute of Directors (IOD) - Certificate (Chartered Director Course), Thai Institute of Directors (IOD) - Chartered Financial Planner (CFP), Thai Financial Planners Association 	-	-	2013 - Present	Independent Director and Nomination and Remuneration Committee	Thitikorn Plc
					2015 - Present	Executive Director	GRE Composites Co., Ltd.
5. Ms. Prathama Phornprapha Director Date appointed 6 June 2003	52	<ul style="list-style-type: none"> - M.B.A., Babson College, MA., U.S.A. - B.A., Faculty of Commerce and Accountancy, Chulalongkorn University - Risk Management Program (for Advance) - COSO ERM 2017 Class 3/2562 Federation of Accounting Professions under The Royal Patronage of His Majesty The king - Strategic Financial Leadership Program (SFLP) 2018 Professiona Thai Listed Companies Association (TLCA) 	5.51	<ul style="list-style-type: none"> - Dr. Chumpol's daughter - Mr. Prapol's older sister - Mr. Raksanit and Mr. Satitphong's niece 	2003 - Present	Director, Managing Director	Thitikorn Plc.
					2003 - Present	President of the Executive Board	Thitikorn Plc.
					2018 - Present	Chief Financial Officer (CFO)	Thitikorn Plc.
					2021 - Present	Director	TK BROKER Co., Ltd.
					2017 - Present	Director	Mingalaba Thitikorn Microfinance Co., Ltd.
					2015 - Present	Director	TK Ngern Tan Jai Co., Ltd
					2014 - Present	Director	Suosdey Finance PLC
					2014 - Present	Director	Sabaidee Leasing Co., Ltd
					2001 - Present	Director, Managing Director	C.V.A. Co., Ltd.

All directors authorized to sign to bind the Company according to the Company's certificate of registration. Include holdings by spouse and minor children

Name-Surname/ Position/ Date appointed	Age (Year)	Education/Training	Shareholding Ratio in the Company (%)	Family Relationship Among Directors and Executive	Work Experience in the Past Five Years		
					Period	Position (S)	Name of Organization/Company
		<ul style="list-style-type: none"> - Advanced Certificate Course in Public Economics Management for Executives Class 13/2558 King Prajadhipok's Institute - TLCA Leadership Development Program (LDP) Class 1/2556 Thai Listed Companies Association (TLCA) - Thailand Insurance Leadership Class 3/2013, Office of Insurance Commission - Top Executive Program in Commerce and Trade (TEPCoT 5/2012), Commerce Academy - TLCA Executive Development Program (EDP3) Class 3/2009 Thai Listed Companies Association (TLCA) - Capital Market Academy Leadership Program (CMA 7/2008) - Director Certification Program - DCP Class 50/2004, Thai Institute of Directors (IOD) - TLCA Professional Development Program (TLCA CFO CPD) 2020 Class 1,4-6, Thai Listed Companies Association (TLCA) - TLCA Professional Development Program (TLCA CFO CPD) 2021, the fourth session Thai Listed Companies Association (TLCA) - TLCA Professional Development Program (TLCA CFO CPD) 2021, the sixth session Thai Listed Companies Association (TLCA) - TLCA Professional Development Program (TLCA CFO CPD) 2021, the seven session Thai Listed Companies Association (TLCA) 			2001 - Present 2011 - Present 2011 - Present 2007 - Present 1997 - Present 2011 - 2018	Director Director Director Director Executive Director Director	Chayapak Co., Ltd. S.P. Building Co., Ltd. Toyota Patumthani Toyota's Dealer Co., Ltd. Lexus Bangkok Co., Ltd. S.P. International Co., Ltd. TK Debt Services Co., Ltd.

All directors authorized to sign to bind the Company according to the Company's certificate of registration.
Include holdings by spouse and minor children

Name-Surname/ Position/ Date appointed	Age (Year)	Education/Training	Shareholding Ratio in the Company (%)	Family Relationship Among Directors and Executive	Work Experience in the Past Five Years		
					Period	Position (S)	Name of Organization/Company
8. Mrs. Saowanee Kamolbutr Independent Director/ Audit Committee Date appointed 23 February 2021	68	<ul style="list-style-type: none"> - Master of Political Science (Public Administration) Thammasat University - Bachelor of Political Science (Public Administration), Thammasat University - Director Certification Program (DCP) Class no. 69, 2006 - Role of the Compensation Committee (RCC) Class no. 8/2009 - Role of the Chairman Program (RCP) Class no. 23/2010 - Financial Institutions Governance Program (FGP) Class no. 1/2010 - Advance Audit Committee Program (AACP) Class no. 17/2014 - Boards that make a difference (BMD) Class no. 9/2019 - IT Governance and Cyber Resilience Program (ITG) Class no. 15/2020 - National Defense College of Thailand (NDC) 2548 - Capital Market Academy (CMA) Class No.7 - Senior Executive Program (Kellogg – Sasin) - The Management Development Program (Wharton School) - Advanced Security Management Program Alumni (ASMA) Class No.4 	-	-	2021 - Present 2020 - Present Present Present Present Present Present Present 2017 - 2020 2016 - Jan 2020	Independent Director and Audit Committee Independent Director/President of Audit Committee Independent Director/Audit Committee/ Risk Management Committee and Chairman of the Corporate Governance Committee Independent Director/President of Audit Committee/President of the Risk Management Committee and Nomination and Remuneration Committee Independent Director/ Risk Management Committee and President of Audit Committee Director Qualified Accounting and Finance Independent Director/President of Audit Committee/Nomination and Remuneration Committee	Thititkorn Plc Global Power Synergy Public Company Limited FN Factory Outlet Public Company Limited Carabao Group Public Company Limited T.K.S. Technologies Public Company Limited The Council of Southeast Bangkok College Small and Medium Enterprise Development Bank of Thailand (SME Bank) Glow Energy Public Company Limited

All directors authorized to sign to bind the Company according to the Company's certificate of registration.
Include holdings by spouse and minor children

Name-Surname/ Position/ Date appointed	Age (Year)	Education/Training	Shareholding Ratio in the Company (%)	Family Relationship Among Directors and Executive	Work Experience in the Past Five Years		
					Period	Position (S)	Name of Organization/Company
9. Mr. Kiatkun Chartprasert Independent Director/ Audit Committee Date appointed 1 March 2021	63	<ul style="list-style-type: none"> - High school Wachirawut Wittayalai (season 50) - Bachelor of Political Science (International Relations) (First Class Honors), Chulalongkorn University (Class 3) - MA (International Relations), The Australian National University, Australia - Executive Program : Leaders with Vision and Morality (Class 73, Civil Service Development Institute, Office of the Civil Service Commission, 2011) - National Defense College Curriculum (CDC), Class 54, 2011 	-	-	2017 - 2019	Independent Director Chairman	Pacific Pipe Public Company Limited
					2014 - 2019	Advisor, The Committee on Economics, Monetary Affairs and Finance	The Committee of the National Legislative Assembly
					2014 - 2018 2014 - 2017	Honorary Director Director	Rajapark Institute Small and Medium Enterprise Development
					2013 - 2017	Independent Director Audit Committee	Bank of Thailand (SME Bank) Interlink Communication Public Company Limited
					2009 - 2012	Deputy Permanent Secretary	Ministry of Finance
					2009 - 2013	Chairman	TMB Bank Public Company Limited
					2008 - 2009	Director	TMB Bank Public Company Limited
					2007 - 2008	Performance consultant	The Revenue Department
					2004 - 2007	Deputy Director	The Revenue Department
					2021 - Present	Independent Director and Audit Committee	Thititorn Plc
					Mar 2021 - Present	Commander	Wachirawut College
					Feb 2021 - Present	Director	Egat International Co., Ltd.
					Oct 2019 - 1 Mar 2021	Sub-Committee on Consideration and Monitoring of International Situations Affecting Thailand	Foreign Affairs Committee of the Senate
					Nov 2019 - Present	Advisor New Generation Change Management Project Office	The Public Sector Development Commission
					Mar 2020 - 1 Mar 2021	Qualified Director in the Board, President of Audit Committee	Directors of the Fuel Fund

All directors authorized to sign to bind the Company according to the Company's certificate of registration.
Include holdings by spouse and minor children

Name-Surname/ Position/ Date appointed	Age (Year)	Education/Training	Shareholding Ratio in the Company (%)	Family Relationship Among Directors and Executive	Work Experience in the Past Five Years		
					Period	Position (S)	Name of Organization/Company
<ul style="list-style-type: none"> - Senior Justice Administration Program (Class 17, 2012) - Capital Market Academy (CMA) Curriculum, Class 18, 2013 					Apr 2020 - Present	President	Thai-Lao Association for Friendship
					1983	Diplomatic Officer 3	East Asia Division, Political Department
					1986	Diplomatic Officer 4	East Asia Division, Political Department
					1989	Diplomatic Officer 5	East Asia Division, Political Department
					1989	Diplomatic Officer 5	Consulate-General in Guangzhou
					1991	Diplomatic Officer 6	Consulate-General in Guangzhou
					1993	Diplomatic Officer 6	Department of ASEAN
					1994	Diplomatic Officer 6	Department of Economic Affairs
					1995	Diplomatic Officer 6	Office of the Secretary of the Minister
					1995	Diplomatic Officer 6	Department of Economic Affairs
					1995	Diplomatic Officer 6	Civil Service Overseas, Central Division,
							Office of the Permanent Secretary
					1995	Diplomatic Officer 7	Civil Service Overseas, Central Division,
							Office of the Permanent Secretary
					2000	Ambassador Counselor (Diplomatic Staff 8)	Royal Thai Embassy, Kuala Lumpur
					Dec 2003	Deputy Director-General	Department of Information
					Mar 2007	Consul General	Consulate General of Thailand in Sydney
					Dec 2008	Consul General	Consulate General of Thailand in Sydney
					Jan 2011	Director-General	Department of South Asia
							Middle East and Africa
					Dec 2011	Deputy Permanent Secretary	Ministry of Foreign Affairs
					Mar 2015	Ambassador	Stockholm
					Mar 2018	Ambassador	Vientiane
					2004 - 2007	Director	Tourism Board of Thailand (TAT)
					2004 - 2007	Director	International Convention Promotion Committee (TCEB)
					2012 - 2015	Qualified Director	National Space Board
					2012 - 2015	Director	King Prajadhipok's Institute Executive Committee
					2013 - 2014	Director	Islamic Bank of Thailand Board of Directors
					2013 - 2015	Director, President of Audit Committee	Ananah Leasing Public Company Limited

All directors authorized to sign to bind the Company according to the Company's certificate of registration.
Include holdings by spouse and minor children

Name-Surname/ Position/ Date appointed	Age (Year)	Education/Training	Shareholding Ratio in the Company (%)	Family Relationship Among Directors and Executive	Work Experience in the Past Five Years		
					Period	Position (S)	Name of Organization/Company
10. Mr. Kanich Punyashtithi Independent Director, President of Nomination and Remuneration Committee and Audit Committee Date appointed 25 April 2019	52	<ul style="list-style-type: none"> - LL.B. (Hons), Chulalongkorn University - LL.M., Harvard - LL.M., Michigan - LL.M. (cum laude), KU Leuven, Belgium - Director Accreditation Program - DAP Class 164/2019, Thai Institute of Directors (IOD) - Diploma, Advanced Executive Course on Judicial Process class 17, Judicial Training Institute 	-	-	2014 - 2015	Director	Asia-Pacific International University Council
					2014 - 2016	Director, Audit Committee	Tobacco Factory of Thailand
					2018 - 2019 Oct 2019 - Mar 2020	Advisor Member of the Nomination Committee of the National Anti-Corruption Commission, 2019	Thai-Laos Association for Friendship
					2020 - Present	Independent Director and Audit Committee	Thai President Foods Plc
					2019 - 2021	Independent Director, President of Nomination and Remuneration Committee and Audit Committee	Thitkorn Plc
					Present	Legal Advisor	Siam Piwat Co., Ltd.
					Present	Legal Advisor	S. Napa (Thailand) Co., Ltd.
					Present	Legal Advisor	Global Utility Services Co., Ltd.
					Present	College Council	Chitralada Technology College
					Present	Director	B. Grimm S. Napa Solar Power Co., Ltd.
					Present	Director	Legal Reform Commission.
					Present	Director	Chitralada School Foundation
					Present	Director	Rajprachasamasai School Foundation
					Present	Director	Maha Chakri Sirindhorn Foundation
					Present	Director	Prince Mahidol Foundation
					Present	Director	The National Identity Foundation

All directors authorized to sign to bind the Company according to the Company's certificate of registration.
Include holdings by spouse and minor children

Name-Surname/ Position/ Date appointed	Age (Year)	Education/Training	Shareholding Ratio in the Company (%)	Family Relationship Among Directors and Executive	Work Experience in the Past Five Years		
					Period	Position (S)	Name of Organization/Company
11. Mr. Surin Dhammanives Advisor to the Board of Director	76	- DBA (Honorary) Chiang Mai University - BA (Economics) Chiang Mai University - Director Accreditation Program - DAP Class 133/2017, Thai Institute of Directors (IOD)	-	-	2021 - 2021 2015 - 2021 2008 - Present	Advisor to the Board of Director Independent Director and Audit Committee Director	Thitikorn Plc Thitikorn Plc H&R Development Co., Ltd.
12. Mr. Prasit Sainonsee Director Date appointed 25 April 2018	57	- M.B.A Law., Ramkhamhaeng University - How to Develop a Risk Management Plan (HPP 19/2018), Thai Institute of Directors (IOD) - Risk Management Program for Corporate Leaders RCL 14/2018, Thai Institute of Directors (IOD) - Director Accreditation Program - DAP Class 150/2018, Thai Institute of Directors (IOD)	-	-	2018 - Present 2018 - Present 2018 - Present 2016 - Present 2021 - Present 2018 - Present 2018 - Present 2017 - Present 2015 - Present	Director Executive Director Risk Management Committee Assistant Deputy Managing Director Director Director Director Director Director	Thitikorn Plc. Thitikorn Plc. Thitikorn Plc. Thitikorn Plc. TK BROKER Co., Ltd. C.V.A. Co., Ltd. TK Ngern Tan Jai Co., Ltd Mingalaba Thitikorn Microfinance Co., Ltd. Chayapak Co., Ltd.
13. Mr. Aphichai Uemsathienporn Director and Nomination and Remuneration Committee Date appointed 14 May 2020		- M.B.A., Burapha University - Director Accreditation Program - DAP Class 174/2020, Thai Institute of Directors (IOD) - Company Secretary Program (CSP 91/2018), Thai Institute of Directors (IOD) - Risk Management program for corporate Leaders RCL 14/ 2018 Thai Institute of Directors (IOD) - How to Develop a Risk Management Plan (HPP 19/2018), Thai Institute of Directors (IOD) - Risk Management and Internal Control Program 1/2018 Thai Listed Companies Association (TLCA) - Director Accreditation Program - DAP Class 174/2020	-	-	2021 - Present 2020 - Present 2020 - Present 2020 - Present 2020 - Present 2018 - 2021 2018 - Present 2012 - Present 2010 - 2018 2015 - Present 2014 - Present 2014 - Present	Risk Management Committee Director Nomination and Remuneration Committee Executive Director President of the Risk Management Committee Corporate Secretary Assistant Deputy Managing Director Risk Management Committee Director Director Director	Thitikorn Plc. Thitikorn Plc. Thitikorn Plc. Thitikorn Plc. Thitikorn Plc. Thitikorn Plc. Thitikorn Plc. Thitikorn Plc. Thitikorn Plc. Chayapak Co., Ltd. Suosdey Finance PLC Sabaidee Leasing Co., Ltd.

All directors authorized to sign to bind the Company according to the Company's certificate of registration.
Include holdings by spouse and minor children

Name-Surname/ Position/ Date appointed	Age (Year)	Education/Training	Shareholding Ratio in the Company (%)	Family Relationship Among Directors and Executive	Work Experience in the Past Five Years		
					Period	Position (S)	Name of Organization/Company
14. Ms. Siripen Neamcharoun Accounting and Finance Manager Date appointed 10 October 2021	51	<ul style="list-style-type: none"> - MBA Thammasat University - How to Develop a Risk Management Plan (HRP) 29/2021 - Certified Public Accountant (CPA) no. 5343 - Certificate of Professional Controller Certification Program, Federation of Accounting Professions (2017) - Certificate of International Taxation, Faculty of Law Thammasat University - Certificate of International Taxation, Central Tax Court, Training Center - How to Develop a Risk Management Plan (HRP 29/2021) 	-	-	2021 - Present	Accounting and Finance Manager	Thitikorn Plc.
					2021 - Present	Risk Management Committee	Thitikorn Plc.
					2014 - 2021	Accounting and Finance Consultant	Thitikorn Plc.
					2014 - 2018	Financial Controller	M+R Spedag Group
					2013 - 2014	South East Asia Head of Finance	Space Matrix Design Consultants (Thailand) Co., Ltd.
					2011 - 2013	AVP Accounting and Finance	Quality Houses Public Company Limited
					2007 - 2011	Director of Finance and Accounting	Hunton & Williams
15. Mr. Piti Ngamlert Foreign Credit Manager	56	- B.A Finance, Ramkhamhaeng University	-	-	2021 - Present 2016 - 2021	Foreign Credit Manager Senior Executive	Thitikorn Plc. Thitikorn Plc.
16. Mr. Taweesak Charoensakyothin Regional Manager	53	<ul style="list-style-type: none"> - M.B.A, Thammasat University - B.A, Engineering, Chulalongkorn University 	-	-	2021 - Present	President of the Risk Management Committee	Thitikorn Plc.
					2021 - Present 2018 - 2021	Regional Manager Risk Management Committee	Thitikorn Plc. Thitikorn Plc.
					2016 - 2021 2014 - Present	Regional Manager Director	Thitikorn Plc. Sabaldee Leasing Co., Ltd.
					2015 - Present 2014 - Present 2016 - 2021	Director Manager of Operation 1 Acting Operation Manager of Division 2	Chayapak Co., Ltd. Thitikorn Plc. Thitikorn Plc.
17. Mr. Somboon Narasunthornkun Manager of Operation 1	59	- Diploma - Faculty of Management, Bansomdejchaopraya Rajabhat University	-	-			

All directors authorized to sign to bind the Company according to the Company's certificate of registration.
Include holdings by spouse and minor children

Name-Surname/ Position/ Date appointed	Age (Year)	Education/Training	Shareholding Ratio in the Company (%)	Family Relationship Among Directors and Executive	Work Experience in the Past Five Years		
					Period	Position (S)	Name of Organization/Company
18. Mrs. Wannakamol Plengkumdee Chief Accounting Date appointed 12 November 2018	52	- MBA Ramkhamhaeng University - BA Ramkhamhaeng University - Auditing of financial statements and irregularities that bookkeepers must be aware of and accounting standards and financial reporting TFRS9 and TFRS16	-	-	Nov 2018 - Present 2015 – Present	Chief Accounting Accounting Division Manager	Thitikorn Plc. Thitikorn Plc.

1.2 Duties and responsibilities of the Company Secretary

The Board of Directors has resolved to appoint Mr. Apichai Uamsathienporn as the Company Secretary effective from May 9, 2018, who must conform to the duties as prescribed in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551 which came into effect on August 31, 2008, with responsibility, caution, and honesty. The Company Secretary is also required to comply with the law, objectives, company regulations, the Board's resolutions including the resolutions of the shareholders' meeting. Legal duties of the Company Secretary are as follows:

1. Provide advice and support the work of the Board of Directors regarding legal matters and related regulations.
2. Supervise the implementation of good corporate governance principles and follow up to ensure that the policies and recommendations of the Board of Directors are effective in practice.
3. Be responsible for preparing and keeping important documents such as
 - Director registration system
 - Notice of Board of Directors' Meeting, Minutes of Board Meetings, and Annual Reports
 - Notice of Shareholders' Meeting and Minutes of the General Meeting of Shareholders
4. Supervise the Board of Directors to perform their duties properly and carefully.
5. Communicate with shareholders and take proper care of shareholders.
6. Communicate with relevant regulators.

All directors authorized to sign to bind the Company according to the Company's certificate of registration.
Include holdings by spouse and minor children

2. Details of directors and subsidiaries

No.	Name	TK	Subsidiaries						Related parties						
			CVA	CYP	MGB	SSD	SBD	TKN	TKB	SPI	SPSU	Lexus	TN	NP	SDC
1.	Dr. Chumpol Phornprapha	X								X	X	X			
2.	Mr. Raksanit Phornprapha	/								/	/				
3.	Mr. Satitphong Phornprapha	/								/	/				
4.	Mr. Apichart Kasemkulsiri	/													
5.	Mrs. Saowanee Kamolbutr	/													
6.	Mr. Wiboon Perm-Arayawong	/													
7.	Mr. Kiatkun Chartprasert	/													
8.	Ms. Prathama Phornprapha	/, //	/	/	/	/	/	/	X, /	/		/	/		
9.	Mr. Prapol Phornprapha	/, //	/	/	/	/	/	/	/, //	/		/	/		/
10.	Mr. Prasit Sainonsee	/, //	/	/	/	/	/	/	/	/					
11.	Mr. Aphichai Uemsathienporn	/, //	/	/		/	/, //	/							
12.	Mr. Prakob Maimaen				/, //										
13.	Mr. Somboon Narasunthornkun	//		/											
14.	Mr. Taweesak Charoensakyothin	//	/			/									
15.	Mr. Piti Ngamlert	//													
16.	Mrs. Wannatkamol Piemkhumdee	//			/				/						

Note: X = Chairman / = Director // = Director

CVA	=	C.V.A. Co., Ltd.	CYP	=	Chayapak Co., Ltd.
SSD	=	Suosdey Finance PLC	SBD	=	Sabaidee Leasing Co., Ltd.
TKN	=	TK Ngern Tan Jai Co., Ltd.	MGB	=	Mingalaba Thitikorn Microfinance Co., Ltd.
SPI	=	S.P. International Co., Ltd.	SPSU	=	SPSU PLC.
Lexus	=	Lexus Bangkok Co., Ltd.	TN	=	Toyota Patumthani Toyota's Dealer Co., Ltd.
NP	=	Napas Co., Ltd.	SDC	=	Software Development Co., Ltd.
SB	=	Siam Brewery Co., Ltd.	TKB	=	TK Broker Co., Ltd.

All directors authorized to sign to bind the Company according to the Company's certificate of registration.
Include holdings by spouse and minor children

ATTACHMENT 2

DETAILS OF THE DIRECTORS OF THE SUBSIDIARY

Subsidiaries Name	C.V.A. Co., Ltd.	Chayapak Co., Ltd.	TK Ngern Tan Jai Co.,Ltd.	TK Broker Co., Ltd.	Suosdey Finance PLC	Sabaidee Leasing Co., Ltd.	Mingalaba Thitikorn Microfinance Co., Ltd.
Ms. Prathama Phornprapha	/	/	x	/	/	/	/
Mr. Prapol Phornprapha	/	/	/, //	/	/	/	/
Mr. Prasit Sainonsee	/	/	/	/	/		/
Mr. Aphichai Uemsathienporn	/	/	/		/, //	/, //	
Mr. Somboon Narasunthornkun		/					
Mr. Taweesak Charoensakyothin	/				/		
Mr. Prakob Maimaen							/, //
Mrs. Wannatkamol Piemkhumdee			/				/
Mrs. Kanuengnit Meesiri					/	/	
Mrs. Apinya Jaruschaimongkol							/
Mrs. Phenjit Saengmeen					/	/	
Ms. Kornkamol Thanasophon				/			
Mrs. Ampa Kanjanarat				/			

Note : / = Director X = Chairman // = Manager

ATTACHMENT 3

DETAILS OF THE HEADS OF THE INTERNAL AUDIT AND COMPLIANCE UNITS

1. Profiles of Heads of Internal Audit

Mrs. Cholticha Yodsri	Secretary to the Audit Committee and Acting Manager of Internal Audit Office
Shareholding	None
Education	B.B.A Bangkok University
Experience	2017 - Present Risk Management Committee Thitikorn Plc. 2018 - Present Secretary to the Audit Committee and Acting Manager of Internal Audit Office, Thitikorn Plc. 2018 - Present Manager of Internal Audit Office, Thitikorn Plc. 2016 - 2017 Division Manager of Finance, Thitikorn Plc. 2011 - 2015 Division Manager of Office of Managing Director, Thitikorn Plc. 2004 - 2010 Division Manager of Operation 2, Thitikorn Plc. 2003 - 2004 Branch Service Manager, Thitikorn Plc. 2001 - 2003 Division Manager of Operation Control, Thitikorn Plc.

2. The Company does not have a compliance department but has assigned the Office of the Managing Director to supervise the Group to comply with the law, rules and regulations, policies, and requirements of relevant government agencies such as the Bank of Thailand, the Office of the SEC, the Stock Exchange of Thailand, and other departments related to the Company's business operations. This includes communicating with all employees to be aware of their duties and responsibilities to study and understand the laws and regulations in relation to the job responsibilities and perform properly in accordance with the established rules and regulations.

ATTACHMENT 4

ASSETS FOR BUSINESS UNDERTAKING AND DETAILS OF ASSET APPRAISAL



Details of Asset Appraisal

The Company employed the Valuation and Consultants Co., Ltd., a company approved by the Securities and Exchange Commission, acting as an independent valuer (the “Valuer”), to appraise the leased assets with related companies, in order to know the appropriate rental rates and serve public purposes. Mrs. Kanjana Chanakanon, a qualified valuer No. Wor Thor. 334, was a key valuer to value totaling 6 contracts. The Valuer, then, prepared the asset appraisal report dated 8 March 2019 (items no. 1-5) and dated 12 July 2019 (item no. 6) using the following methods:

1. Cost approach
2. Market comparison approach
3. Income approach

In this asset appraisal, the Valuation and Consultants Co., Ltd. chose a valuation method that was appropriate for the characteristics of the assets. The market comparison approach was used to determine the market value of the assets by comparing with the comparable market information.

The market comparison approach compares the valuated asset with other assets of similar characteristics. In consideration, a comparison must be made with the difference between the details of the valuated assets and other asset information such as location, environment, size, shape, and utilization of the assets, as well as analyzing the economic conditions which may affect the demand trend and the purchasing power of the market to the assets in the area.

Details of Asset Appraisal

	Valuated Assets	Types of Assets	Area	Location	Ownership	Obligation	Appraisal Price of Market Rend/Month
1	Head Office	Office rental space	1 st floor total 312 sq.m. 2 nd floor total 2,005 sq.m. 3 rd floor total 30.60 sq.m. 4 th floor total 1,938 sq.m. 5 th floor total 1,299 sq.m. (formerly 1,164)	1 st - 5 th floor No. 69 SP Arcade Building, Ramkhamhaeng Rd., Huamark, Bangkok	S.P. International Co. Ltd.	None	259 sq.m. = 440, 53 sq.m. = 330 400 baht/sq.m./month 400 baht/sq.m./month 400 baht/sq.m./month 400 baht/sq.m./month
2	Head Office	Land	3 ngan (300 sq.w.)	Soi. Ramkhamhaeng 19 (Charoen Ploy) Ramkhamhaeng Rd., Huamark Subdistrict, Bangkok District, Bangkok	S.P. International Co. Ltd.	None	100 baht/sq.w./month
3	Thonburi Branch	Office rental space	2 nd floor = 237 sq.m. 3 rd floor = 237 sq.m. 3 rd floor = 237 sq.m. Total = 507 sq.m.	2 nd - 3 rd floor No. 1681 (formerly No. 100/65 Village No. 3) Soi Phetkasem 65, Phetkasem Rd., Bang Khae Nuea Subdistrict, Phasi Charoen District, Bangkok	S.P. International Co. Ltd.	None	170 baht/sq.w./month
4	Si Chan Branch	Office rental space	3,599 sq.m.	No. 14, Sukhumvit 67, Sukhumvit Rd., Phra Khanong Nuea Subdistrict, Watthana District, Bangkok	S.P. International Co. Ltd.	None	170 baht/sq.w./month
5	Rangsit Branch	Land	59 rai 1 ngan 31 sq.w.	Title deed No. 277, 1284, and 26378 Private road Rangsit - Nakhon Nayok Rd. (Tor Lor. 305), Bueng Yitho Subdistrict, Thanyaburi District, Pathum Thani Province	S.P. International Co. Ltd.	None	170 baht/sq.w./month
6	Khon Kean Branch	Office building	1 rai 37.8 sq.w.	Title deed No. 601, 7315, and 46055 No. 139/2-6 on Prachasamon Rd. crossing with Theparak Rd., Nai Mueang Subdistrict, Mueang Khon Kaen District, Khon Kaen Province	Miss Prin Phomprapha	None	3 storeys office rental space = 120 baht/sq.m./month Warehouse building with toilets = 60 baht/sq.m./month

For details of assets for business undertaking, see Part 1 Structure and Business Operation: Assets for business undertaking.

ATTACHMENT 5

UNABRIDGED POLICY AND GUIDELINES ON CORPORATE GOVERNANCE AND UNABRIDGED CODE OF CONDUCT PREPARED BY THE COMPANY



The Company has disclosed complete information on corporate governance policy and code of business conduct, the details of which appear on the Company's website www.tk.co.th under the topic "Good Corporate Governance".

Corporate Governance Policy

http://tkw03.thespi.com/tkweb/tk/ir/pdf/corporate_governance/CGPolicy24.1.2022.pdf

Codes of Conduct

http://tkw03.thespi.com/tkweb/tk/ir/pdf/corporate_governance/Code%20of%20Conduct24.1.2022.pdf



ATTACHMENT 6 AUDIT COMMITTEE REPORT

The Audit Committee of Thitikorn Public Company Limited (“TK”) consists of three qualified Independent directors with experiences in finance, accounting and management, namely, Mr. Apichart Kasemkulsiri, the President of Audit Committee, Mrs. Saowanee Kamolbutr and Mr. Kiattikhun Chartprasert, the Audit Committee Members. All three Independent Directors do not have any management role nor employed by TK. Mrs. Cholticha Yodsri, Head of Internal Audit Division is a Secretary to the Audit Committee.

The Audit Committee performs the tasks independently as assigned by the Board of Directors and according to the Audit Committee Charter, which is in accordance with the best practices of the Securities and Exchange Commission by reviewing and driving the Company to comply with good corporate governance principles with adequate risk management and internal control systems, as well as efficient and effective internal audit.

During 2021, the Audit Committee had 4 meetings with the presence of all three committee members in every meeting. Moreover, the Audit Committee also discussed and exchanged views with the management, internal audit officer and the external auditors regarding the internal audit reports, the financial statements reviewing and the opinion of the external auditor on the Company’s financial statements preparation. The results of every meeting were reported to the Company’s Board of Directors for their acknowledgement and consideration.

The key duties and responsibilities of the Audit Committee are summarized as follows:

1. Review of the financial statements

The Audit Committee reviewed the Company’s quarterly financial statements and consolidated annual financial statements for year 2021 together with the management and the external auditor by giving priority on the accuracy of the financial statements, the adjustments which

materially affected the financial statements, appropriate accounting records and adequate audit evidence, the accurate, complete and sufficient disclosure of information with respect to auditor’s independence to ensure that the financial statements were prepared in accordance with the legal requirements and in conformity with the generally accepted accounting standards and the financial reporting standards, with reliability in a timely manner for the benefit of information users for making decision.

For the year 2021, the auditor concluded that there are no material findings or suspicious transactions. The Audit Committee is of the opinion that the financial reporting systems are appropriate and in conformity with the financial reporting standards.

2. Review of disclosure of connected transactions and potential conflicts of interest

The Audit Committee has examined and reviewed the intercompany transactions that might have occurred among the Company’s group which may represent conflicts of interest in compliance with the requirements of the Securities and

Exchange Commission and the Stock Exchange of Thailand. The Audit Committee is of the opinion that such transactions were part of the normal course of business and reasonable with fair conditions, and in the best interests for the Company.

3. Review of internal control system

The Audit Committee has regularly reviewed internal control system in cooperation with the internal audit officer and the auditor in accordance with assessment results and approved annual audit plan to ensure that the Company’s internal control system is sufficient. Priority has been given to the areas of operations, resources utilization, assets management, assets safeguarding, prevention or reduction of errors, damages or



frauds, reliability of financial statement as well as comply with all applicable laws and relevant regulations.

The Audit Committee reviewed the internal control systems of the Company and revealed that the appropriate and adequate internal control are in place and found no significant flaws which is consistent with the results reported by the external auditors and the office of internal audit. In addition, the Audit Committee reviewed results of the management's assessment on adequacy of the Company's internal control in accordance with the SEC's and the SET's guidelines and constituted sufficient grounds to be confident that the Company's internal control was sufficient and effective.

4. Oversee the risk management

Having realized the importance of risk management, the Board of Directors, the Risk Management Committee and Executives assessed the effectiveness and appropriateness of the risk management to be in line with the changing internal and external environment and potential impact on the Company's business in order to manage significant risks to an acceptable level. The Audit Committee oversighted and reviewed the assessment results from the Risk Management Committee continuously and provided directions and suggestions as well as reviewed the progress of the risk management from the relevant department and/or the working team to ensure that the Company's risk management could prevent and mitigate the impacts which may affect the operating results of the Company to an acceptable level.

5. Review of good corporate governance and compliance with laws and regulations

The Audit Committee reviewed the Company's operations to ensure that they were strictly in compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand and other laws relating to the business

operations. The Audit Committee reviewed to ensure that adequate complaint-making and whistle-blowing procedures are put in place in compliance with the corporate governance principles and enforced fair treatment for all with procedures for protecting whistleblowers and respondent. The Audit Committee views that there was no essential issue relating to the violation of laws and regulations stipulated by the Stock Exchange of Thailand and other related Government supervision agencies.

6. Oversee and monitor the internal control matters

The Audit Committee reviewed and approved the annual internal audit plan, monitored the operations as per the approved work plan, sampling check certain items in the financial statements and provided suggestions and follow up on rectification on material issues in order to enhance the efficiency of the internal audit system to be complied with the corporate governance principles. The Audit Committee views that the internal audit system of the Company is appropriate, sufficient and effective as well as encourages continuously develop to ensure that the internal audit department has the necessary resources to perform internal audits in accordance with standards at all times.

7. Selection of the auditors

The Audit Committee have a role to make recommendations on the appointment or terminating of the external auditor. For 2021, the Audit Committee proposes for the approval of the Board of Directors and the Annual General Shareholders' Meeting 2021 the appointment of Mr. Methee Ratanasrimetha, Certified Public Accountant registration No. 3425 or Mr. Pisit Chiwaruangroch Certified Public Accountant registration No. 2803 or Ms. Kornthip Wanichwisedkul, Certified Public Accountant registration No. 6947 from M.R. & Associates Co., Ltd. (qualified under



the regulations of the Office of Securities Exchange Commission and the Stock Exchange of Thailand) to serve as the independent auditor with the audit compensation in the amount of Baht 3,630,000.

8. Audit Committee's Performance Evaluation

The Audit Committee conducted self-assessment in which the assessment results of fiscal year 2020 for the group was at "Excellent" level and was presented to the Board of Directors for acknowledgment. In summary, the Audit Committee performed their duties fully according to the Audit Committee Charter by applying various fields of knowledge and abilities in response to the business operations with due care, prudence and independence, in providing opinions and

suggestions on the Company's financial information, sufficient and proper of internal control system, review of connected transactions and sufficient disclosure of information complied with applicable laws and regulations relating to the business operations in all respects.

On behalf of the Audit Committee

Mr. Apichart Kasemkulsiri

President of the Audit Committee

February 22, 2022



บริษัท ฐิติกร จำกัด (มหาชน)
Thitikorn Public Company Limited

69 Ramkhamhaeng Rd., Huamark, Bangkok 10240
Tel. : 0 2310 7000 Fax : 0 2318 3339

ADD FRIEND
@tkplus

