



บริษัท รุติกอร์ จำกัด (มหาชน)  
Thitikorn Public Company Limited



Annual registration statement/  
**One Report 2022**

[www.tk.co.th](http://www.tk.co.th)



# ฐิติกร



ครอบคลุม  
รวมทั้ง

## ทั่วไทย

# ลาว กัมพูชา

## เมียนมาร์



# SUCCESS OF COMPANIES



1972



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

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

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)

2011

- Acquired 99.99% of Cetelem Thailand Co., Ltd and changed the name to TK Debt Services Co.,Ltd.
- Thitikon 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 Aniversary
- 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



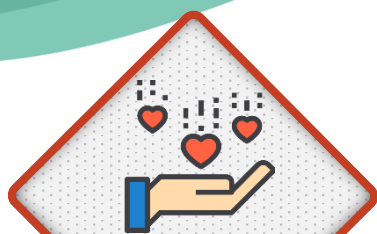
- Extensive 75 branches covering 57 provinces in Thailand
- Expand 6 branches Extensive 12 branches, Cambodia through Suosdey Finance
- 5- Stars Coporate Governance Scoring appraised (for two conservative years)
- TK is one of the 6 listed companies that received a full score of 100 (for the 12th consecutive 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)

## 2022

- TK BROKER has been licensed as a Non-Life Insurance Broker according to the Non-Life Insurance Act, B.E. 2535
- TKN received additional license to operate Personal Loan under Supervision for Non-Bank
- TRIS Rating assigned the company rating of TK at "BBB+" (Stable)



**Win Customers' Hearts**  
by providing intimate car 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.

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## MESSAGE FROM CHAIRMAN OF THE BOARD



“

In 2022, motorcycle market sales increased to 1,801,902 units or 11.9%, while automobile market sales were 849,395 units or 11.9% which is the second year of increase after three consecutive years with a sales drop

”

### Dear Shareholders,

Thai economy in 2022 continued to expand for two consecutive years since Thailand and every country around the world have faced the once-in-a-century global pandemic for three years. The whole world began to unravel for the better, as nearly all countries were vaccinated in large numbers. Moreover, the medical team has invented a number of COVID-19 medicines. As a result, most countries began to live with COVID-19 and open their countries. The global economy has rebounded after a slump in the past three years, especially in the aviation and tourism industries. During drafting this message, China, where Covid-19 was first reported at the end of 2019, has announced the Zero COVID Policy and will open the country again on January 8, 2023. This is a good vision because China has the second-largest economy in the world and is an important factor in the growth of the global economy.

The Thai economy in 2022 increases its expansion by 3.4% after expanding by 1.6% in 2021. Thailand's exports grew by 8.1%, and foreign tourists began to return to Thailand at 11.8 million people after reaching a record high of 39 million in 2019. This positively impacted the tourism industry and the overall expansion of the Thai economy in 2022. The United States of America, the world's largest economy, began to gradually reopen and economic activities quickly expanded. Likewise, the European Union (EU) countries began to fully reopen. As a result, demand for almost all kinds of goods increased in multiples,

causing global inflation in 2022 to reach the highest at 8.8% in 10 years (data from the Bank of Thailand). Additionally, the war between Russia and Ukraine has intensified since February 24, 2022, and there is no sign to peace in the near future. Both countries are major producers of the world's major commodities, such as energy (oil and gas), aluminum, fertilizers, and food, causing global production and transportation problems. Brent global crude oil prices have an annual average price of USD 97.74 per Barrel, increasing by 42.15% from 2021, while WTI has an annual average price of USD 91.49 Per Barrel, increasing by 39.53% from 2021. The gas price in Europe (Dutch TTF Natural Gas) jumped to USD 70.04 per MMBTU in August 2022, or 10 times higher than the beginning of 2021 in January. The annual average was at USD 16.12 per MMBTU, resulting in the Fed raising the policy rate 7 times. The lowest policy rate in history at 0.00 – 0.25% has risen to 4.25 - 4.50% at the end of the year 2022. The Fed is likely to continue the policy of interest increasing. As a result, the Central Bank of the European Union and several other countries raised policy rates to stabilize the currency of each country. The Bank of Thailand increased the policy rate 3 times from 0.5% and increased by 0.75%. Therefore, at the end of 2022, the policy rate of Thailand was 1.25%.

Thailand itself faced a high energy price crisis, resulting in a high cost of living for the people. Thai government has helped Thai people by fixing the energy price—including oil, gas, and electricity,

resulting in a loss of Baht 123,155 million (data as of the end of 2022 from the Oil Fuel Fund Office). However, in 2023, it is expected that the energy price support should gradually decline with the slow decrease of the world energy price. The agricultural sector of Thailand in 2022 can expand by 0.8% compared to 2021, resulting in a slightly better income for farmers. Accordingly, in the past year, the tourism sector began to recover both from 11.8 million foreign tourists and 189 million Thai tourists – times. The income from foreign and Thai tourists in 2022 was up to Baht 1.5 trillion, increasing by 395.0% compared to 2021, or about 50.0% of the income from foreign and Thai tourists at a record high in 2019 before the COVID-19 outbreak.

In 2022, motorcycle market sales increased to 1,801,902 units or 11.9%, while automobile market sales were 849,395 units or 11.9% increase. Both markets were affected by supply disruption especially automobile markets due to semiconductor chip shortage, but both markets were able to resume expansion. The company has continued the strict policy in underwriting loans due to the Covid-19 epidemic. The household debt was at an unprecedented high. As a result, net leasing and lending receivables were Baht 4,158.6 million or increase by 5.3%, while domestic motorcycle leasing receivables were Baht 2,710.8 million or increase by 8.7% and automobile leasing receivables were Baht 208.3 million or increase by 13.4%. Hire-purchase receivables in Lao PDR and the Kingdom of Cambodia were Baht 1,202.1 million or increase by 6.0%, accounting for 30.7% of net motorcycle leasing receivables of the company as of the end of 2022. The Group has cash and cash equivalent more than Baht 1,326.0 million or 20.2% of assets, including liabilities to capital at 0.14 times. The company group is ready for liquidity, in short and medium term, and can face rising interest rates without problems.

Finally, I would like to take this opportunity to express our sincerest thanks to customers, business partners, investors, financial institutions, the 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 contributed to the Company's continued success and being the leading position in the motorcycle hire-purchase business in Thailand 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 stable financial position and will definitely be able to pass through the incurring crisis. Finally, I wish you all a healthy life.



**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. Nha-Kran Loahavilai**  
Independent Director





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



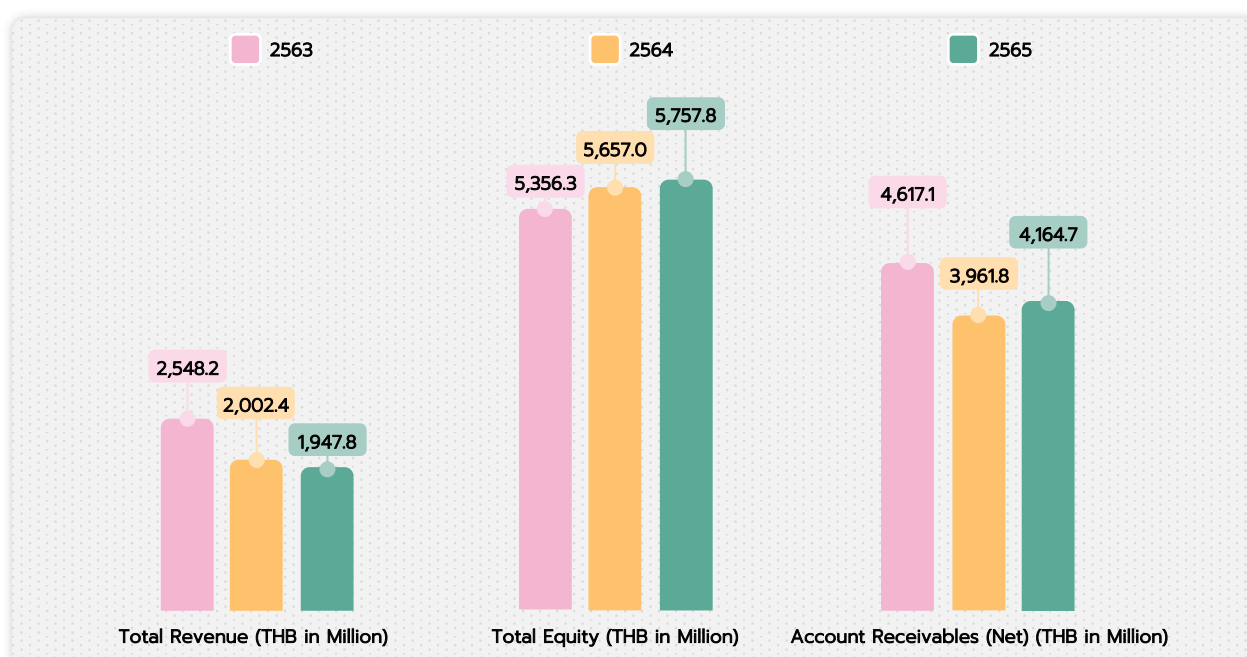
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**Mr. Aphichai Uemsathienporn**  
Director/Corporate Secretary

## FINANCIAL HIGHLIGHTS

Unit : THB in Million

	2022	2021	2020
<b>Assets</b>			
Total Assets	6,558.3	6,979.0	7,356.8
Account Receivables (Net)	4,164.7	3,961.8	4,617.1
<b>Liabilities &amp; Shareholders' Equity</b>			
Total Liabilities	800.5	1,322.0	2,000.5
Bank O/D and Loans	365.5	880.0	1,474.9
Total Equity	5,757.8	5,657.0	5,356.3
<b>Income Statement</b>			
Total Revenue	1,947.8	2,002.4	2,548.2
Hire-Purchase and Loan Income (Net)	1,467.9	1,388.9	2,006.8
Total Expenses	1,427.2	1,344.4	2,001.1
Net Profit (Loss) After Tax (Consolidated) (Profit for the year)	369.3	474.4	370.0
Net Profit (Loss) After Tax (The Company) (Profit for the year)	102.4	319.9	227.4
<b>Profitability Ratio</b>			
Interest Income (%)	36.2	32.5	33.4
Interest Expenses (%)	5.1	2.9	3.0
Spread (%)	31.1	29.7	30.4
Net Profit (Loss) Margin (%)	18.8	23.6	14.4
Return on Equity (%)	6.4	8.6	6.9
<b>Efficiency Ratio</b>			
Return on Assets (%)	5.4	6.6	4.5
Assets Turnover (Times)	0.3	0.3	0.3
<b>Financial Ratio</b>			
Debt to Equity (Times)	0.1	0.2	0.4
Lending to Borrowing (Times)	11.4	4.5	3.1
Dividend Payout (%) (Consolidate)	53.0	57.1	57.1





# 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.

#### Long-term Goal

1. Regularly maintain the dividend payment not exceeding 60% of the net profit from the consolidated budget after income tax deduction and legal reserve deduction
2. Maintain more than 85% employee satisfaction
3. Conduct the business plan with 100% consideration of environment, society, and corporate governance.

In addition, the Company utilized existing knowledge and business base to enhance competitiveness and gave importance to environment, society, and corporate governance care in order to achieve the goal of sustainable organization. Senior executives conveyed the plan to executives and employees at all levels and monitored strategy implementation to the set goals and report progress to the Board of Directors.

#### 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 2022, at the Board of Director meeting dated 8 November 2022, 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 oversea 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 oversea 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.

In 2022 TK BROKER Company Limited (a subsidiary which TK hold 99.99% of the paid-up capital shares) that the establishment has been registered with the Department of Business Development, Ministry of Commerce on 13 August 2021, recently the subsidiary company has been licensed as a Non-Life Insurance Broker according to the Non-Life Insurance Act, B.E. 2535. This subsidiary can operate business as a Non-Life Insurance Broker directly. This subsidiary can operate business as a non-life insurance broker directly right after the license has been authorized.

TK Ngern Tan Jai Co., Ltd (a subsidiary which TK hold 99.99% of the paid-up capital shares) currently operates in Nano Finance business and has received additional license to operate Personal Loan under Supervision for Non-Bank. consisting of

1. Supervised Personal Loan Business without any collateral
2. Supervised Personal Loan Business with collateral of vehicle registration

### 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 filing 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, 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., TK Broker Company Ltd. and Mingalaba Thitikorn Microfinance Co., Ltd. Thitikorn Group's core business is a hire-purchase service provider for both motorcycle and automobile. In 2022, the Group's revenues breakdown for motorcycle hire-purchase: automobile hire-purchase: loans: others income shown 74.2: 0.6: 0.5: 24.7

**1.2.1 Revenue structure for Group of Companies**

Revenue breakdown structure for the years 2020-2022 are categorized as follows:

Business Group/operated by	% share holding	Consolidated 2022		Consolidated 2021		Consolidated 2020	
		THB Million	%	THB Million	%	THB Million	%
<b>1. Motorcycle Hire-purchase</b>							
Thitikorn Plc.							
Chayapak Co., Ltd.	99.99						
Suosdey Finance PLC	99.95						
Sabaidee Leasing Co.,Ltd.	86.89						
Total revenue		1,444.9	74.2	1,360.2	67.9	1,977.3	77.6
<b>2. Automobile Hire-purchase</b>							
Chayapak Co., Ltd.	99.99						
Total revenue		12.3	0.6	10.7	0.5	16.3	0.6
<b>3. Loans</b>							
Thitikorn Plc.							
Chayapak Co., Ltd.	99.99						
TK Ngern Tan Jai Co., Ltd.	99.99						
Mingalaba Thitikorn	99.00						
Microfinance Co.,Ltd							
Total revenue		10.6	0.5	18.0	0.9	13.3	0.5
<b>4. Others</b>							
Sales of products		20.6	1.1	34.6	1.7	0.2	0.01
Fee income		30.2	1.6	34.0	1.7	39.7	1.6
Bad debt recovery		197.3	10.1	277.6	13.9	240.6	9.4
Other		231.9	11.9	267.3	13.4	260.8	10.2
Total revenue		480.0	24.7	613.5	30.7	541.3	21.3
<b>Grand total</b>		<b>1,947.8</b>	<b>100.0</b>	<b>2,002.4</b>	<b>100.0</b>	<b>2,548.2</b>	<b>100.0</b>

## 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	2022		2021		2020	
	Value	Percent	Value	Percent	Value	Percent
Private Car	112.0	51.2	117.0	60.84	142.1	63.49
Commercial vehicles						
- Pick-up trucks	77.5	35.5	60.9	31.67	62.8	28.06
- Van	29.1	13.3	14.4	7.49	18.9	8.45
<b>Private Car</b>	<b>218.6</b>	<b>100.0</b>	<b>192.3</b>	<b>100.0</b>	<b>223.8</b>	<b>100.0</b>

\* 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 - 2022, the Company's revenue came from nano-finance business in the proportion of 0.03: 0.60: 0.44, 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 2022, the Group's proportion of private cars to commercial vehicles was 31 : 69.

#### 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 335 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 73 branches in 2022 covering 56 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 of the government programs such as first car 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, resulting from the trade war between The United States of America and the 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, the Thai Baht currency has steadily strengthened from an average of Baht 35.26 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 (formerly 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) that occurred in China PRC in December 2019. Since Thailand is one of the preferred 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 2022, Covid-19 has been spreading around the world for 3 consecutive years and the virus is constantly mutating. But scientists have been able to come up with vaccines and many effective Covid-19 drugs. It resulted in the United States, the world's largest economy, beginning to open country in full scale in 2022 and the economic activities economy in the United States expanded rapidly. Likewise, the countries in the European Union began to open the country. As a result, demand for almost all kinds of goods increased in multiples, causing global inflation in 2022 at the highest of 8.8% in 10 years (data from the Bank of Thailand). The war between Russia and Ukraine has been escalating since February 24, 2022 and there is no sign of peace in the near future. Both countries are major producers of major global commodities such as energy (oil and gas), aluminum, fertilizers, and food, causing global production and transportation problems. Brent's global crude oil prices averaged an annual price of USD 97.74 per barrel, an increase of 42.15% from 2021; while the annual average price of WTI was of USD 91.49 per Barrel, increasing by 39.53% from 2021. The European gas price (Dutch TTF Natural Gas) peaked at USD 70.04 per MMBTU in August 2022, or a 10-fold increase compared to the beginning of 2021 in January, causing the annual average of the gas price at USD 16.12 per MMBTU. This resulted in the Fed raising the policy

rate 7 times. The lowest policy rate in history was at 0.00 – 0.25% and up to 4.25 - 4.50% at the end of 2022. Moreover, the Fed is likely to continue its policy of increasing interest rates. As a result, the European Central Bank and many other countries have raised policy rates to stabilize the currency of each country to not be too weak. The Bank of Thailand has increased policy rates 3 times from 0.5% to 0.75%. As a result, at the end of 2022, the Thai policy rate was at 1.25%. The central bank of major economies around the world has increased policy rates rapidly to extract inflation and stabilize the exchange rate or currency of that country. However, the whole world is back to living with Covid-19. China, the second largest economy in the world, has officially started opening the country on January 8, 2023, which directly affects Thailand's tourism industry.

In 2022, Thai household debt remained at an unprecedented high at 86.8% of GDP in the third quarter, reaching Baht 14.9 trillion. Thailand has the 12th highest household debt in the world and the second highest in Asia. The tourism sector accounted for 20% of GDP in 2022, experiencing a contraction for two consecutive years.

The Thai economy in 2022 grew at a high rate of 3.4% after it expanded in 2021 at 1.6%. Thai exports expanded by 8.1%. Additionally, foreign tourists began to return to Thailand at 11.8 million people, after reaching a record high of 39 million in 2019, positively affecting tourism industry and overall expansion of the Thai economy.

Thailand itself faced a high energy price crisis, resulting in a high cost of living for the people. The Thai government has helped the people by fixing the energy price—including oil, gas, and electricity, resulting in a loss of Baht 123,155 million (data as of the end of 2022 from the Oil Fuel Fund Office). However, in 2023, it is expected that the energy price support should gradually decline with the world energy price, which began to decline slowly. The agricultural sector of Thailand in 2022 can expand by 0.8% compared to 2021, resulting in a slightly better income for farmers. Accordingly, in the past year, the tourism sector began to recover both from 11.8 million foreign tourists and 189 million Thai tourists – times. The income from foreign and Thai tourists in 2022 was up to Baht 1.5 trillion, increasing by 395.0% compared to 2021, or about 50.0% of the income from foreign and Thai tourists at a record high in 2019 before the COVID-19 outbreak.

In 2022, the motorcycle market continued to expand for the second year. The automobile market, which continued to shrink for three consecutive years, first expanded in 2022. Motorcycle sales in 2022 were 1,801,902 units, increasing by 11.9% from 1,610,223 units in 2021, while automobile sales were 849,395 units, increasing by 11.9% from 759,119 units in 2021.

Major motorcycle and automobile manufacturers predicted that by 2023, motorcycle sales will be 1,750 billion units or decrease by 2.9% and automobile sales will be 900,000 units or increase by 6.0%.

Office of the Consumer Protection Board is a government organization under the control/supervision of the Minister of Prime Minister's Office. It is assigned to take care of matters related to consumer rights, including the control and inspection of car and motorcycle leases in Thailand. There was an initiative to control the interest ceiling of car and motorcycle leases at the end of 2021.

On October 20, 2021, the OCPB organized public and entrepreneurs' opinions hearing for the 1st time. Normally, in practice, if there was no objection or provision of useful information, the OCPB would publish the interest in the Government Gazette and make it effective within 90 days. The Thai Bankers' Association, Thai Hire Purchase Association, Thai Motorcycle Hire Purchase Association, Federation of Thai Industries, Thai Automobile Industry Association, and Thai Motorcycle Enterprise Association had the opportunity to meet the Minister of the Prime Minister's Office, Mr. Anucha Nakasai, and clarify the impact that the OCPB obtained from the first hearing. In the first draft, it was proposed to control the interest ceiling on new and old cars, motorcycles, and tractors at 15% per year, which was not suitable for many products, especially motorcycles. If it had been declared, it would have had a wide impact throughout the supply chain, where there are no less than 550,000 employees in the automobile and motorcycle manufacturing industry, including more than 3,000,000 employees from dealers and hire purchase services.

The Minister of the Prime Minister's Office, therefore, ordered/convened a meeting with the OCPB and assigned the OCPB to organize the second public hearing on December 16, 2021. The content of the second draft was the proposal to control the interest ceiling at 18% per year and removed tractors from the interest ceiling control.

On December 15, 2022, the Thai Bankers' Association, Thai Hire-Purchase Association, Thai Motorcycle Hire-Purchase Association, Thai Motorcycle Enterprise Association, and motorcycle distributors again discussed with the Minister of the Prime Minister's Office. The Minister has kindly set up a working group consisting of the OCPB, the Fiscal Policy Office of Ministry of Finance, Bank of Thailand, Thai Bankers' Association, Thai Hire-Purchase Association, and Thai Motorbike Hire-Purchase Association to look for a reasonable cost for fairly controlling the interest rate ceiling to all parties. The working group has sought all-round information as possible for a limited time. The Bank of Thailand was at the forefront of designing tables to collect and analyze information.

The cost study data were presented to the working group and the Contract Committee of the OCPB on March 31, 2022. The essence of the motorcycle hire-purchase business is that the average interest rate is 30.6% with an average cost of funds of 2.1% (estimated to be the figure of a major provider or a subsidiary of commercial banks which has strong financial position and a complete database. However, the proportion of motorcycle hire-purchase service providers in Thailand is mostly small enterprises with a significantly higher cost of fund with incomplete databases.) The operating cost is averaged at 11.7% and the credit cost is at 7.5%. The average cost (before interest loss 3.6% + commission 3.8%, totaling 7.4%) is 19.50% showing the difference between average interest and cost of fund plus average cost at 9.30% (if the interest loss and commission is deducted for 7.4%, there will have a margin of only 1.9%)

On October 12, 2022, however, the OCPB published the interest ceiling in the Government Gazette, effective from January 10, 2023, which controls the interest ceiling on new and old cars at 15% per year and 23% per year on motorcycles. This interest ceiling is significantly lower than the operating costs of the current motorcycle hire-purchase service provider. In 2023, it is expected that the motorcycle hire-purchase service provider will adjust the service model which will inevitably impact the domestic motorcycle manufacturing industry, motorcycle dealers, motorcycle hire-purchase service providers, and motorcycle users.

### 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 benefited from the economic expansion as a result of various economic stimulus policies such as the rice-pledging scheme. In 2012, motorcycle sales were at the highest record of 2,125,646 units. However, from 2013 to 2015, motorcycle sales declined for three consecutive years. In 2016-2017, motorcycle sales continually increased for two consecutive years. Furthermore, from 2018 to 2020, motorcycle sales declined for three consecutive years. In 2022, the two consecutive years of expansion, motorcycle sales were 1,801,902 units, increasing by 11.9% from the previous year.

According to the government's First Car Scheme in 2012, the automobile market reached the highest sales of 1,434,669 units. After that, from 2013 to 2016, automobile sales declined for four consecutive years, then increased for two consecutive years from 2017 to 2018. However, the sales have decreased for three consecutive years from 2019 to 2021. Automobile sales in 2022 were 849,395 units, increasing by 11.9% from the previous year, which is the first year of expansion after three consecutive years of decline.

Major manufacturers of both motorcycles and automobiles are expected motorcycle sales to be 1,750 billion units, decreasing by 2.9%, and automobile sales to be 900,000 units, increasing by 6.0% in 2023.

### Overall Sales of Motor Vehicles Nationwide

Type of Vehicles	2022	2021	2020	2019	2018
Automobile	265,127	251,800	274,753	398,386	399,657
Commercial vehicles	584,268	507,319	517,357	609,166	642,082
Total vehicles	849,395	759,119	792,110	1,007,552	1,041,739
% Change	11.89	-4.17	-21.38	-3.28	19.51
Motorcycle	1,801,902	1,610,223	1,517,682	1,719,373	1,788,459
% Change	11.90	6.10	-11.83	-3.86	-1.2

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 a financial service business by providing motorcycle hire-purchase services for 50 consecutive years. The company Group has been a leading hire-purchase provider in Bangkok and Thailand for more than 30 consecutive years. After being listed on the Stock Exchange of Thailand in 2003, the company has a clear policy to expand its business to upcountry provinces, which at the end of 2022 have a population of 60,595,543 people or 91.7% of the country's population 66,090,475 people due to the economy in the upcountry economy has grown more than Bangkok during the past year. Since being listed in the Stock Exchange of Thailand in 2003, TK accelerated to opening 55 branches in the first 10 years after raising funds from shareholders in the stock exchange, an average of 5 branches per year. However, the company has delayed its plan of opening branches since 2018 after opening 57 branches in provinces of every region. At present, the ratio of motorcycle hire-purchase receivables in upcountry areas to Bangkok was at 75.7%: 24.3%

when compared to the ratio of total motorcycle sales in upcountry areas to Bangkok was at 75.5%: 24.5%. The business proportions were 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 up to 80%.

In 2022, the motorcycle market increased sales to 1,801,902 units, increasing by 11.9% or 191,679 units. The automobile market has decreased sales for three consecutive years from 2019-2021. In 2022, there were 849,395 units sold, increasing by 11.9%. Both markets were affected by the supply disruption of semiconductor chip shortage. The automobile assembly industry was hit harder because of the higher use of semiconductor chips per vehicle than motorcycles, but both markets were able to resume expansion.

In 2021, household debt remained at an unprecedented high of 90.1% of GDP in the fourth quarter of 2021 with a value of up to Baht 14.5 trillion baht. Moreover, Thailand has the 12th highest household debt in the world and the second highest in Asia. The company has been strict in credit services for nine consecutive quarters and has resumed expansion in Thailand from the third quarter of 2021 until the second quarter of 2022. This is due to the Covid-19 epidemic beginning to decline and the living of the people and the economy beginning to recover. Subsequently, the company anticipated the OCPB to announce the control of the interest ceiling on motorcycle leasing in the third quarter of 2022. As a result, the company resumed strict lending (October 12, 2022, the OCPB announced the Contract Committee Notification Re: Declaration of Automobile and Motorcycle Hire-Purchase Business as a Contract Control Business B.E. 2565 (2022) in the Government Gazette and it comes into force on January 10, 2023)

At the end of 2022, the company's motorcycle loan portfolio declined 0.8%, while motorcycle sales rose 11.9% due to the strict policy in underwriting new loans and the policy preventing bad debts and provision for doubtful accounts. In 2023, motorcycle sales are expected to decrease by 2.9% to 1,750 billion units.

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

(Unit: Vehicles)	2022	2021	2020	2019	2018
<b>Motorcycle sales nationwide</b>	1,801,902	1,610,223	1,517,682	1,719,373	1,788,459
- Motorcycle sales in Bangkok and vicinity	441,202	410,678	397,616	447,644	456,367
- Motorcycle sales in upcountry	1,360,700	1,199,545	1,120,066	1,271,729	1,332,092
- Percentage of motorcycle sales in Bangkok and vicinity	24.49	25.50	26.20	26.04	25.52
- Percentage of motorcycle sales in upcountry	75.51	74.50	73.80	73.96	74.48
Hire-purchase volume in Bangkok and vicinity					
Percentage of hire purchase					
Cash purchase volume in Bangkok and vicinity					
Percentage of cash purchase					

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, 2022, 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					
	2020		2021		2022	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Borrowings from financial institutions						
Short-term borrowing	154.8	2.3	88.5	1.4	64.1	1.1
Long-term borrowing	250.1	3.6	391.5	6.0	301.4	4.9
Debenture	1,070.0	15.7	400.0	6.1	-	-
Total borrowings from financial institutions	1,474.9	21.6	880.0	13.5	365.5	6.0
Total shareholders' equity	5,356.3	78.4	5,657.0	86.5	5,757.8	94.0
Total sources of fund	6,831.2	100.0	6,537.0	100.0	6,123.3	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 9.0% 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. From the current consumer behavior, the Company has foreseen a new marketing channel by focusing on marketing through digital media and social media to publicize and build a base of trust and credibility for the Company. The Company also uses social media to create engagement with the Company's customers such as website: [www.tk.co.th](http://www.tk.co.th)

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, 2022**

- **Thitikorn Public Company Limited**

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2022	31 Dec 2021	
Land	Owner	7.8	7.8	-
Buildings	Owner	-	-	-
Vehicle	Owner	2.2	6.9	-
Computer System	Owner	1.4	2.56	-
Office Equipment	Owner	12.5	18.8	-
Utilities	Owner and lease	2.3	3.6	-
Office Renovation	Owner	21.0	23.61	-
Building Improvements	Owner and lease	3.9	12.66	-
Computer Equipment	Owner	0.6	0.3	-
Hand Tools	Owner	-	0.01	-
<b>Leasehold</b>				
<b>Chiang Rai Branch Office</b> 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	-	-	-
<b>Chiang Mai Branch Office</b> 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	-	-	-
<b>Chanthaburi Branch Office</b> 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	0.01	0.09	-
<b>Rayong Branch Office</b> 43/5-6 Chanthaudom Road Tha Pradu Subdistrict, Mueang District, Rayong	10-year lease 3 May 2010– 3 May 2020 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 2022	31 Dec 2021	
Land	Owner	4.8	4.8	-
Buildings	Owner	-	-	-
Office Equipment	Owner	0.1	0.1	-
Vehicles	Owner	0.05	0.01	-
Office Renovation	Owner	-	0.02	-
Computer System	Owner	-	0.002	-
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	4.1	4.5	

- Chayapak Company Limited

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2022	31 Dec 2021	
Office Equipment	Owner	0.004	0.01	-
Vehicles	Owner	-	-	-
Computer System	Owner	-	-	-
Assets for rent – Vehicles	Owner	1.14	1.78	-

- TK Ngern Tan Jai Company Ltd.

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2022	31 Dec 2021	
Computer System	Owner	-	-	-

- TK Broker Company Ltd.

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2022	31 Dec 2021	
Computer System	Owner	0.09	0.11	-

- Mingalaba Thitikorn Microfinance Company Limited.

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2022	31 Dec 2021	
Office Equipment	Owner	-	0.03	-
Computer Equipment	Owner	-	0.02	-

- Suosdey Finance PLC.

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2022	31 Dec 2021	
Office Equipment	Owner	1.4	1.7	-
Vehicles	Owner	4.3	5.6	-
Computer System	Owner	0.4	0.7	-
Computer Equipment	Owner	0.9	0.8	-
Utilities	Lease	-	-	-
Building Improvement	Lease	15.1	14.0	-

▪ Sabaidee Leasing Company Limited.

Types of Assets	Ownership	Book Value (Million Baht)		Obligations
		31 Dec 2022	31 Dec 2021	
Office Equipment	Owner	0.2	0.3	-
Computer System	Owner	0.1	0.2	-
Computer Equipment	Owner	0.6	0.6	-
Utilities	Lease	-	-	-
Building Improvement	Lease	0.5	0.4	-
Construction work in progress	Lease	-	0.4	-

**Account receivables**

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

Types of Assets	31 December 2022		31 December 2021	
	Number of Vehicles	Million Baht	Number of Vehicles	Million Baht
<b>Motorcycle</b>	107,586	6,264.5	121,055	5,890.9
Add accrued profit		68.6		60.1
Less deferred hire-purchase profit		(1,711.8)		(1,632.5)
Less deferred VAT		(377.4)		(345.1)
Less allowance for doubtful accounts		(330.9)		(344.7)
Difference of exchange rate from budget conversion		-		-
<b>Net</b>		<b>3,913.0</b>		<b>3,628.7</b>
<b>Automobile</b>	564	260.9	615	227.0
Less deferred hire-purchase profit		(25.8)		20.5
Less deferred VAT		(16.5)		14.2
Less allowance for doubtful accounts		(10.3)		8.6
<b>Net</b>		<b>208.3</b>		<b>183.7</b>
<b>Total</b>	<b>108,150</b>	<b>4,121.3</b>	<b>121,670</b>	<b>3,812.4</b>

2. Loan receivables, Nano/Micro-finance receivables

Types of Assets	31 December 2022		31 December 2021	
	Number of Receivables	Million Baht	Number of Receivables	Million Baht
Loan receivables	3,087	44.4	10,776	165.8
Less deferred profit		(3.9)		(10.7)
Less allowance for doubtful accounts		(3.2)		(18.3)
Difference of exchange rate from budget conversion		-		0.2
<b>Net</b>		<b>37.3</b>		<b>137.0</b>

3. Other receivables of the Group

	31 December 2022		31 December 2021	
	Number of Receivables	Million Baht	Number of Receivables	Million Baht
Counter service receivables	1	4.5	1	10.5
Other receivables	53	1.6	54	1.9
<b>Total</b>	<b>54</b>	<b>6.1</b>	<b>55</b>	<b>12.4</b>

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 2022		31 December 2021	
	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	3,485.5	81.5	3,281.1	96.2
2-3 months overdue	470.4	86.0	423.5	85.3
4-6 months overdue	252.0	133.2	241.8	137.0
Overdue > 6 months	35.9	30.2	27.0	26.2
<b>Total</b>	<b>4,243.8</b>	<b>330.9</b>	<b>3,973.4</b>	<b>344.7</b>

\* 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)

	2022		2021	
	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	193.1	0.4	166.2	0.3
2-3 months overdue	4.7	0.02	6.6	0.03
4-6 months overdue	6.8	0.3	4.9	0.2
7-12 months overdue	5.9	1.4	8.7	2.2
Overdue > 12 months	8.2	8.2	5.9	5.9
<b>Total</b>	<b>218.7</b>	<b>10.3</b>	<b>192.3</b>	<b>8.6</b>

\* 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 loan 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)

	2022		2021	
	Net balance of loan receivables*	Allowance for doubtful accounts	Net balance of loan receivables*	Allowance for doubtful accounts
Receivables that are not due – 1 month overdue	30.7	0.2	102.4	2.4
2-3 months overdue	4.9	0.7	32.6	4.8
4-6 months overdue	4.0	1.8	18.6	9.8
7-12 months overdue	0.7	0.4	1.6	1.2
Overdue > 12 months	0.07	0.05	0.1	0.07
<b>Total</b>	<b>40.4</b>	<b>3.1</b>	<b>155.3</b>	<b>18.3</b>

\* 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

Number of other account 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)
<b>Motorcycle</b>			
31 December 2020	2,216	158,560	1.4
31 December 2021	1,055	121,055	0.9
31 December 2022	1,957	107,586	1.8
<b>Automobile</b>			
31 December 2020	-	-	-
31 December 2021	-	-	-
31 December 2022	-	-	-

### Investments recorded by cost method

As of December 31, 2022, Thitikorn Public Company Limited has long-term investments in subsidiaries with details as follows:

(Unit: Million Baht)

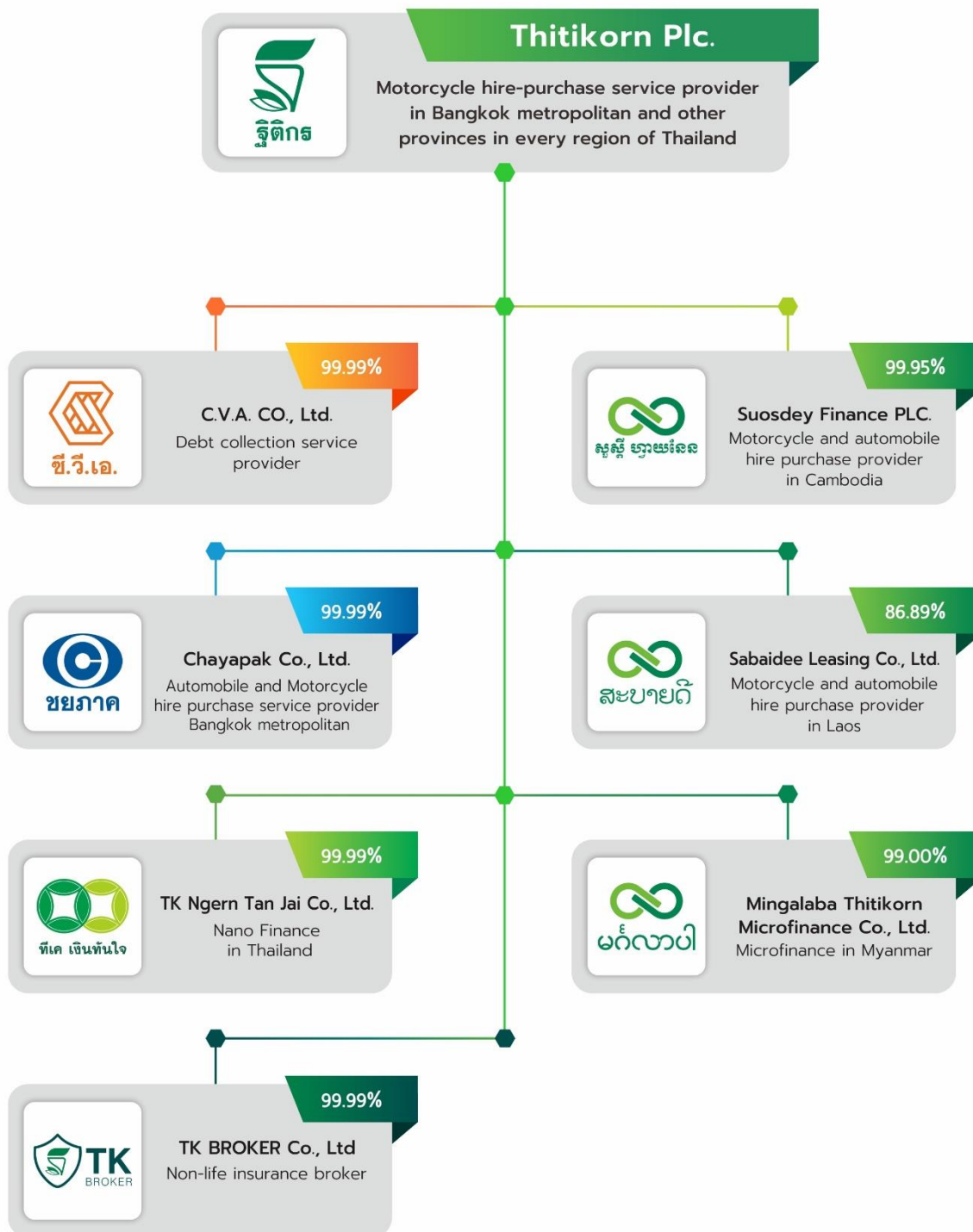
31 December 2022				
Company	Business	Issued and Paid-up Capital	Percent of Direct and Indirect Investment	Investment Value
1. C.V.A. Company Limited	Provide hire-purchase motorcycle and related services including reconditioning	50.0	99.99	49.99
2. Chayapak Company Limited	Provide motorcycle and automobile 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	
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
<b>Total</b>				<b>325.8</b>
<b>Less Allowance for Impairment</b>				<b>(4.7)</b>
<b>Net</b>				<b>321.1</b>

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, 29<sup>th</sup> 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 8, 2022

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. Nongnui Phornprapha	6,000,000	1.20
8. Ms. Suphatana Phornprapha	10,666,670	2.13
9. นายชัยรัตน์ โทวิทจินดาชัย	10,000,000	2.00
10. นายสันติ โทวิทจินดาชัย	10,000,000	2.00
<b>Total</b>	<b>370,669,670</b>	<b>74.13</b>

Source : Major shareholders' report as at the closing date of the share-registered book, March 8, 2022, 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	2017	2018	2019	2020	2021
Earnings per share (Baht)	0.93	0.81	1.01	0.74	0.94
Dividend per share (Baht)	0.52	0.45	0.55	0.42	0.50
Dividend Payout Ratio (%)	55.7	55.2	54.5	57.1	53.0

## 2. RISK MANAGEMENT

### 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, 2022, the motorcycle hire-purchase business generates 74.2 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. (Draft) Royal Decree stipulating certain types of financial business operations to operate under the Financial Institutions Business Act B.E. 2551 to supervise the hire-purchase and leasing business of automobiles and motorcycles.
2. Notification of the Board of Directors Re: Stipulating the Business of Lending Money to Consumers as Contract Control Business B.E. 2022
3. 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)
4. 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)
5. 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)
6. The Notification of the Committee on Contracts re: Prescribing Hire-Purchase for Car and Motorcycle Business as Contract-Controlled Business B.E. 2565
7. Debt Collection Act B.E. 2558 (2015) (including amendments)
8. Personal Data Protection Act B.E. 2562 (2019) (including amendments)

9. Credit Information Business Act B.E. 2545 (2002) (including amendments)
10. Money Laundering Prevention and Suppression Act B.E. 2542 (1999) (including amendments)
11. Notification of the Insurance Commission re: Rules and Conditions of Licensing for Juristic person to be a Non-life Insurance Broker
12. 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, 2022, the Company has long-term fixed rate borrowing of Baht 301.1 million (including current portion of Baht 211.6 million) Long-term borrowing represented 82.5% of the total borrowing of Baht 365.5 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.

### **Risks from Currency Fluctuation**

The change in the Baht to the U.S. dollar has a direct and indirect impact on the Company's income and expense. Since motorcycle hire-purchase income is the main income of the business, including loans for various investment projects, the Company has a risk management approach to reduce the impact of such exchange rate fluctuations by structuring loans in foreign currencies to be balanced with income based on natural hedge approach. Such risk management is regulated, approved, and monitored by the Risk Management Committee to ensure it conforms to the risk management policy and reduce the impact to the extent within the Company's risk appetite.

### **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 50 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 26 business alliances in Bangkok and 309 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 a 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, 2022, the Company long-term fixed rate borrowing was Baht 301.4 million. The Company long-term fixed rate borrowing (including current portion of fixed long-term loans) accounted for 82.5%, which helps the Company minimize risk from duration gap.

#### **Risks associated with COVID-19 pandemic**

The ongoing mass vaccination drive in Thailand led to relaxing COVID-19 restrictions in an effort to jump-start the economy and to eventually reopen the country for business. But the coronavirus, having mutated into new variants, continued to spread, prolonging adverse effects on businesses. In managing risks associated with COVID-19, IRPC gave priority to keeping our employees and related persons safe from infection to keep the businesses going during these difficult times. The COVID-19-related risk management guidelines are as follows:

##### **Risk Management Guidelines**

- 1) Set up COVID-19 War Room to effectively enforce preventive measures and resolved issues brought on by the COVID-19 pandemic to achieve the target of zero infection or death
- 2) Implemented Work from Home program by providing equipment and work systems to enable employees to work from home efficiently, limit congestion in the workplace, maintain a safe distance to reduce the employees' risk of contracting COVID-1
- 3) Tightened access control at entry and exit points at the offices or production plants by setting up temperature screening on employees and visitors and requiring everyone to wear a face mask, in addition to other measures required by the authorities
- 4) Established guidelines on how to process any employee suspected or confirmed to have COVID-19, systematically implemented isolation and quarantine, developed workforce contingency plan to prevent disruption to the company's main operations
- 5) Provided the vaccines for the employees.
- 6) Developed a business continuity plan (BCP) for severe infectious disease threats,. Conducted regular drills to ensure the BCP works as intended.

#### **Risks from Environmental and Climate Changes**

The environmental and climate change problems have continuously been getting more severe. Human being is a part of what causes such changes, i.e., industrial pollution, fuel consumption in the transportation, etc. The stated problems may have impact on not only the company business operation but also the related supply chain. All stakeholders also have expectation for the private sector to operate the business that takes the environmental sustainability into account.

Thus, the Company defined the guideline for environmental management for sustainability in terms of energy management, water management and waste management, and greenhouse gas management. The Company's corporate culture promotes the environmental consciousness and provides knowledge and understanding to support employees to help reduce the impact of global warming and climate changing.

## **Risks from Cyber Threat**

The technology change and development have partly been supporting the higher efficient business operations in the aspects of cost management and product and service development to meet customer's demand. Meanwhile, the risk of cyber security has also been increasing. The Company's cyber-attack could result in service disruption and stolen important information affecting the Company's image, reputation, and stakeholders' confidence to the Company. Penalties from official authorities shall be applied if the applicable law or regulations are violated.

Hence, the Company set the Cybersecurity Measures to prevent risks from such causes which cover risk identifying process, threat prevention, timely response to threat, and treatment. In addition, the Company encouraged its employees to have knowledge, understanding and realization of cyberthreat risks in order to elevate the security to meet the international standards and related laws.

## **Risk from Depending on Dealers**

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

The company uses the strategy to maintain the relationship and build trust for dealers to create long-term alliances. Until now, the company has continuously received trust and recommended customers from the dealers. Additionally, the company aims to reduce the risk of depending on specific dealers, dealers of any specific area or cars of any specific brand by finding new dealers, who have business opportunities, more.

### **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 8, 2022, the Phornprapha family held 377,503,000 shares of the Company, representing 75.50% (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.<sup>3</sup>

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 13<sup>th</sup> 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.

### **2.2.3 Risks Facing Investing in Foreign**

- None -



## 3. DRIVING FOR SUSTAINABILITY

### 3.1 Sustainability Management Policy and Goal

#### 3.1.1 Sustainability Management Policy

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.

#### 3.1.2 Sustainability Management Goals (Environment, Society, Governance)

The Company remains committed to being a leader in the motorcycle hire-purchase business in Thailand and neighboring countries with a mission to take good care of all groups of stakeholders in a balanced manner. The Company integrates the mission with the strategy and direction of the organization's sustainable business operation to show social and environmental responsibility.

#### 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 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 promote 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 basic 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 employees' 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

Stakeholder analysis in the business value chain revealed the Company's realization of the importance of stakeholder management throughout the business value chain. Stakeholders cover the affected people or people that may affect the operations of the Company in the past, at present, and in the future. Stakeholder management is operated along with effective business value chain management to ensure that stakeholders are treated in a balanced manner according to the organization's missions. The Company's stakeholders are categorized into 8 main groups, namely shareholders, customers, employees, suppliers, competitors, creditors, society, communities and environment, and government sectors/government agencies/related organizations. Stakeholder analysis aims to realize stakeholders' perspectives and expectations on the business operation, including helping to determine appropriate guidelines for engaging with stakeholders on a regular basis.

In 2022, 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"> <li>- Income, share price and dividend that give worthwhile returns</li> <li>- Treating shareholders equitably</li> <li>- Fair business practices and transparent disclosure of information</li> <li>- Guidelines for good corporate governance</li> <li>- Reputation and credibility of the Company</li> <li>- Business sustainable growth</li> </ul>	<ul style="list-style-type: none"> <li>- Annual Shareholders' Meeting</li> <li>- Annual Report</li> <li>- Provide opportunities for shareholders to comment via the Company's website.</li> <li>- Meet investors through several activities.</li> <li>- Provide investment-based information through the Company's communication channels</li> <li>- Present the business performance on the Opportunity Day</li> <li>- Investment relations website</li> </ul>	<ul style="list-style-type: none"> <li>- Determine strategies and goals that are in line with the growing trend of business.</li> <li>- Organize the annual shareholders' meeting to be a platform for asking questions and expressing their opinions.</li> <li>- Provide opportunities for the shareholders to express comments on various issues through the Company's channels.</li> <li>- Oversee operations to ensure compliance with good corporate governance.</li> <li>- Perform operations strictly under relevant laws and regulations.</li> <li>- Receive the Investor Choice Award for 14 consecutive years</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Deliver quality and speed of service.</li> <li>- Employees must be honest.</li> <li>- Protect customer data.</li> <li>- Compliance with the Terms and conditions of the contract</li> <li>- Employees have knowledge and ability to appropriately provide services and useful suggestions</li> </ul>	<ul style="list-style-type: none"> <li>- Provide information of service and various products through the website.</li> <li>- Ready for service and provide channels for lodging comments and complaints through the Company's website and e-mail that can satisfy customers effectively.</li> <li>- Application TK Plus and Line @TK Plus</li> </ul>	<ul style="list-style-type: none"> <li>- Be able to provide clear, accurate, and transparent information.</li> <li>- Review the operating process and service on a regular basis to ensure that the current system responds to customer need.</li> <li>- Develop IT capabilities to meet the needs of customers.</li> <li>- Comply with the Code of Conduct on protecting the confidentiality of all stakeholders.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Define roles, duties and responsibility of each position.</li> <li>- Receive fair and Persuasive compensation and welfare close to those in the same business.</li> <li>- Develop employee Potential and promote</li> </ul>	<ul style="list-style-type: none"> <li>- Use Intranet of Human Resources Department to prepare information for communication and exchange comments.</li> <li>- Strengthen good relationship through various activities both online and offline.</li> </ul>	<ul style="list-style-type: none"> <li>- Organize Staff Meeting according to job titles at least once a year to inform progress and exchange ideas.</li> <li>- Organize both HR and CSR activities throughout the year for employee engagement.</li> <li>- Organize regular training to increase employee potential.</li> </ul>

Stakeholders	Expectation	Ways of Engagement	Implementation
	<ul style="list-style-type: none"> <li>career advancement according to the level of positions and duties.</li> <li>- Have safety at work and good working environment.</li> </ul>	<ul style="list-style-type: none"> <li>- Attend training courses.</li> <li>- Use KPIs as a tool for performance appraisal and measurement.</li> </ul>	<ul style="list-style-type: none"> <li>- Use principles of performance appraisal according to Key Performance Indicators (KPIs)</li> <li>- Treat employees fairly.</li> <li>- 0% of occupational accident</li> <li>- 0% of labor problems or complaints.</li> </ul>
Partners	<ul style="list-style-type: none"> <li>- Have clear business objectives.</li> <li>- Comply with terms and conditions according to contractual agreements.</li> <li>- Have clear system and workflow.</li> <li>- Have effective teamwork with fair and equal practices.</li> <li>- Protect data privacy.</li> <li>- Provide communication channels for expressing ideas and comments.</li> <li>- Uphold Anti-corruption Policy.</li> </ul>	<ul style="list-style-type: none"> <li>- Use IT systems to support communication for effective operation.</li> <li>- Set up channels for filing a complaint when treated unfairly.</li> <li>- Organize meetings and monitor the continuity of work plans.</li> </ul>	<ul style="list-style-type: none"> <li>- Build a good relationship to create confidence and trust in doing business with each other.</li> <li>- Protect confidential information and keep record according to applicable rules, regulations, and business needs.</li> <li>- Notify of the Code of Conduct and practices including anti-corruption.</li> </ul>
Business Competitors	<ul style="list-style-type: none"> <li>- Conduct business with honesty and comply with relevant law.</li> </ul>	<ul style="list-style-type: none"> <li>- Provide accurate information on the Company's website.</li> </ul>	<ul style="list-style-type: none"> <li>- Adhere to fair competition and business operation policies.</li> <li>- Follow the organization's best practices and good governance in business operations.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>- Be trustworthy and conform to terms and conditions of the contract.</li> </ul>	<ul style="list-style-type: none"> <li>- Define and communicate policies as well as clear procedures and regulations in doing business.</li> </ul>	<ul style="list-style-type: none"> <li>- Be trustworthy and strictly conform to terms and conditions mutually agreed by creditors.</li> <li>- Build relationships with creditors to create confidence and trust with each other.</li> </ul>
Society, community and Environment	<ul style="list-style-type: none"> <li>- Build engagement of all stakeholders to give them chances to participate in social and environmental activities.</li> </ul>	<ul style="list-style-type: none"> <li>- Organize CSR social activities every year to let employees to participate in the CSR project and exchange knowledge from joining community activities.</li> <li>- Disseminate CSR projects through internal and external communication.</li> </ul>	<ul style="list-style-type: none"> <li>- Adhere to the policy supporting participation in giving back to society and community as well as developing the environment regularly.</li> <li>- Cultivate awareness of employees in social responsibility, community, and environment.</li> <li>- Encourage sharing knowledge on giving back to society through training and practice from various activities.</li> <li>- Participate in creating innovations for the Company's sustainability.</li> </ul>
Public sector/ government agencies/related organizations	<ul style="list-style-type: none"> <li>- Conduct business in compliance with the law.</li> <li>- Define and conform to corporate governance policy.</li> <li>- Communicate to employees about compliance with the law.</li> <li>- Cooperate and support business operations.</li> </ul>	<ul style="list-style-type: none"> <li>- Communicate to employees about regulations and matters of law related to the operation via the Company's channels.</li> <li>- Provide Compliance training to employees in all departments and take a test to ensure the correct understanding.</li> </ul>	<ul style="list-style-type: none"> <li>- Strictly adhere to the law.</li> <li>- Publish all policies, regulations including ethical and operational guidelines for employees to acknowledge and comply.</li> <li>- Follow-up the compliance with rules and regulations regularly.</li> </ul>

### 3.3 Sustainability management in environmental dimensions

#### 3.3.1. 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.

The Company recognizes the importance of environmental preservation throughout the supply chain. It includes the selection of products that do not destroy nature and are environmentally friendly, strict compliance with the spirit of laws and regulations issued by regulators, reduction of scrap materials in the work process, and determination of standards for the use of air conditioners, lights, lighting, and computers based on the consideration of maximum benefits. This aims to save costs and create awareness of sustainable energy savings for public benefit.

#### 3.3.2. Environmental performance

In 2022, the Company has campaigned and promoted to all employees to realize the correct disposal of waste through internal communication channels such as email and Line. Additionally, the Company encourages employees to adhere to environmental laws and other regulations at the local and national levels, including taking part in the responsibility for environmental management by reducing energy consumption, pollution emissions, and water use, as well as wastewater control and waste management.



The Company also focuses on reducing the use of paper in the work process. Therefore, the practice to use less or reduce, reuse, and recycle is promoted. Especially in 2022, this activity was taken more seriously and concretely. Even there has not been a clear measurement, it is determined to be a continuous project, detailed as follows:

Reduce	Reuse	Recycle
<ol style="list-style-type: none"> <li>1. Store documents in an electronic format.</li> <li>2. Organize a meeting electronically with a PDF file document instead of a paper copy.</li> <li>3. Reduce hard copy of training materials by distributing electronic files.</li> <li>4. Store documents in an electronic format and use share drive.</li> </ol>	Reuse the one-side used paper.	Provide 4 types of garbage bins for waste segregation, consisting of wet waste, general waste, recyclable waste, and hazardous waste. Recycled waste can generate value from selling used paper, carton boxes, and clear /plastic bottles.

### Climate Change Operation

Greenhouse gas (GHG) emissions are controlled and reduced, and natural resources are conserved. The goal is to reduce greenhouse gas emissions each year, set strategies aimed at increasing energy efficiency, and invest in environmentally friendly businesses to drive business towards green economy and goal-oriented business. The Company sets the target to reduce the direct GHG emissions (Scope 1), energy indirect emissions (Scope 2), and other indirect emissions (Scope 3) continually every year, resulting in a significant reduction in indirect greenhouse gas emissions. The database year is set to 2022.

In this regard, in 2022, the Company calculated the greenhouse gas emissions based on the principles and formulas of the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO. Has not been yet verified by TGO experts, the Carbon Footprint of Organization (CFO) of the Company was 3,005.5 tons of carbon dioxide equivalent (tCo<sub>2</sub> e). The carbon footprint of Scope 1, Scope 2, and Scope 3 was 951.7 tCo<sub>2</sub> e, 627.8 tCo<sub>2</sub> e, and 1,426.0 tCo<sub>2</sub> e, respectively. When evaluating the CFO per person, it was equal to 2.4 tCo<sub>2</sub> e.

### Calculation of Greenhouse Gas Emissions in 2022

Carbon Sources	Tons of Carbon Dioxide Equivalent (tCO <sub>2</sub> e)
Fuel consumption	951.7
Electricity consumption	627.8
Travel	1,353.5
Post-management waste	63.5
Tap water	9.0
<b>Total</b>	<b>3,005.5</b>

### 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 2025, 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 2022, 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 2022 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**

### **3.4.1. 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.

**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.

### 3.4.2. Social performance

In the year 2022, the Company has undertaken projects that promote both quality of life and economic stability for the community as follows:

1. Organizing blood donation activities 2 times with Siriraj Hospital in which 111 employees donated blood totaling 49,950 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 20 times, total amount of blood donated 696,050 cc.

1 st time 18 March 2022

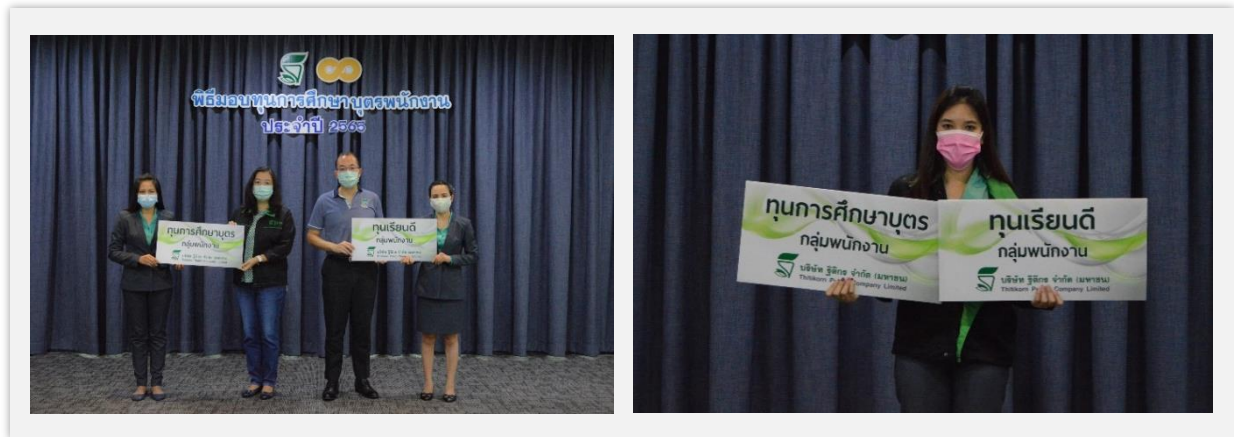


2 nd time 18 July 2022

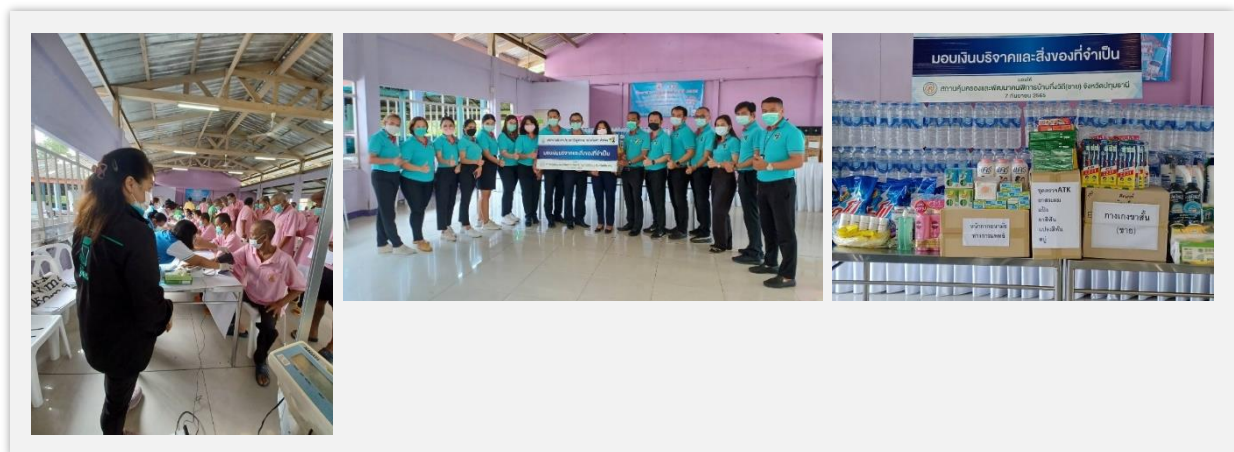




2. Provide scholarships and outstanding scholarships to employees' children, totaling 847 scholarships, divided into 208 outstanding scholarships for children of employees with a grade of 3.5 up studying in primary, secondary, and tertiary levels, and 639 scholarships for employees' children, a total amount of which was 1,010,100 Baht.



3. Executives and employees of the Company and affiliates jointly donated items, equipment and daily supplies to the Center for Protection and Development of Disabilities Half Way Home (Male-Female).





## 4. MANAGEMENT DISCUSSION AND ANALYSIS: MD&A

The Thai economy in 2022 increases its expansion by 3.4% after expanding by 1.6% in 2021. Thailand's exports grew by 8.1%, and foreign tourists began to return to Thailand at 11.8 million people after reaching a record high of 39 million in 2019. This positively impacted the tourism industry and the overall expansion of the Thai economy in 2022. The United States of America, the world's largest economy, began to gradually reopen and economic activities quickly expanded. Likewise, the European Union (EU) countries began to fully reopen. As a result, demand for almost all kinds of goods increased in multiples, causing global inflation in 2022 to reach the highest at 8.8% in 10 years (data from the Bank of Thailand). Additionally, the war between Russia and Ukraine has intensified since February 24, 2022, and there is no sign to peace in the near future. Both countries are major producers of the world's major commodities, such as energy (oil and gas), aluminum, fertilizers, and food, causing global production and transportation problems. Brent global crude oil prices have an annual average price of USD 97.74 per Barrel, increasing by 42.15% from 2021, while WTI has an annual average price of USD 91.49 Per Barrel, increasing by 39.53% from 2021. The gas price in Europe (Dutch TTF Natural Gas) jumped to USD 70.04 per MMBTU in August 2022, or 10 times higher than the beginning of 2021 in January. The annual average was at USD 16.12 per MMBTU, resulting in the Fed raising the policy rate 7 times. The lowest policy rate in history at 0.00 – 0.25% has risen to 4.25 - 4.50% at the end of the year 2022. The Fed is likely to continue the policy of interest increasing. As a result, the Central Bank of the European Union and several other countries raised policy rates to stabilize the currency of each country. The Bank of Thailand increased the policy rate 3 times from 0.5% and increased by 0.75%. Therefore, at the end of 2022, the policy rate of Thailand was 1.25%.

In 2022, motorcycle market sales increased to 1,801,902 units or 11.9%, while automobile market sales were 849,395 units or 11.9% increase. Both markets were affected by supply disruption especially automobile markets due to semiconductor chip shortage, but both markets were able to resume expansion. The company has continued the strict policy in underwriting loans due to the Covid-19 epidemic. The household debt was at an unprecedented high. As a result, net leasing and lending receivables were Baht 4,158.6 million or increase by 5.3%, while domestic motorcycle leasing receivables were Baht 2,710.8 million or increase by 8.7% and automobile leasing receivables were Baht 208.3 million or increase by 13.4%. Hire-purchase receivables in Lao PDR and the Kingdom of Cambodia were Baht 1,202.1 million or increase by 6.0%, accounting for 30.7% of net motorcycle leasing receivables of the company as of the end of 2022. The Group has cash and cash equivalent more than Baht 1,326.0 million or 20.2% of assets, including liabilities to capital at 0.14 times. The company group is ready for liquidity, in short and medium term, and can face rising interest rates without problems.

### Performance Overview

#### Revenue

For Thailand's automotive industry in 2022, the motorcycle market increased from the previous year by 11.9% which is the second year of increase after three consecutive years with a sales drop. For the automobile market, sales increased by 11.9% from the previous year after contracting for three consecutive years. This affected the increase of Thitikorn Group's revenue from hire-purchasing. In 2022, the Company's total revenues were Baht 1,457.2 million, increasing by 6.3% from Baht 1,370.9 million of the previous year. The revenues by category are as follows;

	2022		2021		2020		% YOY 22-21	% YOY 21-20
	Million Baht	%	Million Baht	%	Million Baht	%		
<b>Hire-purchase incomes</b>								
Motorcycle hire-purchase	1,444.9	74.2	1,360.2	68.0	1,977.3	77.6	6.2	-31.2
Automobile hire-purchase	12.3	0.6	10.7	0.5	16.3	0.6	15.0	-34.3
Total hire-purchase revenue	1,457.2	74.8	1,370.9	68.5	1,993.6	78.2	6.3	-31.2
<b>Loan receivables/ Nano finance</b>								
Loan receivables	2.1	0.1	5.7	0.3	12.4	0.5	-64.0	-53.6
Nano, Micro finance receivables	8.6	0.4	12.3	0.6	0.9	0.1	-30.3	1,262.3
<b>Other incomes</b>								
Sales of merchandises	20.6	1.1	34.6	1.7	0.2	0.01	-40.5	17,968.8
Fee income	30.1	1.6	34.0	1.7	39.7	1.6	-11.5	-14.2
Bad debt recovery	197.3	10.1	277.6	13.9	240.6	9.4	-28.9	15.4
Others	231.9	11.9	267.3	13.3	260.8	10.2	-13.2	2.5
Total other income*	479.9	24.7	613.5	30.6	541.3	21.2	-21.8	13.3
<b>Total Incomes</b>	<b>1,947.8</b>	<b>100.0</b>	<b>2,002.4</b>	<b>100.0</b>	<b>2,548.2</b>	<b>100.0</b>	<b>-2.7</b>	<b>-21.4</b>

Remark \* Other incomes include bad debt recovery, service income, contract preparation fee, collection fee, service fee, interest income, and others. Additional information is described in Note to Financial Statements No. 22 Other income

In 2022, total hire-purchase income was Baht 1,457.2 million, increasing by 6.3% from Baht 1,370.9 million of the previous year. Motorcycle hire-purchase income was Baht 1,444.9 million, increasing by 6.2% from Baht 1,360.2 million in the previous year. Automobile hire-purchase income was Baht 12.3 million, increasing by 15.0% from Baht 10.7 million in the previous year. Income from loan receivables was Baht 2.1 million and incomes from Nano finance and Micro finance were Baht 8.6 million, respectively. Other income in 2022 was Baht 479.9 million, decreasing by 21.8% from Baht 613.5 million in the past year. The decrease in other incomes resulted from the decrease in repayment of loan receivables which reduced the proportion of bad debt amortization due to improved debt quality and decreased debt collection income under the announcement of the debt collection committee, effective from September 8, 2021.

In 2022, hire-purchase income accounted for 74.8% of total revenue, while incomes from loan receivables, nano and micro finance accounted for 0.5%, and other income accounted for 24.7%, respectively.

### Expenses

Due to the economic situation and highly competitive business environment, the Company has maintained its policy to be strict on loan origination together with efficient internal control management, especially efficient financial cost management, detailed as follows:

Million Baht	2022	2021	2020	%YOY 22-21	%YOY 21-20
Cost of sales	19.6	32.2	0.2	-39.2	16,731.2
Administrative expenses	1,070.7	1,059.7	1,631.2	1.0	-22.1
Bad debt and provision for doubtful accounts	336.9	252.4	639.7	33.5	-60.5
Finance cost	31.8	34.2	73.3	-7.0	-53.3
<b>Total expenses</b>	<b>1,459.0</b>	<b>1,378.5</b>	<b>2,074.4</b>	<b>5.8</b>	<b>-33.5</b>

In 2022, the Company's total expenses were Baht 1,459.0 million, increasing by 5.8% from Baht 1,378.5 million in the previous year. The expense consisted of the cost of sales (motorcycles) Baht 19.6 million and administrative expenses Baht 1,070.7 million, increasing by 1.0% from Baht 1,059.7 million in the previous year. It is due to efficient internal control management together with work tools improvement through the increasing use of digital technology and a policy to increase the loan amount, resulting in increased marketing costs.

Bad debt and provision for doubtful accounts for 2022 was Baht 336.9 million, increasing by 33.5% from Baht 252.4 million in the previous year. This resulted from the Company's policy to accelerate the write-off of bad debt and doubtful accounts for several consecutive years together with a stringent loan origination which contributed to continued improvement in customer credit quality.

In 2022, the Company's average cost of borrowing was 5% per annum, and interest expense was Baht 31.8 million, decreasing by 7.0% from Baht 34.2 million in the previous year, due to the reduction in borrowing corresponding to the situation and efficient management of funds.

## Net profit

In 2022, the Company's net profit was Baht 367.1 million, decreasing by 22.2% from Baht 471.8 million in the previous year. The net profit in 2022 decreased due to the Company's policy to increase the loan amount, resulting in increased market expenses.

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

	2022	2021	2020
<b>Profitability Ratios</b>			
<b>Interest Income (%)</b>	<b>36.2</b>	<b>32.5</b>	<b>33.4</b>
Motorcycle hire purchase	38.3	35.4	36.0
Automobile hire purchase	6.3	5.4	6.2
Loan receivables and Nano & micro finance receivables	24.4	20.3	20.5
<b>Interest rates (%)</b>	<b>5.1</b>	<b>2.9</b>	<b>3.0</b>
Motorcycle hire purchase	5.1	2.9	3.0
Automobile hire purchase	5.1	2.9	3.0
Loan receivables and Nano & micro finance receivables	5.1	2.9	3.0
<b>Spread (%)</b>	<b>31.1</b>	<b>29.6</b>	<b>30.4</b>
Motorcycle hire purchase	33.2	32.5	33.0
Automobile hire purchase	1.2	2.5	3.2
Loan receivables and Nano & micro finance receivables	19.3	17.4	17.5

## Financial Status

### Assets

At the end of 2022, the Company's total assets were Baht 6,558.3 million, decreasing by 6.0% from Baht 6,979.0 million in the previous year. The Company's core assets are motorcycle hire purchase receivables. The Company has the policy to increase the loan amount, but strictly controls the quality of debt.

Million Baht	2022	2021	2020	% YOY 22-21	% YOY 21-20
Motorcycle hire-purchase receivables - net	3,912.9	3,628.7	4,054.2	7.8	-10.5
Automobile hire-purchase receivables - net	208.4	183.7	214.4	13.4	-14.3
Total hire-purchase receivables - net	4,121.3	3,812.4	4,268.6	8.1	-10.7

At the end of 2022, the Company's net hire-purchase receivables outstanding was Baht 4,121.3 million, increasing by 8.1% from Baht 3,812.4 million in the previous year. Net motorcycle hire-purchase receivables outstanding was Baht 3,912.9 million, increasing by 7.8% from Baht 3,628.7 million in the previous year, while net automobile hire-purchase receivables outstanding was Baht 208.4 million, increasing by 13.4% from Baht 183.7 million in the previous year. Net loan receivables were Baht 20.8 million, decreasing by 79.1% from Baht 99.6 million in the previous year. Nano finance receivables were Baht 16.5 million, decreasing by 55.3% from Baht 36.9 million in the previous year. At the end of 2022, there are no outstanding Micro finance receivables in Myanmar.

Motorcycle and automobile hire purchase portfolios of the Company were well diversified by the nature of business risk among a large number of customers. The individual contract had an average value of not exceeding Baht 55,000 and Baht 650,000 for motorcycles and automobiles respectively. The Company, therefore, had less risk abided by the repayment of any specific contract. The Company has a stringent policy for loan loss reserve, at the end of 2022 loan loss reserve was provided at Baht 344.4 million or 7.6% of net hire-purchase receivables (109.8% coverage ratio) compared with 7.0% of more than 3 months overdue receivables.

For the year 2022, the Company had net hire-purchase receivables, loan receivables, and Nano finance and micro finance receivables (before net off loan loss reserve) classified by age as follows:

(Unit: Million Baht)

Account receivables	2022		2021		2020	
	Value	%	Value	%	Value	%
Current	3,193.3	70.9	3,141.2	72.7	3,223.7	62.6
Overdue=1 month	516.1	11.5	408.5	9.5	644.7	12.5
Overdue 2-3 months	480.0	10.7	462.8	10.7	809.8	15.7
Overdue 4-6 months	262.8	5.8	265.3	6.1	424.1	8.2
Overdue 7-12 months	38.9	0.9	35.7	0.8	42.2	0.8
Overdue>12 months	11.8	0.2	7.5	0.2	8.6	0.2
<b>Total receivables - net</b>	<b>4,502.9</b>	<b>100.0</b>	<b>4,321.0</b>	<b>100.0</b>	<b>5,153.0</b>	<b>100.0</b>

In 2022, account receivables overdue less than 3 months represented 93.0% of total receivables, increasing from 92.9% in the previous year. Account receivables overdue for more than 3 months decreased to 7.0% from 7.1% in the past year due to the economic slowdown which affects receivables quality. However, the Company has the policy to focus on customers' credit quality for its loan origination, to accelerate debt collection, especially from large long outstanding receivable accounts by establishing a direct responsible collection unit and maintaining the policy to accelerate the write-off of bad debt.

#### Liabilities

At the end of 2022, the Company had total liabilities of Baht 800.5 million, decreasing by 39.4% from Baht 1,322.0 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 2022 and 2021 stood at 83:17 and 90:10, respectively. Details of borrowing by type over the last three years are as follows:

(Unit: Million Baht)

Type of Loans	2022		2021		2020	
	Value	%	Value	%	Value	%
Bank overdrafts	0.2	0.0	1.7	0.2	0.2	0.0
Promissory notes	63.9	17.5	86.8	9.8	154.6	10.5
Debenture	-	-	400.0	45.5	1,070.0	72.5
Long term loan	301.4	82.5	391.5	44.5	250.1	17.0
<b>Total</b>	<b>365.5</b>	<b>100.0</b>	<b>880.0</b>	<b>100.0</b>	<b>1,474.9</b>	<b>100.0</b>

#### Shareholders' Equity

The Company's profitability resulted from the stringent credit approval process and expertise. The Company paid out the 2021 dividends to shareholders of the Company at the rate of 0.50 baht per share, in the amount of Baht 250.0 million on May 19, 2022. Change in shareholders' equity during the fiscal years is as follows

Million Baht	2022	2021	2020	%YOY 22-21	%YOY 21-20
Equity balance as of the beginning of the year	5,657.0	5,356.3	5,284.9	5.6	1.4
Add - Cumulative effect due to the adoption of new financial reporting standards	-	-	15.8	-	-
Add - Non-controlling interests	2.2	2.6	2.4	-15.4	8.3
Add - Total comprehensive income for the year	348.6	508.1	328.2	-31.4	54.8
Less - Dividend paid	250.0	210.0	275.0	19.0	-23.6
Equity Balance as of the end of the year	5,757.8	5,657.0	5,356.3	1.8	5.6

At the end of 2022, shareholders' equity stood at Baht 5,757.8 million, increasing by 1.8% from Baht 5,657.0 million in the previous year, while retained earnings were Baht 4,269.7 million, increasing by 2.8% from Baht 4,152.7 million in the past year. Debt to equity ratio (D/E) in 2022 and 2021 was equal to 0.14 times and 0.23 times respectively.

#### Auditor Fee

In 2022, the Company and its subsidiaries auditor fee is as follows:

(Unit: Million Baht)

Name of Auditor	Auditor fee	Non-audit service fee
M.R. & ASSOCIATE Co., Ltd (Mr. Methee Ratanasrimetha)	3.63	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.

In 2022, the Company received the result of good corporate governance activities as follows;

- The Company has been assessed by Corporate Governance Report of Thai Listed Companies-CGR for 2022 by Thai Institute of Directors Association (IOD) with the result marked as “Excellent”.
- The Company has full 100 for the fourteen consecutive years from 2009 to 2022 marks on the quality results of 2022 Annual General Meeting of Shareholders

#### 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.

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

## **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.

### **6.1.1 Policy and Code of Conduct for Directors**

The Board of Directors has roles and responsibilities to oversee management to achieve the targets and in a manner that delivers optimal benefits to shareholders. At the same time, it takes into account the benefit of all stakeholders. Appropriate delegation of structure, qualifications, and scope of authority of the Board of Directors would be beneficial to performance of the Company. Persons to be appointed as Directors should be equipped with knowledge, ability, experience, vision, and honesty; and they could manage their schedule to ensure they deliver full performance as required for Director position. They should have independence required for decision making for the best interest of the Company and shareholders. The Board of Directors has put in place committees or sub-committees to study, consider, filter, and support the works of the Board of Directors in order to enhance their performance too ensure clear scope of responsibility and work efficiency of the Board of 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.

### **6.1.2 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 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 2022, the Company convened the Annual General Meeting (AGM) on April 25, 2022. 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 24 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 42 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	2020	2021	2022
Sickness absence (Days/Person)	4.7	5.7	7.2
Work related injury and sickness absence (Days/Person)	1.0	26.8	-
Accident (Times)	1	4	-
Work related death (Person)	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](mailto: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 : 02-3107233, 02-3107110
4. Independent Director via website : [www.tk.co.th](http://www.tk.co.th)
5. The Company's secretary: filling in the "Whistleblowing form" posted on website [www.tk.co.th](http://www.tk.co.th)
6. Email address: [Investor@tk.co.th](mailto: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 2022, 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 2022, 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 5 times
- Business trips, meetings with shareholders and investors - times
- Opportunity day participation 4 times
- Company Visit - times

Investors can view the live Opportunity Day webcast and its re-run via website [www.set.or.th/oppday](http://www.set.or.th/oppday) as well as easy access through Company link [www.tk.co.th](http://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](mailto:Investor@tk.co.th) and our website at [www.tk.co.th](http://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	Independent Director and Audit Committee	23 February 2021
4. Mr. Kiattikhun Chartprasert	Independent Director and Audit Committee	1 March 2021
5. Mr. Nha-Kran Loahavilai <sup>1</sup>	In dependent Director / Nomination and Remuneration Committee	25 April 2022
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
Mr.Wiboon Perm-Arayawong	In dependent Director / Nomination and Remuneration Committee	23 April 2013

Remark : <sup>(1)</sup> Mr. Nha-Kran Loahavilai was appointed as Director, effective from April 25, 2022, in replacement of Mr.Wiboon Perm-Arayawong

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 Limited.

**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 8, 2022), 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 2022, TK Ngern Tan Jai Co., Ltd (a subsidiary which TK hold 99.99% of the paid-up capital shares) currently operates in Nano Finance business and has received additional license to operate Personal Loan under Supervision for Non-Bank Operator on January 10, 2022, consisting of

1. Supervised Personal Loan Business without any collateral

2. Supervised Personal Loan Business with collateral of vehicle registration

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 167,355 users and for Line@TK Plus are 101,768 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 2022, 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.

#### Orientation

The Board of Directors arranges the orientation of all new Directors for them to understand expectation of the Company with regards to roles, duties, and responsibility of directors, policies and guideline on corporate governance of the Company; to learn more about business, products, business plans, and operations of the Company; and to visit different operations of the Company to ensure they are ready to serve as director of the Company.

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.

#### Director development

The Company has policy to encourage and support all Directors of the Company to attend seminars and participate continuously and steadily in training courses. 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. and other independent organizations or agencies to promote knowledge, which will benefit the performance efficiency.

During the year 2022, 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"> <li>- TLCA Professional Development Program (TLCA CFO CPD) 2022, the second session</li> <li>- TLCA Professional Development Program (TLCA CFO CPD) 2022, the third session</li> <li>- TLCA Professional Development Program (TLCA CFO CPD) 2022, the fifth session</li> </ul>	Thai Listed Companies Association (TLCA)  Thai Listed Companies Association (TLCA)  Thai Listed Companies Association (TLCA)
2. Mr. Apichart Kasemkulsiri	<ul style="list-style-type: none"> <li>- Disseminating the study results of the Value of Audit</li> </ul>	The Securities and Exchange Commission, Thailand
3. Mrs. Saowanee Kamolbutr	<ul style="list-style-type: none"> <li>- Disseminating the study results of the Value of Audit</li> </ul>	The Securities and Exchange Commission, Thailand

## 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 2022, no directors, executives, or employees do any actions that violate the Company's business ethics.

### Succession Plan

The Company prepares and monitors the succession plans for the Managing Director and senior executive positions in order to ensure that the Company has executives who are equipped with knowledge, ability, and experience for succession in key positions in the future. Review and reports are made as deemed appropriate. This is to encourage and ensure readiness for senior executives for the purpose of succession in key positions of the Company. The Company arranges for its senior executives to attend Director Certification Program (DCP) or Director Accreditation Program (DAP) organized by the Thai Institute of Directors Association to build a solid foundation of understanding on criteria for their duty performance and responsibility of Directors of listed companies, which enhance their readiness and benefit executives in terms of working to support the Board of Directors.

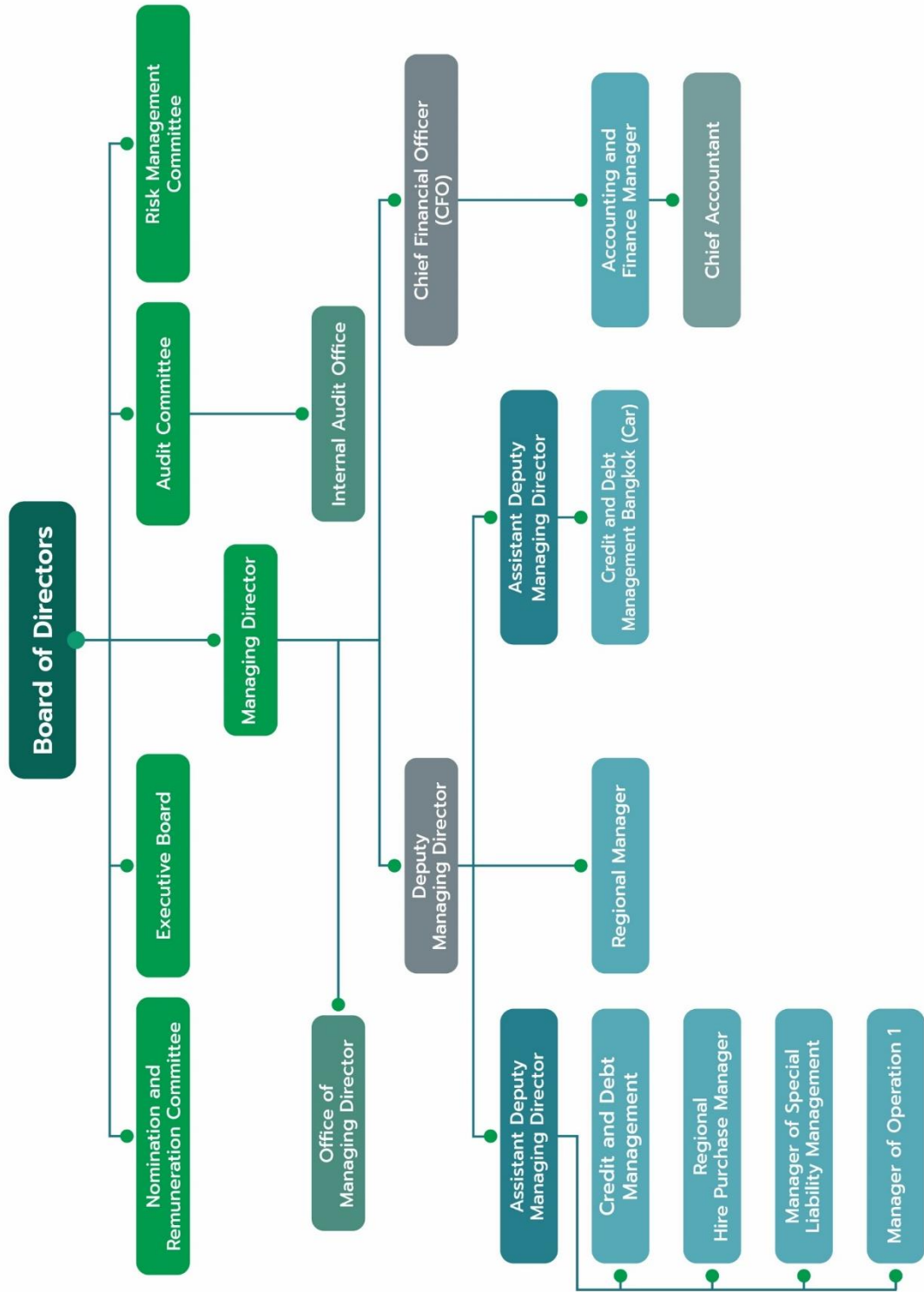
In addition the Board of Directors assigned the Managing Director and Management to prepare a succession plan for key positions in different levels of executives and annually review and assess work profiles and potential of each individual. The Company encourages job rotations in order to develop the 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 2022, the corporate governance policy and business ethics including the charter of various sub-committees were reviewed to increase the efficiency of 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, 2022



## 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, 2022 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,
  - 6) The number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - 7) An opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
  - 8) Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and

7. The Audit Committee shall report to the Board of directors, if any of the following transactions or actions be found or suspected to have significant impact to the Company's financial status and operating results so the matter may be resolved within the time period that the Audit Committee deem appropriate:
  - 1) a transaction which causes a conflict of interest.
  - 2) any fraud, irregularity, or material defect in an internal control system.
  - 3) any violation of the law on securities and exchange, the Stock of Exchange of Thailand's regulations, or any other laws and regulations relating to the Company business.

If the Company board of directors or management fails to make a rectification within the period specified by the Audit Committee, any Audit Committee member shall report such transaction or act to the office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

8. To perform any other act as assigned by the Company's board of directors, with the approval of the Audit Committee.

#### **Nomination and Remuneration Committee**

As of December 31, 2022 the Nomination and Remuneration Committee consisted of 3 Directors as follows:

- |                                |  |
|--------------------------------|--|
| 1. Mr. Apichart Kasemkulsiri   | President of the Nomination and Remuneration Committee |
| 2. Mr. Wiboon Perm-Arayawong   | Nomination and Remuneration Committee                  |
| 3. Mr. Aphichai Uemsathienporn | Nomination and Remuneration Committee                  |
- Secretary to the Nomination and Remuneration Committee: Mr. Aphichai Uemsathienporn

#### **Authority and Responsibilities of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee scope of responsibilities are to formulate policy, criteria and method for selection and nominating candidates for directors as well as establish clear and transparent remuneration and benefit policy and criteria for directors. The Committee shall select and propose the qualified candidates for the Board of Directors' consideration and shareholders' meeting approval.

#### **Risk Management Committee**

As of December 31, 2022 the Risk Management Committee consisted of 6 Directors as follows:

- |                                  |  |
|----------------------------------|--|
| 1. Mr. Taweesak Charoensakyothin | President of the Risk Management Committee |
| 2. Mr. Aphichai Uemsathienporn   | Risk Management Committee                  |
| 3. Mr. Prasit Sainonsee          | Risk Management Committee                  |
| 4. MS. Siripen Neamcharoun       | Risk Management Committee                  |
| 5. Mr. Akom Pourbuntidgul        | Risk Management Committee                  |
| 6. Mrs. Cholticha Yodsri         | Risk Management Committee                  |
| Dr. Rattakorn Poonsuph           | Advisor to the Risk Management Committee   |
- Secretary to Risk Management Committee : Mrs. Cholticha Yodsri

#### **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.

- 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, 2022, the Company's executive board consisted of 5 directors as follows:

- Ms. Prathama Phornprapha President of the Executive Board
- Mr. Prapol Phornprapha Executive Director
- Mr. Raksanit Phornprapha Executive Director
- Mr. Prasit Sainonsee Executive Director
- Mr. Aphichai Uemsathienporn Executive Director

Secretary to the Executive Board: Mr. Aphichai Uemsathienporn

### Authority and Responsibilities of the Executive Board

- To supervise the day-to-day management on behalf of the Company as to maximize Company's benefits.
- To formulate business plan, budget, and management structure and authority in order to meet the objectives assigned by the Board of Directors.
- To conduct normal business transactions and enter into contractual obligation.
- 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.
- 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.
- 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.
- Having authority to approve and proceed as follows:
  - 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 1USD = 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:

7.1.1 Amount per transaction is not exceeding 1,000 million baht.

7.1.2 Term is not exceeding 5 years.

7.1.3 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, 2022, 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 Division Manager |
| 6. Mr. Somboon Narasunthornkun   | Manager of Operation 1                  |
| 7. Mr. Taweesak Charoensakyothin | Manager Regional Department             |
| 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 2022 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.
- For the meeting of non-executive directors, the attendance fee is Baht 10,000 for each director.

In 2022, 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	Non Executive Director	Total
1. Mr. Apichart Kasemkulsiri	Independent Director/ President of Audit Committee/ President of Nomination and Remuneration Committee	200,000	180,000	45,000	10,000	435,000
2. Mrs. Saowanee Kamolbutr	Independent Director/ Audit Committee	200,000	160,000		10,000	370,000
3. Mr. Kiattikhun Chartprasert	Independent Director/ Audit Committee	200,000	160,000		10,000	370,000
4. Mr. Nha-Kran Loahavilai	Independent Director/ Nomination and Remuneration Committee	120,000		40,000	10,000	170,000
5. Mr. Wiboon Perm-Arayawong	Independent Director/ Nomination and Remuneration Committee	80,000				80,000
	<b>Total</b>	<b>800,000</b>	<b>500,000</b>	<b>85,000</b>	<b>40,000</b>	<b>1,425,000</b>

### Management Remuneration

The Company determines remuneration for the Management based on the Company's performance together with individual performance and contribution. In 2022, Management remuneration for 10 members consisted of salary and bonus in the amount of Baht 36,758,866

#### 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 2022 provident fund contributions for 10 members of the Management team was Baht 9,522.00

## 7.5 Information about Employees

### Human Resources

As of December 31, 2022, Thitikorn has totaling of 1,513 employees. During the year 2022, total employee remunerations in the form of salary, bonus, welfare, provident fund contributions and others were Baht 488.5 million consisted of Baht 389.0 million for the Company and Baht 99.5 million for its subsidiary companies.

Year 2022	Thitikorn Plc.	Subsidiaries
- Hire Purchase Management and Debt Collection Office (Person)	676	8
- Operations Office (Person)	5	70
- Regional Department	26	253
- Accounting Office (Person)	26	-
- Finance Office (Person)	12	-
- Special Liabilities Management Office (Person)	27	42
- Internal Audit Office (Person)	21	-
- Office of Managing Director (Person)	339	8
<b>Total employees (Person)</b>	<b>1,132</b>	<b>381</b>
<b>Total employee remuneration (Million Baht)</b>	<b>389.0</b>	<b>99.5</b>

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 (%)
28	1.9%

Remunerations paid to the employees in 2022 was Baht 488.5 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 2020	Year 2021	Year 2022
Number of employees	1,581	800	1,205
Training hours	9,486	4,800	7,230

## Shareholding by the Directors and Management

For the Year End 2021 and Year End 2022, 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, 2021	Change + (-)	As of December 31, 2022	Shareholding of Spouse
1. Dr. Chumpol Phornprapha	-	-	-	15,366,666
2. Mr. Apichart Kasemkulsiri	-	-	-	-
3. Mrs. Saowanee Kamolbutr	-	-	-	-
4. Mr. Kiattikhun Chartprasert	-	-	-	-
5. Mr. Nha-Kran Loahavilai	-	-	-	-
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, 2021	Change + (-)	As of December 31, 2022	Shareholding of Spouse
1. Mr. Taweesak Charoensakyothin	-	-	-	-
2. Ms. Siripen Neamcharoum	-	-	-	-
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 Appendix 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: 02-3107002

Email: Investor@tk.co.th

Website: www.tk.co.th

#### Auditor Fee

In 2022, 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)	3.63	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 2022.
- Consider the financial statements and operating results for the first quarter of 2022.
- Consider the financial statements and operating results for the second quarter of 2022.
- Consider the financial statements and operating results for the third quarter of 2022.
- 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 2022, 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 2022, 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 218.36 or 95.77 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 43.00 or 97.33 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 2022, The results of Audit Committee performance evaluations were rated at “Excellent” level with a score of 187.33 or 91.83 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 72.50 or 92.39 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 54.00 or 90.00 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 2022, are as follows

Name	Position	Attendance Records				
		Annual General Meeting of Shareholders	Board of Directors	Audit Committee	Non Executive Director	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		1/1	
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			
7. Mr. Aphichai Uemsathienporn	Director	1/1	4/4			1/1
8. Mr. Apichart Kasemkulsiri	Independent Director/ President of Audit Committee/ President of Nomination and Remuneration Committee	1/1	4/4	4/4	1/1	1/1
9. Mrs. Saowanee Kamolbutr	Independent Director/ Audit Committee	1/1	4/4	4/4	1/1	
10. Mr. Kiattikhun Chartprasert	Independent Director/	1/1	1/1	4/4	1/1	



Name	Position	Attendance Records				
		Annual General Meeting of Shareholders	Board of Directors	Audit Committee	Non Executive Director	Nomination and Remuneration Committee
	Audit Committee					
11. Mr.Nha-Kran Loahavilai <sup>(1)</sup>	Independent Director/ Nomination and Remuneration Committee		3/3		1/1	1/1
Mr. Wiboon Perm-Arayawong	Independent Director/ Nomination and Remuneration Committee	1/1	1/1			

Remark : <sup>(1)</sup> Mr.Nha-Kran Loahavilai was appointed as an independent director. instead of Mr.Wiboon Perm-Arayawong, effective from April 25, 2022 onwards

#### Remuneration for Individual Directors

As of December 31, 2022, 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 1,425,000 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 2022, 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 2022, 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 May 20, 2022, 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 2022, training courses had been arranged for employees' understanding and knowledge as follows:

Objectives	Attendance (Numbers)			
	Executives (Numbers)	Supervisors (Numbers)	Staff (Numbers)	Total (Numbers)
To acknowledge the criteria and guidelines regarding the practices, rules, and regulations for the hire-purchase business and leasing in accordance with the BOT's Regulation on risk management.	31	5		36
To provide employees with an understanding of the Anti-Money Laundering Act and related laws.	50	11	2	63

## 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](mailto: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 : 02-3107233, 02-3107110
4. Independent Director via website : [www.tk.co.th](http://www.tk.co.th)
5. The Company's secretary : filling in the "Whistleblowing form" posted on website [www.tk.co.th](http://www.tk.co.th)
6. Email address : [Investor@tk.co.th](mailto: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, 2022, the Audit Committee of the Company consisted of 3 members, with Mrs. Cholticha Yodsri as Secretary of the Audit Committee.

In 2022, 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	4/4
3. Mr. Kiattikhun Chartprasert	Audit Committee	4/4

##### 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 2022 was reported to the Board of Directors on February 21, 2023, 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, 2022, 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. Nha-Kran Loahavilai	Nomination and Remuneration Committee	1/1
3. Mr. Aphichai Uemsathienporn	Nomination and Remuneration Committee	1/1

#### Performance of the Nomination and Remuneration Committee

(1) Propose to the shareholders at the 2023 Annual General Meeting of Shareholders the nomination of 3 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 Board

As of December 31, 2022, the Executive Board consisted of 5 directors with Mr. Apichai Uamsathienporn as the Secretary of the Executive Committee.

Number of meetings and attendance of the Executive Board

Name	Position	Number of Meeting Attendance/Total
1. Ms. Prathama Phornprapha	President of the Executive Board	9/9
2. Mr. Prapol Phornprapha	Executive Director	9/9
3. Mr. Raksanit Phornprapha	Executive Director	9/9
4. Mr. Prasit Sainonsee	Executive Director	9/9
5. Mr. Aphichai Uemsathienporn	Executive Director	9/9

### 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, 2022, Risk Management Committee consisted of 6 directors and executives with Mrs. Cholticha Yodsri as Secretary of the Risk Management Committee.

Number of meetings and attendance of Risk Management Committee

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

### Performance of the Risk Management Committee

In 2022, 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. 4/2022 on November 8, 2022, 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 2022 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
			2022	2021	2020	
S.P. International Co., Ltd.	Share the same major shareholders and Board of Director members	Rental and service fees	13.42 Million Baht	13.11 Million Baht	13.45 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 1-2 end December 31, 2022
		Interest expenses on financial lease liabilities	1.39 Million Baht	1.72 Million Baht	2.58 Million Baht	
		Depreciation on right of use assets	18.53 Million Baht	18.95 Million Baht	18.29 Million Baht	
		Utilities expenses	3.17 Million Baht	3.25 Million Baht	3.17 Million Baht	
		Service fee	7.90 Million Baht	7.91 Million Baht	8.1 Million Baht	Legal service fee regarding hire purchase contracts preparation and filing 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, 2021.
		Stationery and printing expenses	0.36 Million Baht	0.30 Million Baht	0.83 Million Baht	As cost price

Related Parties	Nature of Connection	Type of Transaction	Value			Necessity/Remark
			2022	2021	2020	
		Vehicles for hire purchasing	90.10 Million Baht	60.63 Million Baht	59.32 Million Baht	At market price
		Commission on vehicles for hire purchasing	0.71 Million Baht	0.45 Million Baht	0.32 Million Baht	At market rates
		Other expenses	4.04 Million Baht	3.90 Million Baht	4.82 Million Baht	Mainly are vehicle maintenance fee and fuel at the agreed price
		Purchase of asset	0.13	-	-	office fixtures
		Promotion expenses	-	-	0.12 Million Baht	At the agreed rates
		Sell of fixed asset	0.02	-	-	At market price
		Other income	0.009 Million Baht	-	-	At the agreed rates
		Network system service fee	19.46 Million Baht	19.01 Million Baht	18.81 Million Baht	At the agreed rates
		Purchase of software	-	-	0.77 Million Baht	At the agreed price
		Rental expenses	-	-	-	Warehouse rental contracts, rental rates are lower than that of the market price
		Interest expenses on financial lease liabilities	0.02 Million Baht	0.03 Million Baht	0.05 Million Baht	appraised by third party. Rental period is 1-3 years with expiry date as follows:
		Depreciation on right of use assets	0.28 Million Baht	0.28 Million Baht	0.27 Million Baht	Contract 1 end July 31, 2023
		Other expenses	-	-	-	Purchase of office equipment
SPSU Plc.	Share the same major shareholders and Board of Director members					

Related Parties	Nature of Connection	Type of Transaction	Value			Necessity/Remark
			2022	2021	2020	
Lexus Bangkok Co., Ltd	Share the same major shareholders and Board of Director members	Other expenses	0.08 Million Baht	0.13 Million Baht	-	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	37.76 Million Baht	20.14 Million Baht	8.11 Million Baht	At market price
		Commission on vehicles for hire purchasing	0.43 Million Baht	0.16 Million Baht	0.05 Million Baht	At market rates
		Other expenses	0.32 Million Baht	0.40 Million Baht	0.32 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	At market price
		Other expenses	2.16 Million Baht	2.05 Million Baht	2.93 Million Baht	Transportation service fee at the agreed rates
		Network system service fee	6.80 Million Baht	6.98 Million Baht	6.99 Million Baht	At the agreed rates
Software Development Co., Ltd.	Share the same major shareholder	Stationery and printing expenses	1.87 Million Baht	1.87 Million Baht	5.18 Million Baht	As cost price
		Purchase of computer software	-	-	-	At the agreed price
		Purchase of computer hardware	0.80 Million Baht	0.43 Million Baht	0.82 Million Baht	At the agreed price
		Other expenses	0.10 Million Baht	0.27 Million Baht	0.3 Million Baht	At the agreed price

Related Parties	Nature of Connection	Type of Transaction	Value			Necessity/Remark
			2022	2021	2020	
Miss Prin Phornprapha	Board of Director members' relative	Rental expenses	-	0.09 Million Baht	0.18 Million Baht	Office rental contract for 3 years during 1 July 2022 – 30 June 2025 at lower rate than fair value.
		Interest expenses on financial lease liabilities	0.26 Million Baht	-	-	
Siam Brewery Co., Ltd.	Share the same major shareholder and Board of Director members	Depreciation on right of use assets	1.66 Million Baht	1.73 Million Baht	1.68 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.
		Car rental income	0.43 Million Baht	0.43 Million Baht	0.43 Million Baht	
		Interest income on financial lease	0.08 Million Baht	0.11 Million Baht	0.97 Million Baht	

### **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 rental for 3 years 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 Phornprapha 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 2022, 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, 2022, 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, 2022, 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, 2022, and its consolidated financial performance and its 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, 2022, 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 including Independence Standards issued by the Federation of Accounting Professions (“the Code of Ethics for Professional Accountants”) 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 the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional 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 2021 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 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 the relevant Code of Ethics for Professional Accountants 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 21, 2023



THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

# STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022 AND 2021

ASSETS	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2022	2021	2022	2021
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	1,326,044	681,650	1,173,921	524,253
Trade receivables					
- Current portion of hire-purchase contract receivables - net	4, 6, 27	2,038,542	1,920,106	1,278,101	1,221,525
- Current portion of loan receivables - net	6, 27	13,293	84,249	5,968	77,373
- Current portion of nano finance receivables - net	6, 27	14,368	31,593	-	-
- Microfinance receivables - net	6	-	522	-	-
- Other trade receivables	7	6,159	12,451	5,816	12,111
Receivables from and short-term loans to related parties	4	-	-	227,635	219,982
Current portion of loans to other parties	11, 27	2,230	58,781	2,230	58,781
Merchandises		3,805	1,606	3,805	1,606
Asset foreclosed - net	8	67,512	33,662	57,811	29,306
Other current financial asset - fixed deposits at banks	5	630,000	1,900,000	630,000	1,900,000
Other current assets		9,509	14,942	8,179	13,461
<b>Total Current Assets</b>		<b>4,111,462</b>	<b>4,739,562</b>	<b>3,393,466</b>	<b>4,058,398</b>
<b>NON-CURRENT ASSETS</b>					
Restricted deposits at financial institutions	9	33,955	34,747	-	-
Hire-purchase contract receivables - net	4, 6, 27	2,082,720	1,892,258	1,430,559	1,254,144
Loan receivables - net	6, 27	7,530	15,387	-	5,736
Nano finance receivables - net	6, 27	2,101	5,266	-	-
Investments in subsidiaries accounted for using the cost method - net	1, 10	-	-	321,129	321,129
Loans to other parties - net	11, 27	29,053	1,415	29,053	1,415
Property for lease - net	15	16,900	17,304	-	-
Assets not used in operations	15	14,282	14,282	5,708	5,708
Property, plant and equipment - net	4, 12, 26	79,443	104,315	50,344	73,689
Right-of-use assets - net	4, 13	108,933	85,009	89,177	66,305
Intangible assets - net	14, 26	2,020	3,605	1,396	2,647
Deferred tax assets - net	24	68,528	64,178	58,019	63,029
Other non-current assets		1,417	1,651	1,234	1,245
<b>Total Non-Current Assets</b>		<b>2,446,882</b>	<b>2,239,417</b>	<b>1,986,619</b>	<b>1,795,047</b>
<b>TOTAL ASSETS</b>		<b>6,558,344</b>	<b>6,978,979</b>	<b>5,380,085</b>	<b>5,853,445</b>

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



THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

# STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022 AND 2021

## LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2022	2021	2022	2021
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term borrowings from financial institutions	16	64,116	88,454	197	1,688
Trade payables		14,048	41,854	10,476	37,750
Current portion of long-term loans	17	211,624	240,382	-	-
Current portion of lease liabilities	4, 18	38,845	43,162	31,390	36,949
Current portion of debentures	19, 27	-	400,000	-	400,000
Payables to and short-term loans from related parties	4	913	11,062	788,885	688,164
Income tax payable		87,633	45,968	2,297	11,218
Deposits and advances from customers		158,753	176,397	143,566	139,101
Accrued expenses and other current financial liabilities					
- Accrued sales promotions and rewards		21,629	34,505	17,891	30,309
- Others		49,246	47,736	20,948	20,469
<b>Total Current Liabilities</b>		<b>646,807</b>	<b>1,129,520</b>	<b>1,015,650</b>	<b>1,365,648</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term loans - net of current portion	17	89,770	151,156	-	-
Lease liabilities - net of current portion	4, 18	53,850	26,108	45,723	17,049
Liability for post-employment benefits	20	10,097	15,235	8,379	12,815
<b>Total Non-Current Liabilities</b>		<b>153,717</b>	<b>192,499</b>	<b>54,102</b>	<b>29,864</b>
<b>Total Liabilities</b>		<b>800,524</b>	<b>1,322,019</b>	<b>1,069,752</b>	<b>1,395,512</b>
<b>SHAREHOLDERS' EQUITY</b>					
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		4,269,749	4,152,674	2,787,346	2,934,946
Other component of equity					
- Difference on financial statement conversion of subsidiaries		(60,956)	(42,513)	-	-
- Gain on change in proportion of investment in subsidiary	10	6,352	6,352	-	-
<b>Equity attributable to Owners of the Parent</b>		<b>5,738,132</b>	<b>5,639,500</b>	<b>4,310,333</b>	<b>4,457,933</b>
Non-controlling interests	10	19,688	17,460	-	-
<b>Total Shareholders' Equity</b>		<b>5,757,820</b>	<b>5,656,960</b>	<b>4,310,333</b>	<b>4,457,933</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>6,558,344</b>	<b>6,978,979</b>	<b>5,380,085</b>	<b>5,853,445</b>

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



THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Note	In Thousand Baht			
		Consolidated		The Company Only	
		2022	2021	2022	2021
<b>REVENUES</b>					
Interest income on hire purchase	4	1,457,233	1,370,848	966,806	960,820
Interest income on loan		2,068	5,741	54	2,963
Interest income on nano finance		8,559	12,094	-	-
Interest income on microfinance		11	202	-	-
Sales of merchandises		20,587	34,584	20,586	34,584
Other income	4, 22	459,328	578,908	435,854	584,737
<b>Total Revenues</b>		<b>1,947,786</b>	<b>2,002,377</b>	<b>1,423,300</b>	<b>1,583,104</b>
<b>EXPENSES</b>					
Cost of sales		18,049	31,296	18,049	31,296
Distribution costs		1,543	919	1,544	919
Administrative expenses	4, 10, 18, 20, 30	1,070,717	1,059,745	990,035	974,169
Bad debt and loss on impairment of trade receivables	6	336,874	252,424	254,977	134,529
<b>Total Expenses</b>		<b>1,427,183</b>	<b>1,344,384</b>	<b>1,264,605</b>	<b>1,140,913</b>
<b>Profit from Operating Activities</b>		<b>520,603</b>	<b>657,993</b>	<b>158,695</b>	<b>442,191</b>
<b>Finance Costs</b>	4, 18	<b>31,837</b>	<b>34,241</b>	<b>30,512</b>	<b>36,249</b>
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>		<b>488,766</b>	<b>623,752</b>	<b>128,183</b>	<b>405,942</b>
<b>Income Tax Expense</b>	24	<b>119,463</b>	<b>149,391</b>	<b>25,783</b>	<b>85,998</b>
<b>PROFIT FOR THE YEAR</b>		<b>369,303</b>	<b>474,361</b>	<b>102,400</b>	<b>319,944</b>
<b>Other Comprehensive Income (Loss)</b>					
<i>Item that will be subsequently reclassified to profit or loss</i>					
- Difference on financial statement conversion of subsidiaries		(18,443)	36,312	-	-
<b>Other Comprehensive Income (Loss) for the Year</b>		<b>(18,443)</b>	<b>36,312</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>350,860</b>	<b>510,673</b>	<b>102,400</b>	<b>319,944</b>
<b>Profit Attributable to:</b>					
Owners of the parent		367,075	471,756	102,400	319,944
Non-controlling interests		2,228	2,605	-	-
<b>Profit for the Year</b>		<b>369,303</b>	<b>474,361</b>	<b>102,400</b>	<b>319,944</b>
<b>Total Comprehensive Income Attributable to:</b>					
Owners of the parent		348,632	508,068	102,400	319,944
Non-controlling interests		2,228	2,605	-	-
<b>Total Comprehensive Income for the Year</b>		<b>350,860</b>	<b>510,673</b>	<b>102,400</b>	<b>319,944</b>
<b>Basic Earnings per Share (Baht)</b>		<b>0.734</b>	<b>0.944</b>	<b>0.205</b>	<b>0.640</b>
<b>Weighted average number of common shares</b>		<b>500,000,000</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>500,000,000</b>

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

# STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Note	Consolidated (In Thousand Baht)									
		Issued and Fully Paid-up Share Capital		Retained Earnings		Other Components of Equity			Equity		
		Share Capital	Premium on Common Shares	Appropriated for Legal Reserve	Unappropriated	Difference on Financial Statement Conversion of Subsidiaries	Gain on Change in Proportion of Investment in Subsidiary	Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Shareholders' Equity	
<b>Beginning Balance as at January 1, 2021</b>		500,000	972,987	50,000	3,890,913	(78,825)	6,352	5,341,427	14,855	5,356,282	
Payment of dividends	25	-	-	-	(209,995)	-	-	(209,995)	-	(209,995)	
Profit for the year		-	-	-	471,756	-	-	471,756	2,605	474,361	
Other comprehensive income for the year		-	-	-	-	36,312	-	36,312	-	36,312	
<b>Ending Balance as at December 31, 2021</b>		500,000	972,987	50,000	4,152,674	(42,513)	6,352	5,639,500	17,460	5,656,960	
Payment of dividends	25	-	-	-	(250,000)	-	-	(250,000)	-	(250,000)	
Profit for the year		-	-	-	367,075	-	-	367,075	2,228	369,303	
Other comprehensive income for the year		-	-	-	-	(18,443)	-	(18,443)	-	(18,443)	
<b>Ending Balance as at December 31, 2022</b>		500,000	972,987	50,000	4,269,749	(60,956)	6,352	5,738,132	19,688	5,757,820	

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, 2022 AND 2021

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	
<b>Beginning Balance as at January 1, 2021</b>		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
<b>Ending Balance as at December 31, 2021</b>		500,000	972,987	50,000	2,934,946	4,457,933
Payment of dividends	25	-	-	-	(250,000)	(250,000)
Profit for the year		-	-	-	102,400	102,400
<b>Ending Balance as at December 31, 2022</b>		500,000	972,987	50,000	2,787,346	4,310,333

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





THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

# STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit for the Year	369,303	474,361	102,400	319,944
Adjustments				
Income tax expense	119,463	149,391	25,783	85,998
Depreciation and amortization	77,622	85,390	64,467	70,166
Expenses for post-employment benefits	2,823	2,927	2,520	2,594
Unrealized gain on exchange rate	-	-	(7,386)	-
Loss on impairment of investment in subsidiary	-	-	-	4,658
Gain on re-measurement of lease liabilities	(402)	(1,976)	(364)	(2,087)
Loss on cancellation of lease agreements	-	295	-	256
Bad debt and loss on impairment of trade receivables	336,874	252,424	254,977	134,529
Increase (decrease) in allowance for diminution in value of asset foreclosed	12,648	(12,274)	10,174	(14,011)
Loss on write-off asset	727	20	-	-
Gain on sales of equipment	(422)	(4,665)	(404)	(4,308)
Interest income from trade receivables	(1,467,871)	(1,388,885)	(966,860)	(963,783)
Other interest income	(15,101)	(12,448)	(31,145)	(30,629)
Interest expense	31,837	34,241	30,512	36,249
Decrease (increase) in operating assets				
Trade receivables - hire-purchase contract receivables	(628,643)	154,676	(479,009)	281,913
Trade receivables - loan receivables	75,259	162,332	73,653	159,413
Trade receivables - nano finance receivables	15,007	(15,526)	-	-
Trade receivables - microfinance receivables	821	313	-	-
Trade receivables - other	6,292	13,414	6,295	13,052
Other receivables from related parties	-	-	(1)	1,508
Merchandises	(2,199)	3,502	(2,199)	3,335
Asset foreclosed	(46,498)	35,578	(38,679)	41,329
Other current assets	4,959	(4,204)	4,809	(3,940)
Other non-current assets	18	315	11	293
Increase (decrease) in operating liabilities				
Trade payables	(27,806)	5,126	(27,274)	15,073
Other payables to related parties	(10,149)	9,672	195	975
Deposits and advances from customers	(17,644)	11,416	4,465	3,162
Accrued expenses and other current financial liabilities	(6,447)	(46,747)	(6,937)	(21,847)
Liability for post-employment benefits	(7,961)	(19,583)	(6,956)	(15,860)
Net cash flows provided by (used in) operations	(1,177,490)	(110,915)	(986,953)	117,982
Interest received from trade receivables	1,459,380	1,476,568	961,389	1,049,185
Income tax paid	(82,659)	(81,135)	(29,694)	(25,213)
<b>Net Cash Flows Provided by (Used in) Operating Activities</b>	<b>199,231</b>	<b>1,284,518</b>	<b>(55,258)</b>	<b>1,141,954</b>



THITIKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease (increase) in other current financial asset - fixed deposits at banks	1,270,000	(1,500,000)	1,270,000	(1,500,000)
Decrease (increase) in restricted deposits at financial institutions	792	(424)	-	-
Increase in short-term loans to related parties	-	-	(43,000)	(10,000)
Collections from short-term loans to related parties	-	-	42,727	243,000
Increase in investment in subsidiaries	-	-	-	(3,000)
Increase in loans to other parties	-	(40,000)	-	(40,000)
Collections from loans to other parties	28,913	5,556	28,913	5,556
Purchases of fixed assets	(7,441)	(10,394)	(3,688)	(5,119)
Additions to right-of-use assets	(3,343)	(805)	(1)	(77)
Purchases of intangible assets	(32)	(403)	(32)	-
Proceeds from sales of equipment	1,864	5,283	1,815	4,823
Proceeds from right-of-use assets	-	290	-	290
Other interest received	15,575	10,507	31,625	28,911
<b>Net Cash Flows Provided by (Used in) Investing Activities</b>	<b>1,306,328</b>	<b>(1,530,390)</b>	<b>1,328,359</b>	<b>(1,275,616)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	(24,338)	(66,392)	(1,491)	1,455
Increase in short-term loans from related party	-	-	135,000	142,000
Repayments of short-term loans from related party	-	(36,000)	(35,000)	(59,000)
Increase in long-term loans	-	375,890	-	-
Repayments of long-term loans	(90,144)	(234,421)	-	-
Payments of lease liabilities	(41,894)	(41,278)	(37,133)	(37,089)
Redemption of debentures	(400,000)	(670,000)	(400,000)	(670,000)
Interest paid	(36,577)	(39,383)	(34,809)	(40,969)
Dividends paid	(250,000)	(209,995)	(250,000)	(209,995)
<b>Net Cash Flows Used in by Financing Activities</b>	<b>(842,953)</b>	<b>(921,579)</b>	<b>(623,433)</b>	<b>(873,598)</b>
<b>DIFFERENCE ON FINANCIAL STATEMENT CONVERSION OF SUBSIDIARIES</b>	<b>(18,212)</b>	<b>35,961</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>644,394</b>	<b>(1,131,490)</b>	<b>649,668</b>	<b>(1,007,260)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>681,650</b>	<b>1,813,140</b>	<b>524,253</b>	<b>1,531,513</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>1,326,044</b>	<b>681,650</b>	<b>1,173,921</b>	<b>524,253</b>
<b>Supplemental disclosures of cash flow information</b>				
<b>a. Cash and cash equivalents at end of year</b>				
Cash in hand	23,098	17,490	14,958	12,863
Current accounts at banks	107,537	141,254	15,034	19,859
Savings deposits at banks	595,409	522,906	543,929	491,531
Short-term fixed deposits at banks	600,000	-	600,000	-
Total	<b>1,326,044</b>	<b>681,650</b>	<b>1,173,921</b>	<b>524,253</b>
<b>b. Non-cash transactions</b>				
Increase (decrease) in payables on purchase of fixed assets	(179)	1,038	(179)	1,038
Increase in right-of-use assets from the new leases	-	1,348	-	854
Increase in right-of-use assets and lease liabilities from re-measurement of lease liabilities	65,721	26,913	60,612	21,882

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

**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, 2022	December 31, 2021	December 31, 2022	December 31, 2021
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	3,000	99.99	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 is the principal 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, 2022 AND 2021

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

Starting from January 1, 2022, the Group has adopted Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) as well as Thai Accounting Interpretation (TSIC), Thai Financial Reporting Interpretation (TFRIC) and accounting guidance, newly issued and revised by TFAC, which became 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. The aforesaid adoption of newly issued and revised TAS / TFRS / TSIC / TFRIC and accounting guidance did not have any material effect to the financial statements of the Group.

In addition, TFAC issued Conceptual Framework for Financial Reporting and various TAS, TFRS, TSIC, TFRIC and accounting guidance that were revised, in overall, for the Thai financial reporting standards to be more explicit and appropriate whereby this revision become effective for the accounting period starting on or after January 1, 2023. Notwithstanding, there is a significant change relating to recognition in TAS 16 “Property, Plant and Equipment” that proceeds before intended use of property, plant and equipment shall be recognized as revenue together with related cost in profit or loss while such items were previously regulated to be recognized as deduction to cost of property, plant and equipment. Furthermore, TFAC also issued the new TFRS 17 “Insurance Contracts” to supersede TFRS 4 that will become effective for the accounting period starting on or after January 1, 2025. Thus, the Group has not yet adopted aforesaid revised Conceptual Framework for Financial Reporting, TAS, TFRS, TSIC, TFRIC and accounting guidance as well as the new TFRS 17 in preparation of the accompanying financial statements and has no policy to early adopt before the effective periods. Management has preliminarily assessed and believed that there is no material effect to the financial statements of the Group upon adoption.

The Group disclosed information for the year ended December 31, 2021 for being the comparative information in the financial statements for the year ended December 31, 2022 in 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.

*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)

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:



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

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.

### 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 of which the terms are between 1 year to 10 years, and vehicles of which the term is 3 years.

### Intangible Assets

#### *Leasehold rights*

Leasehold rights (balances as at the end of 2022 and 2021 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

**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.

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 (based on physical characteristics of the 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.





## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

### *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.

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, part 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.

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 is recognized under General approach in the following stages:

- Stage 1 (performing): the 12-month expected credit loss is recognized in profit or loss. Interest income (if any) is 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 recognizes the full lifetime expected credit loss in profit or loss. Interest income (if any) is 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 recognizes the full lifetime expected credit loss in profit or loss. Interest income (if any) is calculated base on gross carrying amount net of the allowance for impairment.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

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 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.

### *Hedge accounting*

Hedge accounting (if any) 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 2022 and 2021.

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.

### **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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

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 cancellation or renewal options of lease agreements and discount rates of lease liabilities
- Assumptions and parameters used in calculation of the liability for post-employment benefits
- Expected amount and periods that deferred tax assets will be utilized
- Assessment and estimates for the fair values of financial assets and financial liabilities.

### 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
<b><u>Related companies</u></b>		
Sinthonglor Co., Ltd.	Holding company	Being 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
<b><u>Related persons</u></b>		
Prin Phonprapha	-	Relative of the Company's directors

# NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

Company / Person Name	Type of Business	Type of Relationship
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)

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, 2022 and 2021 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
<b>Interest income on hire purchase</b>				
Related company	83	106	-	-
<b>Management fee income</b>				
Subsidiary	-	-	36,016	33,002
<b>Rental income</b>				
Related company	432	432	-	-
<b>Interest income</b>				
Subsidiaries	-	-	16,136	18,254
<b>Other income</b>				
Subsidiary	-	-	82	-
Related company	9	-	9	-
Total	9	-	91	-
<b>Rental (short-term contract) and services</b>				
Subsidiary	-	-	864	864
Related company	13,417	13,108	13,417	13,108
Total	13,417	13,108	14,281	13,972

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
<b>Gross amount (lease fee) paid for lease liabilities</b>				
Related companies	20,578	20,094	20,578	20,094
Related person	1,800	1,800	1,800	1,800
Total	22,378	21,894	22,378	21,894
<b>Management fee</b>				
Related companies	7,902	7,912	6,348	6,348
<b>Utility expenses</b>				
Related company	3,173	3,250	3,173	3,250
<b>Stationery expense</b>				
Related companies	2,235	2,168	2,230	2,154
<b>Other expenses</b>				
Related companies	7,842	7,474	5,309	5,443
<b>Service expenses</b>				
Subsidiary	-	-	146,901	135,112
Related companies	26,260	25,989	25,006	24,805
Total	26,260	25,989	171,907	159,917
<b>Interest expense</b>				
Subsidiary	-	-	21,512	18,089
Directors	-	380	-	-
Related companies	1,405	1,745	1,405	1,745
Related person	262	96	262	96
Total	1,667	2,221	23,179	19,930
<b>Key management's remunerations</b>				
Short-term benefits	36,749	32,292	36,749	32,292
Post-employment benefits	526	582	526	582
Total	37,275	32,874	37,275	32,874
<b>Purchase of vehicles for hire-purchases</b>				
Related companies	127,856	80,866	-	-
<b>Purchase of office equipment</b>				
Related companies	926	442	926	442
<b>Sales of office equipment</b>				
Subsidiaries	-	-	887	83
Related company	20	-	20	-
Total	20	-	907	83

Outstanding balances with related parties as at December 31, 2022 and 2021 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
<b>Hire-purchase contract receivable - net</b>				
Related company	1,257	1,737	-	-
<b>Receivables and short-term loans</b>				
<b>Accrued interest income</b>				
Subsidiary	-	-	75	82
<b>Advances</b>				
Subsidiaries	-	-	3,480	3,480

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
<b>Short-term loans</b>				
Subsidiaries (interest rate at 2.875%, 3.35% and 9% p.a. in 2022 and 2.875%, 6% and 9% p.a. in 2021)	-	-	224,080	216,420
Total	-	-	227,635	219,982
<b>Payables and short-term loans</b>				
<b>Accrued interest expense</b>				
Subsidiary	-	-	2,156	1,630
<b>Accrued expenses</b>				
Subsidiary	-	-	12,717	12,514
Related companies	913	11,057	822	825
Total	913	11,057	13,539	13,339
<b>Payables on purchase of fixed assets</b>				
Related company	-	5	-	5
<b>Short-term loans</b>				
Subsidiary (interest rate at 2.875% and 3.35% p.a. in 2022 and 2.875% p.a. in 2021)	-	-	773,190	673,190
Total	913	11,062	788,885	688,164
<b>Lease liabilities - net</b>				
Related companies	53,492	21,163	53,492	21,163
Related person	4,500	900	4,500	900
Total	57,992	22,063	57,992	22,063

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

	The Company Only (In Thousand Baht)			
	December 31, 2021	Increase	Decrease	December 31, 2022
<b>Short-term loans to subsidiaries</b>				
Suosdey Finance PLC.	157,181	7,897 *	-	165,078
Chayapak Co., Ltd.	32,000	43,000	42,000	33,000
Mingalaba Thitikorn Microfinance Co., Ltd.	27,239	-	1,237 **	26,002
Total	216,420	50,897	43,237	224,080
<b>Short-term loans from subsidiary</b>				
C.V.A. Co., Ltd.	673,190	135,000	35,000	773,190

\* represented foreign currency difference

\*\* included foreign currency difference of approximately Baht 510 thousand

The Company has been guarantor for (1) short-term and long-term loan credit facilities granted by commercial banks of Suosdey Finance PLC. totalling USD 40.8 million and (2) short-term and long-term loan credit facilities granted by commercial banks of Sabaidee Leasing Co., Ltd. totalling Kip 61,950 million (pertaining to the percentage of shareholding). There has been no intercompany charge on these guarantees.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

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

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
-Cash	23,098	17,490	14,958	12,863
-Current accounts (no interest)	107,537	141,254	15,034	19,859
-Savings deposits at banks (interest at 0.50% - 1.125% p.a. in 2022 and 0.125% - 1.125% p.a. in 2021)	595,409	522,906	543,929	491,531
-Short-term fixed deposits at banks (interest at 0.65% - 1.5% p.a. in 2022 and 0.55% - 0.7% p.a. in 2021)	600,000	-	600,000	-
Total	<u>1,326,044</u>	<u>681,650</u>	<u>1,173,921</u>	<u>524,253</u>

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
6-month and 12-month fixed deposits at banks (interest at 0.75% - 1.45% p.a. in 2022 and 0.55% - 0.7% p.a. in 2021)	<u>630,000</u>	<u>1,900,000</u>	<u>630,000</u>	<u>1,900,000</u>

**6. HIRE-PURCHASE CONTRACT, LOAN, NANO FINANCE, AND MICROFINANCE RECEIVABLES - NET**Hire-Purchase Contract Receivables

	Consolidated (In Thousand Baht)					
	2022			2021		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	6,131,559	3,349,992	2,781,567	5,758,653	3,190,135	2,568,518
Accrued interest	68,557	68,557	-	60,119	60,119	-
Less Unearned income	<u>(1,737,617)</u>	<u>(1,164,492)</u>	<u>( 573,125)</u>	<u>(1,653,079)</u>	<u>(1,078,598)</u>	<u>( 574,481)</u>
Net	4,462,499	2,254,057	2,208,442	4,165,693	2,171,656	1,994,037
Less Allowance for impairment for expected credit loss	<u>( 341,237)</u>	<u>( 215,515)</u>	<u>( 125,722)</u>	<u>( 353,329)</u>	<u>( 251,550)</u>	<u>( 101,779)</u>
Net	<u>4,121,262</u>	<u>2,038,542</u>	<u>2,082,720</u>	<u>3,812,364</u>	<u>1,920,106</u>	<u>1,892,258</u>

	The Company Only (In Thousand Baht)					
	2022			2021		
	Total	Current	Long-term	Total	Current	Long-term
Hire-purchase contract receivables	4,165,185	2,185,524	1,979,661	3,878,988	2,106,704	1,772,284
Accrued interest	43,481	43,481	-	38,010	38,010	-
Less Unearned income	<u>(1,237,436)</u>	<u>( 798,824)</u>	<u>( 438,612)</u>	<u>(1,161,131)</u>	<u>( 732,906)</u>	<u>( 428,225)</u>
Net	2,971,230	1,430,181	1,541,049	2,755,867	1,411,808	1,344,059
Less Allowance for impairment for expected credit loss	<u>( 262,570)</u>	<u>( 152,080)</u>	<u>( 110,490)</u>	<u>( 280,198)</u>	<u>( 190,283)</u>	<u>( 89,915)</u>
Net	<u>2,708,660</u>	<u>1,278,101</u>	<u>1,430,559</u>	<u>2,475,669</u>	<u>1,221,525</u>	<u>1,254,144</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

Hire-purchase contract receivables as at December 31, 2022 and 2021 were classified by staging as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
Performing receivables	3,678,628	3,447,244	2,345,926	2,198,163
Under-performing receivables	475,125	430,116	404,351	357,616
Credit-impaired receivables	308,746	288,333	220,953	200,088
Total	4,462,499	4,165,693	2,971,230	2,755,867
Less Allowance for impairment for expected credit loss	( 341,237)	( 353,329)	( 262,570)	( 280,198)
Net	4,121,262	3,812,364	2,708,660	2,475,669

The Group determines allowance for impairment for expected credit loss of hire-purchase contract receivables and loan receivables as at December 31, 2022, 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, 2022, the Group had allowance for impairment for expected credit loss at 7.65% (8.84% for the Company only) of total hire-purchase contract receivables before deducting allowance for impairment for expected credit loss and 7.98% (21.53% for the Company only) of total loan receivables before deducting allowance for impairment for expected credit loss.

Loan Receivables

	Consolidated (In Thousand Baht)					
	2022			2021		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	24,535	16,110	8,425	117,948	100,678	17,270
Less Unearned income	( 1,906)	( 1,046)	( 860)	( 3,173)	( 1,774)	( 1,399)
Net	22,629	15,064	7,565	114,775	98,904	15,871
Less Allowance for impairment for expected credit loss	( 1,806)	( 1,771)	( 35)	( 15,139)	( 14,655)	( 484)
Net	20,823	13,293	7,530	99,636	84,249	15,387

	The Company Only (In Thousand Baht)					
	2022			2021		
	Total	Current	Long-term	Total	Current	Long-term
Loan receivables	7,605	7,605	-	98,211	92,021	6,190
Less Unearned income	-	-	-	( 67)	( 67)	-
Net	7,605	7,605	-	98,144	91,954	6,190
Less Allowance for impairment for expected credit loss	(1,637)	(1,637)	-	(15,035)	(14,581)	( 454)
Net	5,968	5,968	-	83,109	77,373	5,736

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

Loan receivables as at December 31, 2022 and 2021 were classified by staging as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
Performing receivables	16,207	68,375	2,188	54,831
Under-performing receivables	3,254	29,905	2,887	27,671
Credit-impaired receivables	3,168	16,495	2,530	15,642
Total	22,629	114,775	7,605	98,144
Less Allowance for impairment for expected credit loss	( 1,806)	( 15,139)	(1,637)	(15,035)
Net	20,823	99,636	5,968	83,109

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.

Nano Finance Receivables

	Consolidated (In Thousand Baht)					
	2022			2021		
	Total	Current	Long-term	Total	Current	Long-term
Nano finance receivables	19,829	17,605	2,224	47,229	41,210	6,019
Less Unearned income	( 2,013)	( 1,932)	( 81)	( 7,531)	( 6,957)	( 574)
Net	17,816	15,673	2,143	39,698	34,253	5,445
Less Allowance for impairment for expected credit loss	( 1,347)	( 1,305)	( 42)	( 2,839)	( 2,660)	( 179)
Net	16,469	14,368	2,101	36,859	31,593	5,266

Nano finance receivables as at December 31, 2022 and 2021 were classified by staging as follows:

	Consolidated (In Thousand Baht)	
	2022	2021
	Performing receivables	14,534
Under-performing receivables	1,643	2,749
Credit-impaired receivables	1,639	2,911
Total	17,816	39,698
Less Allowance for impairment for expected credit loss	( 1,347)	( 2,839)
Net	16,469	36,859

Microfinance Receivables

	Consolidated (In Thousand Baht)					
	2022			2021		
	Total	Current	Long-term	Total	Current	Long-term
Microfinance receivables	-	-	-	869	869	-
Less Unearned income	-	-	-	( 11)	( 11)	-
Net	-	-	-	858	858	-
Less Allowance for impairment for expected credit loss	-	-	-	(336)	(336)	-
Net	-	-	-	522	522	-

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

Microfinance receivables as at December 31, 2022 and 2021 were classified by staging as follows:

	Consolidated (In Thousand Baht)	
	2022	2021
Performing receivables	-	-
Under-performing receivables	-	-
Credit-impaired receivables	-	858
Total	-	858
Less Allowance for impairment for expected credit loss	-	(336)
Net	-	522

**7. OTHER TRADE RECEIVABLES**

Other trade receivables, aged by outstanding balances, were as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
Current	6,159	12,451	5,816	12,111

**8. ASSET FORECLOSED - NET**

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
Balance not exceeding one year	96,445	48,105	82,588	41,866
Balance exceeding one year	346	2,175	132	2,175
Total	96,791	50,280	82,720	44,041
Less Allowance for diminution in value	(29,279)	(16,618)	(24,909)	(14,735)
Net	67,512	33,662	57,811	29,306

**9. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS**

As at December 31, 2022 and 2021, 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, 2022 and 2021, two foreign subsidiaries have collateralized their deposits totalling approximately Baht 9.0 million and Baht 9.7 million, respectively, with the National Bank of each country as guarantees for establishment and doing the business in each country. Such deposits are non-interest bearing.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

**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)	
	2022	2021	2022	2021	2022	2021
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	3,000	99.99	99.99	3,000	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	325,787
Less Allowance for impairment					( 4,658)	( 4,658)
Net					321,129	321,129

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



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

### 11. LONG-TERM LOANS TO OTHER PARTIES - NET

	Consolidated and The Company Only (In Thousand Baht)	
	2022	2021
Long-term loans to other parties	31,283	60,196
Less Current portion	( 2,230)	(58,781)
Net	<u>29,053</u>	<u>1,415</u>

This account in 2022 comprised of (1) the unsecured loans to 18 agents whereby these loans bear interest rate at 9% p.a. and mature in 2025 and (2) the unsecured loan of Baht 14.3 million to a local non-related company whose business is engaged in sales of solar-cell panel. Such loan bear interest at 10% per annum and is repayable monthly, totalling 72 months, starting from March 2022 until February 2028.

This account in 2021 comprised of (1) the unsecured loans to 21 agents whereby these loans bear interest rate at 9% p.a. and mature during the years 2022 to 2023 and (2) the secured loan of Baht 40.0 million to a local non-related company whose business is engaged in rendering installation service of the equipped baggage conveyor system that connected to an explosives detection system in the airport, which bear interest at 8% per annum and mature in November 2022.


**THITKORN PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
 DECEMBER 31, 2022 AND 2021

**12. PROPERTY, PLANT AND EQUIPMENT - NET**

	Consolidated (In Thousand Baht)							
	Land	Buildings and building improvements	Buildings and building improvements on rented land	Furniture, fixtures and office equipment	Vehicles for use	Vehicles for lease	Construction in progress	Total
<b>Cost</b>								
Balance as at December 31, 2020	12,617	24,221	362,598	161,755	118,800	11,216	-	691,207
Acquisitions	-	-	3,040	5,416	527	-	373	9,356
Disposals	-	-	( 565)	( 1,261)	( 11,769)	-	-	( 13,595)
Balance as at December 31, 2021	12,617	24,221	365,073	165,910	107,558	11,216	373	686,968
Acquisitions	-	-	1,464	4,203	563	-	61	6,291
Disposals	-	-	( 564)	( 4,651)	( 1,383)	-	-	( 6,598)
Transfers in (out)	-	-	434	-	-	-	( 434)	-
Balance as at December 31, 2022	12,617	24,221	366,407	165,462	106,738	11,216	-	686,661
<b>Accumulated depreciation</b>								
Balance as at December 31, 2020	-	24,183	294,512	132,648	99,191	8,778	-	559,312
Depreciation for the year	-	19	16,840	11,202	7,542	650	-	36,253
Accumulated depreciation for assets disposed	-	-	( 560)	( 687)	( 11,665)	-	-	( 12,912)
Balance as at December 31, 2021	-	24,202	310,792	143,163	95,068	9,428	-	582,653
Depreciation for the year	-	19	13,392	9,198	6,460	651	-	29,720
Accumulated depreciation for assets disposed	-	-	( 539)	( 3,233)	( 1,383)	-	-	( 5,155)
Balance as at December 31, 2022	-	24,221	323,645	149,128	100,145	10,079	-	607,218
<b>Net book value</b>								
December 31, 2021	12,617	19	54,281	22,747	12,490	1,788	373	104,315
December 31, 2022	12,617	-	42,762	16,334	6,593	1,137	-	79,443

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

	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
<b>Cost</b>							
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
Acquisitions	-	-	37	3,473	-	-	3,510
Disposals	-	-	( 564)	( 4,535)	( 1,383)	-	( 6,482)
Balance as at December 31, 2022	7,802	15,291	344,587	147,395	82,603	-	597,678
<b>Accumulated depreciation</b>							
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
Depreciation for the year	-	-	12,704	8,052	4,687	-	25,443
Accumulated depreciation for assets disposed	-	-	( 539)	( 3,149)	( 1,382)	-	( 5,070)
Balance as at December 31, 2022	-	15,291	317,419	134,227	80,397	-	547,334
<b>Net book value</b>							
December 31, 2021	7,802	-	39,860	19,133	6,894	-	73,689
December 31, 2022	7,802	-	27,168	13,168	2,206	-	50,344



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

As at December 31, 2022 and 2021, cost of building and equipment of the Group that has been fully depreciated but still in use amounting to approximately Baht 482.5 million and Baht 454.5 million, respectively (Baht 451.0 million and Baht 422.5 million, respectively, for the Company only).

**13. RIGHT-OF-USE ASSETS - NET**

	In Thousand Baht	
	Consolidated	The Company Only
<b>Cost</b>		
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
Additions	69,064	60,613
Deductions	( 2,519)	( 2,519)
Balance as at December 31, 2022	241,781	201,124
<b>Accumulated depreciation</b>		
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
Depreciation for the year	45,140	37,741
Accumulated depreciation for assets deducted	( 2,519)	( 2,519)
Balance as at December 31, 2022	132,848	111,947
<b>Net book value</b>		
December 31, 2021	85,009	66,305
December 31, 2022	108,933	89,177

**14. INTANGIBLE ASSETS - NET**

	Consolidated (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
<b>Cost</b>			
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
Acquisitions	-	32	32
Foreign currency difference	-	( 231)	( 231)
Balance as at December 31, 2022	9,815	69,394	79,209
<b>Accumulated amortization</b>			
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
Amortization for the year	73	1,313	1,386
Balance as at December 31, 2022	9,803	67,386	77,189
<b>Net book value</b>			
December 31, 2021	85	3,520	3,605
December 31, 2022	12	2,008	2,020

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

	The Company Only (In Thousand Baht)		
	Leasehold Rights	Software Licenses	Total
<b>Cost</b>			
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
Acquisitions	-	32	32
Balance as at December 31, 2022	7,794	65,084	72,878
<b>Accumulated amortization</b>			
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
Amortization for the year	73	1,210	1,283
Balance as at December 31, 2022	7,781	63,701	71,482
<b>Net book value</b>			
December 31, 2021	86	2,561	2,647
December 31, 2022	13	1,383	1,396

As at December 31, 2022 and 2021, cost of intangible assets of the Group that has been fully amortized but still in use amounting to approximately Baht 68.5 million and Baht 68.2 million, respectively (Baht 65.8 million and Baht 65.6 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, 2021	Movements during the Year			Balance as at December 31, 2022
		Addition	Deduction	Transfer	
<b>Cost</b>					
Land	12,800	-	-	-	12,800
Buildings and building improvements	8,075	-	-	-	8,075
Total cost	20,875	-	-	-	20,875
<b>Accumulated depreciation</b>					
Buildings and building improvements	3,571	404	-	-	3,975
<b>Net</b>	17,304				16,900

Depreciation for each of the years ended December 31, 2022 and 2021 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, 2022 AND 2021

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, 2022 and 2021, 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 March 2023, amounted to totalling approximately Baht 88.7 million (Baht 40.9 million for the Company only).

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

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
Bank overdrafts	197	1,688	197	1,688
Short-term loans from banks	63,919	86,766	-	-
Total	64,116	88,454	197	1,688

As at December 31, 2022 and 2021, the Group had credit facilities with several financial institutions as follows:

	2022	2021
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	8.5
Short-term loans (million KIP)	63,300.0	63,300.0

Such loans bear interest rates ranging between 2.94% - 5.96% p.a. in 2022 and 2.94% - 5.75% p.a. in 2021. 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)	
	2022	2021
Long-term loans of a foreign subsidiary	301,394	391,538
Less Current portion	(211,624)	(240,382)
Net	89,770	151,156

As at December 31, 2022 and 2021, (1) the subsidiary in Cambodia had the balance of long-term loans with four and three foreign banks amounting to U.S. Dollar 8.6 million and U.S. Dollar 11.2 million, respectively (total credit facilities amounting to U.S. Dollar 32.3 million), which is guaranteed in full amount by the Company. These loans bear interest referenced to LIBOR and SOFR per annum and interest is payable quarterly whereas loan principals are repayable during 2023 to 2025 and (2) the subsidiary in Lao PDR had the balance of long-term loan with a foreign bank amounting to KIP 2,400 million and KIP 5,600 million, respectively, under credit facilities amounting to KIP 8,000 million, which is guaranteed pertaining to the percentage of shareholding by the Company. This loan bears interest referenced to LIBOR per annum and interest is payable quarterly whereas loan principals are repayable in 2023.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

**18. LEASE LIABILITIES**

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
Lease liabilities				
- Due for payments within one year	42,642	45,575	34,621	38,729
- Due for payments within 2 - 5 years	56,652	27,398	48,033	17,859
Total	99,294	72,973	82,654	56,588
Less deferred interest	( 6,599)	( 3,703)	( 5,541)	( 2,590)
Lease liabilities - net of deferred interest	92,696	69,270	77,113	53,998
Less current portion	(38,845)	(43,162)	(31,390)	(36,949)
Net	53,850	26,108	45,723	17,049

During 2022 and 2021, the Group had cash outflow from leases (gross amount of lease fees) in the consolidated financial statements amounting to approximately Baht 45.9 million and Baht 46.2 million, respectively, and in the separate financial statements amounting to approximately Baht 40.2 million and Baht 41.1 million, respectively.

The Group had lease fees attributable to short-term leases for the years 2022 and 2021 which were presented as part of administrative expenses in the consolidated financial statements amounted to approximately Baht 2.1 million and Baht 2.6 million, respectively, and in the separate financial statements for each of the years amounted to approximately Baht 0.9 million.

Amortized interest for the years 2022 and 2021, which was presented as part of finance costs in the consolidated statements of comprehensive income, amounted to approximately Baht 4.0 million and Baht 4.9 million, respectively (for the Company only amounted to approximately Baht 3.0 million and Baht 4.0 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	
				2022	2021
July 19, 2019 / 2022	Semi-annually	2.70	400,000	-	400,000
Less Current portion				-	(400,000)
Net				-	-

As at December 31, 2022 and 2021, 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, 2022 AND 2021

**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, 2022 and 2021 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
Liability for post-employment benefits as at January 1	15,235	31,891	12,815	26,081
Current service cost	2,240	2,339	2,001	2,074
Interest cost	583	588	519	520
Expense recognized in statement of comprehensive income	2,823	2,927	2,520	2,594
Employee benefits paid during the year	( 7,961)	(19,583)	( 6,956)	(15,860)
Liability for post-employment benefits as at December 31	10,097	15,235	8,379	12,815

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 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%)	(1,068)	( 957)	1,135	1,016
Salary escalation rate (increase/decrease by 0.5%)	1,513	1,356	(1,431)	(1,284)
Employee turnover rate (increase/decrease by 1%)	(3,517)	(3,166)	3,973	3,624

**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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

**22. OTHER INCOME**

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
Bad debt recovery	197,277	277,598	184,451	266,897
Service income	70,124	86,158	68,790	84,733
Engagement fee income	58,540	24,020	14,790	13,189
Collection fee income	50,643	77,686	49,495	76,188
Delay payment fee income	30,169	34,013	17,027	17,919
Interest income	15,101	12,448	31,145	30,629
Service charge income	11,296	16,321	11,137	16,071
Reversal of accrued employee bonus	-	15,492	-	14,825
Management fee income	-	-	36,016	33,002
Others	26,178	35,172	23,003	31,284
<b>Total</b>	<b>459,328</b>	<b>578,908</b>	<b>435,854</b>	<b>584,737</b>

**23. EXPENSES BY NATURE**

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
Employee expenses	488,509	501,030	389,017	415,026
Bad debt and loss on impairment of trade receivables	336,874	252,424	254,977	134,529
Sales promotion	190,422	144,353	171,261	132,016
Vehicle modification and loss on sales of repossessed vehicle	107,473	103,717	89,361	97,384
Depreciation and amortization	77,622	85,390	64,467	70,166
Finance costs	31,837	34,241	30,512	36,249
Connected system service fees	28,573	28,553	25,927	25,736
Gasoline for vehicles	18,570	14,946	15,849	13,112
Cost of goods sold	18,049	31,296	18,049	31,296
Increase (decrease) in allowance for diminution in value of asset foreclosed	12,648	( 12,274)	10,174	( 14,011)
Debt collection fees	-	-	132,986	122,984

**24. INCOME TAX**

Corporate income tax rate announced in Thailand, Cambodia and Lao PDR is the same rate, i.e. 20%, whereas Myanmar is 22%. Corporate income tax recorded as expense (income) for the years ended December 31, 2022 and 2021 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
Income tax computed from accounting profit	80,417	124,672	25,636	81,188
Effects from non-deductible expenses	43,513	26,947	11,002	10,265
Effects from benefit of tax loss carryforward	( 2,235)	( 2,562)	-	-
Effects from additional deductible expenses	( 16,668)	( 58,293)	( 15,865)	(56,031)
Current tax on taxable profit	105,027	90,764	20,773	35,422
Adjustments to tax payable pertaining to prior years	18,786	-	-	-
Decrease in deferred tax assets - net	( 4,350)	58,627	5,010	50,576
<b>Income tax presented in statement of comprehensive income</b>	<b>119,463</b>	<b>149,391</b>	<b>25,783</b>	<b>85,998</b>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

In 2021, a local subsidiary first-ever recognized deferred tax asset on tax loss carryforward 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, 2022 and 2021 consist of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2022	2021	2022	2021
<i>Deferred tax assets (liability)</i>				
Effects from non-deductible items (non-taxable revenue)				
- Allowance for impairment for expected credit loss	63,979	56,190	52,842	59,048
- Allowance for diminution in value of asset foreclosed	4,987	2,960	4,982	2,563
- Liability for post-employment benefits	1,975	3,011	1,676	2,947
- Tax loss carryforward	-	2,239	-	-
- Allowance for impairment for investment in subsidiary	-	-	932	932
- Lease liabilities (assets) - net	( 2,413)	( 222)	( 2,413)	( 2,461)
Total	<u>68,528</u>	<u>64,178</u>	<u>58,019</u>	<u>63,029</u>

**25. PAYMENTS OF DIVIDENDS**

At the general shareholders' meeting on April 25, 2022, the shareholders unanimously approved the Company to pay dividends for the 2021 operations at Baht 0.50 per share, totalling Baht 250 million. The Company paid such dividends to the shareholders on May 19, 2022.

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.

**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, personal loan 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 information on key customers.

*Information on Geographic Operating Segment*

	Consolidated (In Thousand Baht)					
	2022			2021		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Interest income on hire purchase	982,188	475,045	1,457,233	981,885	388,963	1,370,848
Other income	425,171	65,382	490,553	599,477	32,052	631,529
Total revenues	<u>1,407,359</u>	<u>540,427</u>	<u>1,947,786</u>	<u>1,581,362</u>	<u>421,015</u>	<u>2,002,377</u>
Total expenses	<u>(1,254,768)</u>	<u>(323,715)</u>	<u>(1,578,483)</u>	<u>(1,191,640)</u>	<u>(336,376)</u>	<u>(1,528,016)</u>
Profit for the year	<u>152,591</u>	<u>216,712</u>	<u>369,303</u>	<u>389,722</u>	<u>84,639</u>	<u>474,361</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

	Consolidated (In Thousand Baht)					
	2022			2021		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Total assets by segment	5,184,176	1,374,168	6,558,344	5,665,555	1,313,424	6,978,979
Total liabilities by segment	303,963	496,561	800,524	739,927	582,092	1,322,019

Interest income on hire purchase - abroad

	Consolidated (In Thousand Baht)	
	2022	2021
	Cambodia	412,088
Lao PDR	62,957	72,093
Total	475,045	388,963

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, 2022, the subsidiaries incorporated in Cambodia, Lao PDR and Myanmar had fixed assets and intangible assets of which the carrying amounts totalling approximately Baht 22.1 million, Baht 1.4 million and Baht 0.0 million, respectively, were presented in the consolidated statement of financial position as at December 31, 2022 (as at December 31, 2021 : Baht 22.8 million, Baht 1.8 million and Baht 0.1 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)	
	2022	2021
	At a point in time	220,772
Over time	-	-

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	
	2022	2021
	Management fee income	36,016
Interest income	15,251	16,389
Total	51,267	49,391

**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 2022 and 2021.

*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.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

*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 immaterial because of insignificant 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, 2022 and 2021, 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.

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, 2022 and 2021 had their fair values as follows:

Item in the Financial Statements	Fair Value - Consolidated (In Million Baht)		Fair Value Hierarchy
	2022	2021	
Hire-purchase contract receivables	3,213.0	4,518.8	Level 3 inputs (discounted cash flows using market interest rates for the similar credits)
Loan receivables	18.0	87.2	
Nano finance receivables	11.7	31.5	
Loans to other parties	30.5	61.3	
Item in the Financial Statements	Fair Value - The Company Only (In Million Baht)		Fair Value Hierarchy
	2022	2021	
Hire-purchase contract receivables	2,060.4	2,968.2	Level 3 inputs (discounted cash flows using market interest rates for the similar credits)
Loan receivables	5.0	69.7	
Loans to other parties	30.5	61.3	
Item in the Financial Statements	Fair Value - Consolidated and the Company Only (In Million Baht)		Fair Value Hierarchy
	2022	2021	
Debentures	-	400.0	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).

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

DECEMBER 31, 2022 AND 2021

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 the market interest rates or referenced to the market interest rates.

**28. COMMITMENTS ON LONG-TERM SERVICE AGREEMENTS**

As at December 31, 2022, 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	13.0
Due for payments within 2 - 5 years	24.8
Total	<u>37.8</u>

**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 2022 and 2021.

As at December 31, 2022 and 2021, the Group's Debt-to-Equity ratio was 0.14:1.00 and 0.23:1.00, respectively (0.25:1.00 and 0.31:1.00 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, 2022 and 2021 amounted to approximately Baht 0.3 million (same amount for the Company only).

**31. EVENT AFTER THE REPORTING PERIOD**

At the Board of Directors' meeting on February 21, 2023, the Board of Directors approved the Company to pay the dividends for the 2022 operations at Baht 0.42 per share, totalling Baht 210 million, that will be proposed to the shareholders in the upcoming shareholders' meeting to be held in April 2023 with the specified date for dividend payment on May 18, 2023.

**32. APPROVAL OF THE FINANCIAL STATEMENTS**

The accompanying financial statements have been approved for issuance by the Company's Board of Directors' meeting on February 21, 2023.



## 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 Phornprapha Chairman (Authorized Director) Date appointed 6 June 2003	81	- 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 Swan Sunanta - Institute National Defence College, Class 1 - The Role of the Chairman Program (RCP 13/2006), Thai Institute of Directors (IOD)	3.07	- 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. SP International Co., Ltd.
2. Mr. Raksanit Phornprapha Director (Authorized Director) Date appointed 6 June 2003	76	- B.A., California College of Commerce, CA., U.S.A.	1.89	- Dr. Chumpol's younger brother - Mr. Sattiphong's older brother	2003 - Present 2003 - Present 1987 - Present 1979 - Present	Director Executive Director Director Director	Thitikorn Plc. 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
		<ul style="list-style-type: none"> <li>- Director Accreditation Program – DAP Class 67/2007, Thai Institute of Directors (IOD)</li> <li>- Master of Economics, University of Detroit, MI, U.S.A.</li> <li>- Director Accreditation Program – DAP Class 67/2007, Thai Institute of Directors (IOD)</li> </ul>		<ul style="list-style-type: none"> <li>- Ms. Prathama and Mr. Prapol's uncle</li> </ul>			
3. Mr. Sattiphong Phornprapha Director Date appointed 6 June 2003	73	<ul style="list-style-type: none"> <li>- Master of Business Administration (MBA), The University of Chicago Graduate School of Business</li> <li>- Mater of Business Administration (MBA), Thammasat University</li> <li>- Bachelor of Engineering (B. Sc.), Chulalongkorn University</li> <li>- Degree, Thai National Deference College, Public-Private Sector, 17 Class, Thailand National Defense College, National Defense Institute</li> <li>- Diploma, Advanced Executive Course on Judicial Process, Judicial Training Institute</li> <li>- Capital Market Academy Leadership Program (CMA 3)</li> <li>- Director Certification Program - DCP Class 1/1999, Thai Institute of Directors (IOD)</li> <li>- The Role of the Chairman Program (RCP 2000), Thai Institute of Directors (IOD)</li> </ul>	2.60	<ul style="list-style-type: none"> <li>- Dr. Chumpol and Mr. Raksanit's younger brother</li> <li>- Ms. Prathama and Mr. Prapol's uncle</li> </ul>	<ul style="list-style-type: none"> <li>2003 - Present</li> <li>1997 - Present</li> <li>1979 - Present</li> </ul>	<ul style="list-style-type: none"> <li>Director</li> <li>Managing Director</li> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>Thitikorn Plc.</li> <li>SPSU Plc.</li> <li>S.P. International Co., Ltd.</li> </ul>
4. Mr. Wiboon Perm-Arayawong Independent Director and Nomination and Remuneration Committee Date appointed 23 April 2013	65	<ul style="list-style-type: none"> <li>- Master of Business Administration (MBA), The University of Chicago Graduate School of Business</li> <li>- Mater of Business Administration (MBA), Thammasat University</li> <li>- Bachelor of Engineering (B. Sc.), Chulalongkorn University</li> <li>- Degree, Thai National Deference College, Public-Private Sector, 17 Class, Thailand National Defense College, National Defense Institute</li> <li>- Diploma, Advanced Executive Course on Judicial Process, Judicial Training Institute</li> <li>- Capital Market Academy Leadership Program (CMA 3)</li> <li>- Director Certification Program - DCP Class 1/1999, Thai Institute of Directors (IOD)</li> <li>- The Role of the Chairman Program (RCP 2000), Thai Institute of Directors (IOD)</li> </ul>	-	-	<ul style="list-style-type: none"> <li>2013 - 2022</li> <li>2015 - Present</li> </ul>	<ul style="list-style-type: none"> <li>Independent Director and Nomination and Remuneration Committee</li> <li>Executive Director</li> </ul>	<ul style="list-style-type: none"> <li>Thitikorn Plc</li> <li>GRE Composites Co., Ltd.</li> </ul>

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
5. Ms. Prathama Phornprapha Director (Authorized Director) Date appointed 6 June 2003	53	<ul style="list-style-type: none"> <li>- Certificate (Chartered Director Course), Thai Institute of Directors (IOD)</li> <li>- Chartered Financial Planner (CFP), Thai Financial Planners Association</li> <li>- M.B.A., Babson College, MA., U.S.A.</li> <li>- B.A., Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>- Risk Management Program (for Advance) – COSO ERM 2017 Class 3/2019 Federation of Accounting Professions under The Royal Patronage of His Majesty The King</li> <li>- Strategic Financial Leadership Program (SFLP) 2018 Professional Thai Listed Companies Association (TLCA)</li> <li>- Advanced Certificate Course in Public Economics Management for Executives Class 13/2015 King Prajadhipok's Institute</li> <li>- TLCA Leadership Development Program (LDP) Class 1/2013 Thai Listed Companies Association (TLCA)</li> <li>- Thailand Insurance Leadership Class 3/2013, Office of Insurance Commission</li> </ul>	5.51	<ul style="list-style-type: none"> <li>- Dr. Chumpol's daughter</li> <li>- Mr. Prapol's older sister</li> <li>- Mr. Raksanit and Mr. Satitphong's niece</li> </ul>	<ul style="list-style-type: none"> <li>2003 - Present</li> <li>2003 - Present</li> <li>2018 - Present</li> <li>2022 - Present</li> <li>2021 - Present</li> <li>2017 - Present</li> <li>2015 - Present</li> <li>2014 - Present</li> <li>2014 - Present</li> <li>2001 - Present</li> <li>2001 - Present</li> <li>2011 - Present</li> <li>2011 - Present</li> <li>2007 - Present</li> <li>1997 - Present</li> <li>2011 - 2018</li> </ul>	<ul style="list-style-type: none"> <li>Director, Managing Director</li> <li>President of the Executive Board</li> <li>Chief Financial Officer (CFO)</li> <li>Director</li> <li>Director</li> <li>Director</li> <li>Director</li> <li>Director</li> <li>Director</li> <li>Managing Director</li> <li>Director</li> <li>Director</li> <li>Director</li> <li>Director</li> <li>Executive Director</li> <li>Executive Director</li> </ul>	<ul style="list-style-type: none"> <li>Thitikorn Plc.</li> <li>Thitikorn Plc.</li> <li>Thitikorn Plc.</li> <li>NBD healthcare Co., Ltd.</li> <li>TK BROKER Co., Ltd</li> <li>Mingalaba Thitikorn Microfinance Co., Ltd</li> <li>TK Ngern Tan Jai Co, Ltd</li> <li>Suosdey Finance PLC</li> <li>Sabaldee Leasing Co., Ltd</li> <li>C.V.A. Co., Ltd.</li> <li>Chayapak Co., Ltd.</li> <li>S.P. Building Co., Ltd.</li> <li>Toyota Patumthani Toyota's Dealer Co., Ltd.</li> <li>Lexus Bangkok Co., Ltd.</li> <li>S.P. International Co., Ltd.</li> <li>TK Debt Services Co., Ltd.</li> </ul>

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
6. Mr. Prapol Phomprapha Director (Authorized Director) Date appointed 6 June 2003	49	<ul style="list-style-type: none"> <li>- Top Executive Program in Commerce and Trade (TEPCoT 5/2012), Commerce Academy</li> <li>- TLCA Executive Development Program (EDP3) Class 3/2009 Thai Listed Companies Association (TLCA)</li> <li>- Capital Market Academy</li> <li>- Leadership Program (CMA 7/2008)</li> <li>- Director Certification Program - DCP Class 50/2004, Thai Institute of Directors (IOD)</li> <li>- TLCA Professional Development Program (TLCA CFO CPD) 2020 class 1,4-6, Thai Listed Companies Association (TLCA)</li> <li>- TLCA Professional Development Program (TLCA CFO CPD) 2021, class 3,4,6,7, Thai Listed Companies Association (TLCA)</li> <li>- TLCA Professional Development Program (TLCA CFO CPD) 2022, class 2,3,5, Thai Listed Companies Association (TLCA)</li> <li>- B.S., Babson College, MA, U.S.A.</li> <li>- TLCA Leadership Development Program (LDP) Class 3/2015 Thai Listed Companies Association (TLCA)</li> <li>- Top Executive Program in Commerce and Trade (TEPCoT 7/2014), Commerce Academy</li> </ul>	5.11	<ul style="list-style-type: none"> <li>- Dr. Chumpol's son</li> <li>- Ms. Prathama's younger brother</li> <li>- Mr. Raksanit and Mr. Satitphong's nephew</li> </ul>	2003 - Present	Director, Deputy Managing Director	Thitikorn Plc.
					2003 - Present	Executive Director	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	Suodsley Finance PLC

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"> <li>- "Energy Literacy for a Sustainable Future" TEA Class 2/2013 Thailand Energy Academy</li> <li>- Director Accreditation Program – DAP Class 54/2006,</li> <li>- Thai Institute of Directors (IOD)</li> <li>- TLCA Executive Development Program (EDPT) Class 1/2008 Thai Listed Companies Association (TLCA)</li> <li>- The training course for senior executives in metropolitan development (MahaNakhon 7/2019)</li> <li>- The summary course of the essential usage and change of TFSR for PEAs in 2021 (SET)</li> </ul>			<ul style="list-style-type: none"> <li>2014 - Present</li> <li>2011 - Present</li> <li>2011 - Present</li> <li>2007 - Present</li> <li>2001 - Present</li> <li>2001 - Present</li> <li>2011 - 2018</li> </ul>	<ul style="list-style-type: none"> <li>Director</li> <li>Director</li> <li>Director</li> <li>Director, Deputy Managing Director</li> <li>Director</li> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>Sabaidee Leasing Co., Ltd</li> <li>SP. Building Co., Ltd.</li> <li>Toyota Patumthani Toyota's Dealer Co., Ltd.</li> <li>Lexus Bangkok Co., Ltd.</li> <li>C.V.A. Co., Ltd.</li> <li>Chayapak Co., Ltd.</li> <li>TK Debt Services Co., Ltd.</li> </ul>
7. Mr. Apichart Kasemkulsiri Independent Director/ President of Audit Committee/ President of Nomination and Remuneration Committee (Authorized Director) Date appointed 25 April 2019	56	<ul style="list-style-type: none"> <li>- Master of Business Administration Sasin Graduate Institute of Business Administration Of Chulalongkorn University</li> <li>- Bachelor of Business Administration Department of Banking and Finance Faculty of Commerce and Accountancy Chulalongkorn University</li> <li>- Director Certification Program – DCP Class 73/2004, Thai Institute of Directors (IOD)</li> <li>- Thai -Chinese Leadership Studies</li> </ul>	-	-	<ul style="list-style-type: none"> <li>2022 – Present</li> <li>2021 - Present</li> <li>2019 - Present</li> <li>2018 - Present</li> </ul>	<ul style="list-style-type: none"> <li>Independent Director and President of the Risk Management Committee</li> <li>President of Nomination and Remuneration Committee</li> <li>Independent Director and President of Audit Committee</li> <li>Director, Managing Director, Risk Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>Thai Eastern Group Holdings PLC.</li> <li>Thitikorn Plc</li> <li>Thitikorn Plc</li> <li>L.P.N. DEVELOPMENT PLC.</li> </ul>

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
		(TCL), class 4 Thai-Chinese Leadership institute Huachiew Chalermparakiet University - Capital Market Academy Leadership Program (CMA 27/2018) - TLCA CFO Professional Development Program (TLCA CFO CPD) 2019,2020,2021,2022 (TLCA)			2004 - Present 2020 - Present  2020 - Present  2020 - Present  2019 - Present  2018 - Present  2018 - Present 2018 - Present  2007 - Present	and Chief Financial officer Director President of the Risk Management Committee and Independent Director Director Director Director Director Director Director Director Director	T.Krungthai Industries PLC. Thai Eastern Group Holdings Co., Ltd.  Kamala Senior Living Co., Ltd. Lumpini Project Management Services Co., Ltd. Dolsiri Delvelopment Co., Ltd. LPP Property Management Co., Ltd. Pornsanti Co., Ltd. LPC Social Enterprise Co., Ltd. Sri Sam Ank Supplier Co., Ltd.
8. Mrs. Saowanee Kamolbutr Independent Director / Audit Committee (Authorized Director) Date appointed 23 February 2021	70	- 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	-	-	2021 - Present  2020 - Present  Present  Present	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	Thitikorn Plc Global Power Synergy PLC  FN Factory Outlet PLC.  Carabao Group PLC.

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"> <li>- Financial Institutions Governance Program (FGP) Class no. 1/2010</li> <li>- Advance Audit Committee Program (AACP) Class no. 17/2014</li> <li>- Boards that make a difference (BMD) Class no. 9/2019</li> <li>- IT Governance and Cyber Resilience Program (ITG) Class no. 15/2020</li> <li>- National Defense College of Thailand (NDC) 2005</li> <li>- Capital Market Academy (CMA) Class No.7</li> <li>- Senior Executive Program (Kellogg – Sasin)</li> <li>- The Management Development Program (Wharton School)</li> <li>- Advanced Security Management Program Alumni (ASMA) Class No.4</li> </ul>			<ul style="list-style-type: none"> <li>Committee , President of the Risk Management Committee and Nomination and Remuneration Committee</li> <li>Independent Director, Risk Management Committee and President of Audit Committee</li> <li>Director</li> <li>Qualified Accounting and Finance</li> <li>Independent Director, President of Audit Committee, Nomination and Remuneration Committee</li> <li>Independent Director, Chairman</li> <li>Advisor, The Committee on Economics, Monetary Affairs and Finance</li> <li>Honorary Director</li> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>T.K.S. Technologies PLC.</li> <li>The Council of Southeast Bangkok College</li> <li>Small and Medium Enterprise Development Bank of Thailand (SME Bank)</li> <li>Glow Energy PLC.</li> <li>Pacific Pipe Public Company Limited</li> <li>The Committee of the National Legislative Assembly</li> <li>Rajapark Institute</li> <li>Small and Medium Enterprise Development Bank of Thailand</li> </ul>	

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 (Authorized Director) Date appointed 1 March 2021	64	<ul style="list-style-type: none"> <li>- high school Wachirawut Wittayalai (season 50)</li> <li>- Bachelor of Political Science (International Relations) (First Class Honors), Chulalongkorn University (Class 31)</li> <li>- MA (International Relations), The Australian National University, Australia</li> <li>- Executive Program: Leaders with Vision and Morality (Class 73, Civil Service Development Institute, Office of the Civil Service Commission, 2011)</li> <li>- National Defense College Curriculum (CDC), Class 54, 2011</li> <li>- Senior Justice Administration Program (Class 17, 2012)</li> <li>- Capital Market Academy (CMA) Curriculum, Class 18, 2013</li> <li>- Thai -Chinese Leadership Studies (TCL), class 4 (2021)</li> <li>- The training course for senior executives in metropolitan development (MahaNakhon 10/2022)</li> </ul>	-	-	<ul style="list-style-type: none"> <li>2021 - Present</li> <li>Mar 2021 - Present</li> <li>Feb 2021 – Present</li> <li>Apr 2020 – Present</li> <li>Nov 2019 - Present</li> <li>Oct 2019 - 1 Mar 2021</li> <li>Mar 2020-1 Mar 2021</li> <li>Oct 2019 - Mar 2020</li> <li>2018 – 2019</li> <li>Mar 2018</li> <li>2014 - 2016</li> </ul>	<ul style="list-style-type: none"> <li>Monetary Affairs and Finance</li> <li>Honorary Director</li> <li>Director</li> <li>Independent Director,</li> <li>Audit Committee</li> <li>Independent Director and Audit Committee</li> <li>Commander</li> <li>Director</li> <li>President</li> <li>Advisor New</li> <li>Generation Change Management</li> <li>Project Office</li> <li>Sub-Committee on</li> <li>Consideration and</li> <li>Monitoring of</li> <li>International</li> <li>Situations Affecting</li> <li>Thailand</li> <li>Qualified Director in</li> <li>the Board, President</li> <li>of Audit Committee</li> <li>Member of the</li> <li>Nomination</li> <li>Committee of the</li> <li>National Anti-</li> <li>Corruption</li> <li>Commission,2019</li> <li>Advisor</li> <li>Ambassador</li> </ul>	<ul style="list-style-type: none"> <li>Thitkorn Plc</li> <li>Wachirawut College</li> <li>Egat International Co., Ltd.</li> <li>Thai-Lao Association for</li> <li>Friendship</li> <li>The Public Sector</li> <li>Development Commission</li> <li>Foreign Affairs Committee</li> <li>of the Senate</li> <li>Directors of the Fuel Fund</li> <li>Thai-Laos Association for</li> <li>Friendship</li> <li>Vientiane</li> <li>Tobacco Factory of</li> <li>Thailand</li> </ul>

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. Nha-Kran Loahavilai Independent Director, Nomination and Remuneration Committee (Authorized Director) Date appointed 25 April 2022	57	- Master of Science, Computer Rungsit University - Bachelor of Arts, Major of newspaper, Chulalongkorn University - Thai-Chinese Leadership Studies Program, Class 1 (TLC-1) - Thailand Energy Academy Class 3 - Politics and Governance in Democratic Systems for Executives, Class 16 - Advanced Retail Management Class 12	-	-	2014 - 2015 2013 - 2015 2013 - 2014 2012 - 2015 2012 - 2015 2004 - 2007 2004 - 2007 2022 - Present July 2020 - Present 2020 - 2021 2019 - 2020 2018 - 2019 2016 - 2018 2013 - 2016 2011 - 2012 2006 - 2013	Director Director, President of Audit Committee Director Qualified Director Director Director Director Independent Director, Nomination and Remuneration committee Director, Audit Committee Vice President-NEWS Managing Editor Editor in Chief Deputy Chief Operating Officer Deputy editor Founding Editor Editor	Asia-Pacific International University Council Amanah Leasing Public Company Limited Islamic Bank of Thailand Board of Directors National Space Board King Prajadhipok's Institute Executive Committee Tourism Board of Thailand (TAT) International Convention Promotion Committee (TCEB) Thitikorn Plc Carabao Group PLC. BEC MULTIMEDIA CO., LTD. Business Today Bangkok Post Publishing PLC. Post Publishing Public PLC. Post Publishing Public PLC. Post Publishing Public PLC.

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"> <li>- Thailand Insurance Leadership Class 2, Office of Insurance Commission</li> <li>- Top Executive Program in Commerce and Trade (TEPCoT 2)</li> <li>- Capital Market Academy Leadership Program (CMA 7)</li> </ul>			2006 - 2013 Deputy Managing Director 1985 - 2006 Journalist, news head, newspaper executive 1985 - 2006 Director 1985 - 2006 Director 1985 - 2006 Board of Directors 1985 - 2006 Advisor to the Director	Post News Co., Ltd.  King Prajadhipok's Institute Student Foundation Thai Buddhist Herbs Foundation for the Kingdom of Thailand Thai-Chinese Leadership Institute Huachiew Chalermpakiet University Huachiew TCM Clinic	
11. Mr. Prasit Sainonsee Director (Authorized Director) Date appointed 25 April 2018	58	<ul style="list-style-type: none"> <li>- M.B.A Law., Ramkhamhaeng University</li> <li>- How to Develop a Risk Management Plan (HRP 19/2018), Thai Institute of Directors (IOD)</li> <li>- Risk Management Program for Corporate Leaders RCL 14/2018, Thai Institute of Directors (IOD)</li> <li>- Director Accreditation Program – DAP Class 150/2018, Thai Institute of Directors (IOD)</li> </ul>	0.007	-	2018 - Present Director 2018 - Present Executive Director 2018 - Present Risk Management Committee 2016 - Present Assistant Deputy Managing Director 2021 - Present Director 2018 - Present Director 2018 - Present Director 2017 - Present Director 2015 - Present Director 2021 - Present Risk Management Committee 2020 - Present Director 2020 - Present Nomination and Remuneration Committee 2020 - Present Executive Director 2018 - Present Corporate Secretary	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.  Thitikorn Plc.  Thitikorn Plc. Thitikorn Plc.  Thitikorn Plc. Thitikorn Plc.	
12. Mr. Aphichai Uemsathienporn Director and Nomination and Remuneration Committee (Authorized Director) Date appointed 14 May 2020	62	<ul style="list-style-type: none"> <li>- M.B.A., Burapha University</li> <li>- Director Accreditation Program – DAP Class 174/2020, Thai Institute of Directors (IOD)</li> <li>- Company Secretary Program (CSP 91/2018), Thai Institute of Directors (IOD)</li> </ul>	-	-			

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"> <li>- Risk Management program for corporate Leaders RCL 14/2018 Thai Institute of Directors (IOD)</li> <li>- How to Develop a Risk Management Plan (HRP 19/2018), Thai Institute of Directors (IOD)</li> <li>- Risk Management and Internal Control Program 1/2018 Thai Listed Companies Association (TLCA)</li> <li>- Director Accreditation Program – DAP Class 174/2020 Thai Institute of Directors (IOD)</li> </ul>			2012 - Present Assistant Deputy Managing Director 2015 - Present Director 2014 - Present Director 2014 - Present President of the Risk Management Committee 2010 - 2018 Risk Management Committee	Thitikorn Plc. Chayapak Co., Ltd. Suosdey Finance PLC Sabaidee Leasing Co., Ltd Thitikorn Plc. Thitikorn Plc.	
13. Ms. Siripen Neamcharoun Accounting and Finance Division Manager	51	<ul style="list-style-type: none"> <li>- MBA Thammasat University</li> <li>- Bachelor's degree in Accounting, Thammasat University</li> <li>- Certified Public Accountant (CPA) no. 5343</li> <li>- How to Develop a Risk Management Plan (HRP) 29/2021</li> <li>- Certificate of Professional Controller Certification Program, Federation of Accounting Professions (2017)</li> <li>- Certificate of International Taxation, Faculty of Law Thammasat University</li> </ul>	-	-	2021 - Present Accounting and Finance Division Manager 2021 - Present Risk Management Committee 2020 - 2021 Accounting and Finance Consultant 2014 - 2018 Financial Controller South East Asia 2013 - 2014 Head of Finance 2011 - 2013 AVP Accounting and Finance 2007 - 2011 Director of Finance and Accounting	Thitikorn Plc. Thitikorn Plc. Thitikorn Plc. M+R Spedag Group Space Matrix Design Consultants (Thailand) Co.,Ltd. Quality Houses Plc. Hunton & Williams Thitikorn Plc. Thitikorn Plc.	
14. Mr. Piti Ngamlert Foreign Credit Manager	56	<ul style="list-style-type: none"> <li>- B.A Finance, Ramkhamhaeng University</li> </ul>	-	-	2021 - Present Foreign Credit Manager 2016 - 2021 Senior Executive	Thitikorn Plc. Thitikorn Plc.	

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
15. Mr. Taveesak Charoensakyothin Manager Regional Department	53	- MBA, Thammasat University - B.A, Engineering, Chulalongkorn University	-	-	2021 - Present 2021 - Present 2014 - Present 2018 - 2021 2016 - 2021	President of the Risk Management Committee Manager Regional Department Director Risk Management Committee Regional Manager	Thititkorn Plc. Thititkorn Plc. Sabaidee Leasing Co.,Ltd Thititkorn Plc. Thititkorn Plc.
16. Mr. Somboon Narasunthornkun Manager of Operation 1	60	- Diploma – Faculty of Management, Bansomdejchaopraya Rajabhat University	-	-	2015 - Present 2014 - Present 2016 - 2021	Director Manager of Operation 1 Acting Operation Manager of Division 2	Chayapak Co., Ltd. Thititkorn Plc. Thititkorn Plc.
17. Mrs. Wannatkamol Piemkhumdee Chief Accounting Date appointed 12 November 2018	53	- 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	Thititkorn Plc. Thititkorn Plc.

All directors authorized to sign to bind the Company according to the Company's certificate of registration. Include holdings by spouse and minor children

## 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.

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	SB		
1.	Dr. Chumpol Phornprapha	X											x	x				
2.	Mr. Raksanit Phornprapha	/											/	/				
3.	Mr. Satitphong Phornprapha	/											/	/				
4.	Mr. Apichart Kasemkulsiri	/																
5.	Mrs. Saowanee Kamolbutr	/																
6.	Mr. Nha-Kran Loahavilai	/																
7.	Mr. Kiattkun Chartprasert	/																
8.	Ms. Prathama Phornprapha	/, //	/	/	/	/	/	/	/	X, /	/	/	/	/	/	/	/	/
9.	Mr. Prapol Phornprapha	/, //	/	/	/	/	/	/	/	/, //	/	/	/	/	/	/	/	/
10.	Mr. Prasit Sainonsee	/, //	/	/	/	/	/	/	/, //	/	/	/	/	/	/	/	/	/
11.	Mr. Aphichai Uemsathienporn	/, //	/	/	/	/	/	/	/, //	/	/	/	/	/	/	/	/	/
12.	Mr. Somboon Narasunthornkun	//																
13.	Mr. Taweesak Charoensakyothin	//	/				/											
14.	Mr. Piti Ngamlert	//																
15.	Mrs. Wannatkamol Piemkhumdee	//			/					/								

Note	X = Chairman	/ = Director	// = Manager
CVA =	C.V.A. Co., Ltd.		
SSD =	Suosdey Finance PLC	CYP =	Chayapak Co., Ltd.
TKN =	TK Ngern Tan Jai Co., Ltd	SBD =	Sabaidee Leasing Co.,Ltd
SPI =	S.P. International Co., Ltd.	MGB =	Mingalaba Thitikorn Microfinance Co., Ltd
Lexus =	Lexus Bangkok Co., Ltd.	SPSU =	SPSU Plc.
NP =	Napas Co., Ltd.	TN =	Toyota Patumthani Toyota's Dealer Co., Ltd.
SB =	Siam Brewery Co., Ltd.	SDC =	Software Development 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 Microfinan ce 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				/			

กมลวิทย์

/ = Director

X = Chairman

// = Manager

## ATTACHMENT 3

### Details of the Heads of the Internal Audit and Compliance Units

#### 1. Profiles of Heads of Internal Audit

<b>Mrs.Cholticha Yodsri</b>	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 Advisor of Internal Audit Office, Thitikorn Plc.
	2017 - 2022 Division 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.
<b>Ms.Pornpimol Suphapha</b>	<b>Division Manager of Internal Audit Office</b>
Shareholding	None
Education	Bachelor of Marketing Management Ramkhamhaeng University
Experience	2022 - Present Division Manager of Internal Audit Office, Thitikorn Plc.
	2019 - 2022 Division Manager of Office of Managing Director, Thitikorn Plc.
	2016 - 2019 Human Resources Manager, Thitikorn Plc.
	2011 - 2015 Central Coordination Manager, Thitikorn Plc.
	2009 - 2010 Manager of Documents and Central Information, Thitikorn Plc.
	2007 - 2009 Reserve manager of centralized document and information inspection department, Thitikorn Plc.

## 2. Head of Compliance

The Company 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

<b>1. Mr. Worapot Maneechote:</b>	<b>Operations officers (Compliance)</b>
Shareholding :	None
Education :	Master of Laws, Ramkhamhaeng University
Experience	
2022- Present	Operations officers (Compliance), Thitikorn Plc.
2017- Present	Lawyer, S.P. International Co., Ltd.
<b>2. Mr. Bunprakrong Norkaew:</b>	<b>Operations officers (Compliance)</b>
Shareholding :	None
Education	Bachelor of Business Administration (Accounting), Rajamangala University Of Technology Tawan-Ok (Chakrapong Phuvanart)
Experience	
2022- Present	Operations officers (Compliance), Thitikorn Plc.
2018- Present	Manager of the Internal Audit Department, Thitikorn Plc.
<b>3. Miss Wilasinee Sathawarodom</b>	<b>Operations officers (Compliance)</b>
Shareholding :	None
Education	Bachelor of Business Administration (Marketing), Bangkok University
Experience	
2022- Present	Operations officers (Compliance), Thitikorn Plc.
2017- Present	International Liaison Division Manager, Thitikorn Plc.
2013 : 2017	Manager of the Internal Audit Department, Thitikorn Plc.
<b>4. Ms. Ketsara Chienkaew:</b>	<b>Operations officers (Compliance)</b>
Shareholding :	None
Education	Bachelor of Science, Prince of Songkhla University
Experience	
2022- Present	Operations officers (Compliance), Thitikorn Plc.
2022- Present	Manager of the Stock Exchange Department, Thitikorn Plc.
2017-2022	senior officer, Thitikorn Plc.



## 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 valuate totaling 6 contracts. The Valuer, then, prepared the asset appraisal report dated 14-17 March 2022 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 <sup>st</sup> floor total 312 sq.m. 2 <sup>nd</sup> floor total 2,005 sq.m. 3 <sup>rd</sup> floor total 30,60 sq.m. 4 <sup>th</sup> floor total 1,938 sq.m. 5 <sup>th</sup> floor total 1,299 sq.m. (formerly 1,164)	1 <sup>st</sup> -5 <sup>th</sup> floor No. 69 SP Arcade Building, Ramkhamhaeng Rd., Huamark, Bangkapi, Bangkok 10240	S.P. International Co. Ltd.	None	259 sq.m. = 450, 53 sq.m. = 340 410 baht/sq.m./month 410 baht/sq.m./month 410 baht/sq.m./month 410 baht/sq.m./month
2	Head Office Land	3 ngan (300 sq.w.)	Soi. Ramkhamhaeng 19 (Charoen Ploy) Ramkhamhaeng Rd., Huamark Subdistrict, Bangkapi District, Bangkok	S.P. International Co. Ltd.	None	100 baht/sq.w./month
3	Thonburi Branch Office rental space	2 <sup>nd</sup> floor = 237 sq.m. 3 <sup>rd</sup> floor = 237 sq.m. Rooftop = 33 sq.m. Total = 507 sq.m.	2 <sup>nd</sup> -3 <sup>rd</sup> 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	180 baht/sq.w./month
4	Si Chan Branch Rental warehouse	3,599 sq.m.	No. 14, Sukhumvit 67, Sukhumvit Rd., Phra Khanong Nuea Subdistrict, Watthan District, Bangkok	S.P. International Co. Ltd.	None	140 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	11 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 Phornprapa	None	3 storeys office rental space = 140 baht/sq.m./month Warehouse building with toilets = 70 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](http://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](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](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 2022, 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 2022 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 2022, 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 oversaw 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 whistleblowing 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 2023, the Audit Committee proposes for the approval of the Board of Directors and the Annual General Shareholders' Meeting 2023 the appointment of Ms. Kornthip Wanichwisedkul, Certified Public Accountant registration No. 6947 or Mr. Methee Ratanasrimetha, Certified Public Accountant registration No. 3425 or Mr. Pisit Chiwaruangroch Certified Public Accountant registration No. 2803 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 2022 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 21, 2023





**บริษัท รุติกร จำกัด (มหาชน)**  
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