



ANNUAL REPORT 2021

From 56-1 One Report



THAILAND SUSTAINABILITY INVESTMENT (THSI)

THAILAND'S TOP CORPORATE BRANDS 2021

GLOBAL BANKING & FINANCE AWARDS © 2021

"MOVING TOWARDS SUSTAINABILITY, STEPPING INTO THE 30TH YEAR"

We will be No. 1 leader in the microfinance business



**Intimate services like closed
family members**

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Message from the Chairman of Board of Directors

Muangthai Capital Public Company Limited has been listed on the Stock Exchange of Thailand for more than 7 years. The company has achieved continuous and satisfactory operating performance, In 2021 has a loan portfolio of 91,812 million baht, growing 29.37% compared to 2020 and having a total net profit of 4,945 million baht.

In 2021, the company will continue to focus on expanding its services to cover all areas. As well as expanding various business channels. In addition, to the determination to conduct business professionally that leads the company to continue to grow. The Board of Directors also focuses on business operations aimed at sustainable growth. By adhering to the principles of management under the principles of good corporate governance, morality, ethics, transparency, social and environmental responsibility. With the believes that good corporate governance will create added value. This also provides long-term confidence and confidence to shareholders, investors and all stakeholders of the Company. In addition, the risks associated with corruption are also assessed within the company. Including the anti-corruption policy and business ethics policy. Also, reviewing important policies that are relevant to be used by personnel at all levels in the company. as it is a part of good business practice. In addition, to provide a manual and business operation guideline for the executives and employees have taken it as common practice as well as giving importance to the development of employees to be knowledgeable

and capable to grow together. This leads the company to be a stable and sustainable organization.

On behalf of the Board of Directors, I would like to thank you, shareholders, customers, as well as all stakeholders for the trust and always support the Company. Also, thanks to the management team, all employees who strive and dedicate to perform their work to the fullest potential to achieve the goal of both revenue growth, branch expansion and to the best customer service. Including helping to develop and create sustainability for the company in the future.

I would like to assure you that I and all of the Board of Directors are committed to conducting business with economic, social and environmental responsibility including supervising the management of the company to be successful in accordance with the planned strategic plan. based on virtue honesty and transparency in the business operations. Including strictly adhering to the principles of corporate governance. In addition, to maintain the leadership to be the number one in the vehicle title loan business. I am very confident that Muangthai Capital Public Company Limited and subsidiaries will grow continuously and sustainably.

Adm. Apichart Pengsritong
Chairman of the Board of Directors

Part 1 Business Operation and Operational Performance

1

1.1 Structure and Operation of Muangthai Capital

Policy and business overview

Muangthai Capital Public Company Limited and the subsidiary (“the Company”) were established by Mr. Chuchat Petaumpai and Mrs. Daonapa Petaumpai on 22nd May, 1992. Currently, the Company is classified as the Non-bank Financial Institution service provider operating the business in providing Microfinance under the personal loan business license and retail loans for occupation mainly under the supervision of the Bank of Thailand. The Company’s principle of business operation is to be the service provider of Microfinance to help people with difficult access to finance from financial institutions be able to access loan sources more easily and conveniently with reasonable, fair, and transparent financial costs. Such philosophy has then become the code of practice for business operation based on the norms of good governance, appropriate risk management, and the Company’s sustainability strategy in order to become a “responsible microfinance loan service provider”. This means the creation of microfinance loan products that can respond to the development of the country’s financial inclusion with responsibility to all stakeholders agreeing with the policy of the Bank of Thailand. At present, the Company focuses on the growth by expanding the customer base through branch expansion to cover all areas of the country. The Company believes that the distribution of financial access to people will help reducing the financial inequality in the country which is the cornerstone of the economic system for sustainable development. As on 31st December, 2021, the Company has 5,799 branches (2020:4,884) located in 74 provinces nationwide.

Currently, the Company’s outstanding loans consist of 6 main products including vehicle title

loans, personal loans (unsecured), Nano Finance, land title deed pledge loans, and new motorcycle hire purchase loans. The vehicle title loans are the main products having the largest proportion. The vehicles that can be used for insurance include motorcycles, cars, pick-up trucks and agricultural vehicles registered with the Department of Land Transport.

As the group of customers of the Company are the retail customers both having regular and non-regular income and are the most important stakeholders, the Company pays great attention to the building of good and sustainable relationships with the customers by adhering to the practices following the Service Excellence Policy in line with the Company’s slogan “Intimate services like closed family members”. In addition, the Company is also committed to developing and elevating the fair service in Market Conduct for customers of the entire industry truly fairly and transparently. From this reason, the Company has been trusted by the customers who come to use the loan services of the Company for the Company to grow continually. Presently, the Company has more than 2.5 millions of active customers from various occupations.

1.1.1 Vision, Objectives, Goal or Strategies

Vision

“We will be No. 1 leader in the microfinance business.”

To deliver microfinance loan products with the consideration on corporate governance, social and environmental responsibilities with customer-centered excellent service standards and to focus on managing asset quality with full efficiency and sustainability.



Missions for sustainable development

- Develop microfinance loan product with the consideration on the impacts to the environment, society, and corporate governance (ESG) meaning sustainable loan products. This is to focus on granting the loans by considering the collateral value, the credit size which is suitable for the repayment ability of the customers, and the appropriate, fair and transparent interest rates.

- Improve the access to capital sources and reducing the economic inequality of Thai people especially those who cannot access to the bank's loan sources. More branches are opened and the loan channels are expanded for people to access the urgent loan sources conveniently and quickly.

- Develop asset quality control (NPL) processes through human resource teamwork, good internal control system, appropriate and timely risk management with the indicators of operational performance and compensation which are in line with the long-term operational performance of the Company.

- Develop digital transformation processes to increase business efficiency and respond to the needs, customer's behavior, environment in technology infrastructure, environment in digital law, and changing competition in the industry. This includes the information security management system and concise personal information keeping up with the emerging risks.

5 values

Morality, Exertion, Perspective, Harmony, and Discipline

1.1.2 Changes and important development

1992

Muangthai Capital Public Company Limited (“the Company”) was formerly known as D.S. Leasing Company Limited and the name was changed to Muangthai Leasing Public Company Limited later. The Company was established by Mr. Chuchat Petaumpai and Mrs. Daonapa Petaumpai and was registered for the company’s established on 22nd May, 1992, to operate the business in vehicle title loans. In the first phase, we focused on motorcycle registration loan products only.

2006

As the Company saw an opportunity to expand its business into personal loans under the supervision of the Bank of Thailand, therefore, the Company applied for a business license from the Ministry of Finance. The permission was granted on 31st August, 2006, and the expansion of personal loan service provision to various branches was begun.

2014

The Company was listed on the Stock Exchange of Thailand and started trading for the first time on 26th November, 2014.

2015

The Company added more products to respond various needs of customers including Nano Finance. The Company was granted the business license from the Ministry of Finance on 26th May, 2015, and the land title deed pledge loans.

2018

- The Company’s name was changed from Muangthai Leasing Public Company Limited to Muangthai Capital Public Company Limited on 26th April, 2018.
- The Company launched a mobile application “Muangthai Capital 4.0” which can be used on both Android and iOS systems for the first time to add more notification channels and check installments for facilitating customers more.
- The Company received the “Excellent” corporate governance assessment for the year 2018 by the Thai Institute of Directors Association (IOD) for the first time.
- The Company was also selected to be included and calculated in the MSCI Global Standard Indexes.

2019

- The Company was granted the personal loan license under the new supervision of the Bank of Thailand to undertake unsecured personal loans and vehicle title loans which were effective from 1st February, 2019.
- On 26th February, 2019, the meeting of the Board of Directors passed the resolution to approve the establishment of subsidiary of the Company, Muangthai Leasing Company Limited, with a registered capital of 20 million baht divided into 200,000 ordinary shares, par value of 100 baht per share, to operate a new motorcycle hire purchase business. The Company held the share in the proportion of 99.99 percent.
- The Company was upgraded from BBB to BBB+ by TRIS Rating, the credit rating company. This was the important factor that encouraged the Company to issue and offer debentures as Public Offering for the first time on 22nd February, 2019, in the amount of 4,000 million baht. The result was that the Company could build a stronger capital base.
- The Company was selected to be included in the calculation of the FTSE Index and was rated A by MSCI ESG Index. We were also selected to be calculated in the Thailand’s Sustainability Investment Index or THSI organized by the Stock Exchange of Thailand for the first year. This was an important first step for the Company’s sustainable development.

2020

- The Company was confirmed its rating on the BBB+ level with the stable outlook by TRIS rating, the credit rating agency, even in the situation of the coronavirus epidemic, Covid-19, which has caused fluctuations in the economy worldwide.
- The Company was rated A by MSCI ESG Index and was selected to be calculated in the Thailand's Sustainability Investment Index or THSI organized by the Stock Exchange of Thailand for the second consecutive year. The Company was also selected to be included and calculated in the FTSE4Good Index for the first year.
- The Company was awarded the Royal Award of Thailand Corporate Excellence Awards 2020.
- The Company received an honor award from SET Awards 2020.

2021

- The Company was confirmed its rating on the BBB+ level with the stable outlook by TRIS rating, the credit rating agency, even in the situation of the coronavirus epidemic, Covid-19, which has caused fluctuations in the economy worldwide.
- MTC has been ranked in the Thailand Sustainability Investment (TSHI) Index List from the Stock Exchange of Thailand for 3 consecutive years.
- MTC has been assessed by MSCI on its environmental, social and corporate governance performance or ESG, at "A" level in the Consumer Finance sector for 2 consecutive years.
- MTC has been selected as a member and ranked in the FTSE4 Good Index Series in the FTSE4 Good Emerging Index by FTSE Russell at a 3.5 out of 5 scale, or equaled to 1.4 times the industry average score.
- MTC received a 2021 GLOBAL BANKING & FINANCE awards, organized by Global Banking & Finance Review in the field of "The Next 100 Global Awards 2021", a group of non-bank financial institutions. and is the only Thai company to receive the award.
- The Company has been announced the result of corporate governance assessment of listed companies in the Stock Exchange of Thailand for the year 2021 as being in the "excellent" level (5 stars) for the 4th consecutive year, which is assessed by the Institute of Directors Association. Thai Company (IOD)
- MTC was awarded the "Thailand's Top Corporate Brands 2021" with the highest corporate brand value. in the finance and securities business sector. This award is the result of a research worked on "Measurement of corporate brand values in ASEAN and in Thailand for the year 2021" of the Master of Science Program Brand Management and Marketing, the Faculty of Commerce and Accountancy, Chulalongkorn University
- At the Company's Board of Directors' meeting held on 18 October 2021, the Board of Directors has a resolution to establish a new subsidiary, Muangthai Pay Later Co., Ltd. ("MTPL"), with 99.99% ownership interest which has its registered capital in amounting to Baht 100 million (1 million ordinary shares at Baht 100 per share). The Company paid for share subscription of Baht 50 million to MTPL in November 2021.

1.1.3 Use of the raised funds following the purposes

The Company used the raised funds following the purposes stated in the registration statement of securities trading as detailed below.

Use of Money	Estimated amount of the spent money	Estimated time of money spending	Details/Progress of Money Use/ Reasons and Measures in Case of Money Spending not Following the Objective
1. To repay a loan or debt from issuing debentures	7,674.10	Within February, 2022	Use the money obtained from the issuance of debentures and / or bills of exchange at this time to repay the loan and / or debt from the issuance of debt that is due.
2. Other cases such as capital used in the business or the business expansion	13,825.90	Within February, 2022	Use the money obtained from the issuance of debentures and / or bills of exchange for general business operations and / or for business expansion.

1.1.4 General Information:	Head office location
Company Name:	Muangthai Capital Public Company Limited
Head Office:	332/1 Jaransanitwong Road, Bangplad, Bangplad, Bangkok 10700
Registration Number:	Bor Mor Jor 0107557000195
Telephone:	+66(0)2483 8888
Website:	www.muangthaicap.com

As of December 31, 2021 the company had a total of Baht 2,120,000,000 of ordinary shares, divided into 2,120,000,000 ordinary shares of Baht 1 each.

1.2 Nature of Business Operation

Medium-term business plan (2021-2023)

Muangthai Capital has ended the second medium-term plan which is the business plan in 2018-2020 and has achieved as planned. However, the Company has prepared the third medium-term plan which is the business plan in 2021-2023 covering all dimensions of being a non-institutional financial service provider to maintain the Growth Stage continuously and sustainably as follows.

The company will maintain the number one leadership in the microfinance business. (Microfinance)

The company project the growth for the next three years (2021-2023), by maintaining growth rate at 20-25 percent, 30 percent and at 20-25 percent, respectively.

The Company will expand branches by opening more branches to cover all regions of Thailand. The goal is to expand an average of 700 branches per year to reach 7,200 branches by 2023.

The company will maintain the standard of business operations. by tightening credit and expedite debt collection to be effective by maintaining non-performing debt (Non-performing Loan) not more than 2.0 percent and maintain debt with a significant increase in risk (Stage 2) not more than 8.0 percent, as well as Reduce the loss from the sale of seized vehicles to a minimum as well as accelerate the draining of assets

acquired from customers as much as possible To reduce the cost of provisioning per loan (Credit cost)

The Company focuses on building systems and mechanisms that encourage employees to use their full potential with the goal of increasing productivity in the competition of the organization. In addition, the Company will also develop employees to have the Resilience on the occurrence in various forms in the future.

The Company pays attention to the diversity of channels or platforms focusing on integrating both offline channels such as media fields, print media, etc., and online channels such as mobile applications, social media, etc. to provide customer service and to expand the digital customer base in accordance with the policy of the Bank of Thailand. In addition, the Company supports the utilization of both digital and information for marketing benefit and the development of new products of the Company in the future.

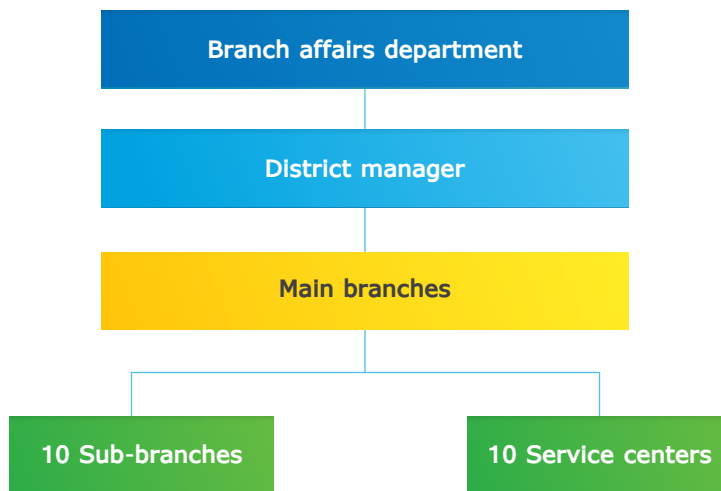
The Company emphasizes on increasing income proportion from new motorcycle hire purchase products and still focuses on doing business in Thailand.

The company operates on the basis of good corporate governance by focusing on value creation among economic, social and environment through company value chain.



Management strategies

The Company operates in the vehicle title loan business under a personal loan business license from the Bank of Thailand to retail customers. Moreover, there are the loan products with title deed as collateral and the Nano finance provided to retail customers through the company’s branches spreading across the regions nationwide. The company is decentralized through branch managers., sub-branches and service centers. The full branches is supervised by the district managers who are under the branch affairs department. Each full branch is responsible for managing 10 sub-branches and 10 service centers.



Decentralization management

As the business of financial service to retail customers, the Company emphasizes the close interaction with customers. This point reflects the decentralization to keep close with the retail customers. The Company focuses on the following strategies:

1. Strongly developing human resources and corporate culture so that middle-level executives can take care of their subordinates to serve their work at full efficiency to achieve the company’s goals and to maintain competitiveness.
2. Strengthening the internal audit system to be efficient in order to build confidence among shareholders and other stakeholders.
3. Stabilizing and enhancing the safety especially in financial management and data management with the use of technology and information systems.

Strategies of business operation to become the “responsible microfinance service provider”

The Company has stipulated the guidelines for sustainable development by considering the environmental, social and governance (ESG) impacts on business operations. The Company considers and views that the financial inequality problem is an economic problem that has long been rooted in Thailand and it is the origin of the microfinance business in Thailand. Thus, the Company’s principle is the operation by adhering to the human rights policy. This includes the loan products, processes for loan approval, and service provision which must be thorough and equal without exclusion or differentiation on the customers by physical difference, gender, race, religion, social status or political attitudes to be used as a tool to reduce financial disparities among Thai people. This is to offer an alternative source of loans to increase opportunities for people to access loan sources more easily and conveniently.

1.2.1 Revenue Structure

In 2021, the company's major revenue is interest income, accounted for 94.86% of total revenue. The revenue from hire purchase loans grew as targeted, despite the Covid-19 pandemics, however, this did not significantly affect revenue growth. The Company's revenue structure is detailed as follows:

Source of Revenues	Operated by	% of shareholding by MTC	2021		2020		2019	
			Million Baht	%	Million Baht	%	Million Baht	%
Interest Income and Fee and Service Income								
● Secured Loan	MTC	Parent company	11,204	69.94	11,212	76.10	9,604	75.69
● Unsecured Loan	MTC	Parent company	3,520	21.97	2,704	18.35	2,271	17.90
● Hire&Purchase Loan	MTLS	99.99	471	2.94	46	0.31	5	0.04
Total Interest Income and Fee Income			15,195	94.86	13,962	94.76	11,880	93.63
● Fee and Service Income ₁₎			705	4.40	677	4.60	679	5.35
● Income from Insurance Brokerage	MTLI	99.99	64	0.40	49	0.33	44	0.35
● Other Income ₂₎			55	0.34	45	0.31	85	0.67
Total Incomes			16,019	100.00	14,733	100.00	12,688	100.00

Note: 1) Fee and Service Income consists of collection income

2) Other Income consists of Gain from sales of assets, and other interest income

1.2.2 Product information

(1) Product characteristics and business development

Development of credit products with ESG in mind with the Asset-Based Assessment Approach

In 2021, Muangthai Capital offers microfinance loan products for retail customers by focusing on using the unconventional loan approval method by considering the social impact through the asset-based assessment instead of the conventional assessment. The Company believes that this assessment is a solution for this group to access alternative loan sources. In addition, it reduces the financial disparities in the country. The Company considers the collateral for the loan products with a low risk of default. The credit amount is compared with the appropriate collateral value. The maximum limit per contract is set for each customer. The interest rates are suitable for credit risk, debt collection process, and credit approval. These factors contributed to the non-performing (NPL) rate of the Company's loan portfolio to keep below the industry's. The NPL is the key indicator of credit analysts' performance.

The major product of the Company is the vehicle title loan or secured loan. However, in order to meet the needs of the existing customers, we have expanded the loan products into unsecured loans under the supervised personal loan license and the small credit license for occupation under supervision and new motorcycle hire purchase loan. The Company sees the potential for the growth of such new loan products in the future. Therefore, the Company's current retail finance products can be divided into 5 main credit products and 1 additional service as follows.

1.1 Vehicle title loans

The Company provides vehicle title loans to retail customers with a personal loan business license under the supervision of the Bank of Thailand. Such personal loan business license permits to collect interest rates up to 24% per annum (according to the Bank of Thailand Notification No. SorNorSor. 12/2563 on the regulations, methods and conditions for conducting personal loan business under supervision). The different types of vehicles covered by insurance include motorcycles, cars, pickups and agricultural vehicles registered with the Department of Land Transport and ownership of loan applicants must not

be less than the period specified by the Company. However, the customers who apply for loans must deliver the original car registration booklets to the Company as a guarantee without transferring the registration ownership in the vehicle registration to the Company. The customers will still own the vehicles used as collateral for credit applications and can use the vehicles as usual.

1.2 Land title deed loans

The Company provides the loan service with the land title deeds as collateral. The customers requesting the loan must submit the original land title deeds to the Company as the collateral. The Company offers more choices for customers in mortgaging the land if the customer wants a high credit limit loan. The interest rate for loans with the land as collateral does not exceed 15% per year.

1.3 Personal loans

The Company provides unsecured personal loans with a personal loan business license under the supervision of the Bank of Thailand since 31st August, 2006, for the customers who have a previous car loan installment history with the Company and good payment history only. Since it is an unsecured loan, such personal loan business operator license allows collecting the interest for not more than 28 percent per year. As it is a grant of unsecured loan, such license to operate a personal loan business allows the interest collection for not more than 25% per year (according to the Bank of Thailand Notification No. SorNorSor. 12/2563 on the regulations, methods and conditions for conducting personal loan business under supervision).

1.4 Nano Finance

The Company has provided Nano Finance loans with the microfinance business license under the supervision of the Bank of Thailand since 26th May, 2015. The Nano finance business license permits for collecting the interest at the rate of not over 33% per annum (according to the Bank of Thailand Notification No. SorNorSor. 13/2563 on the regulations, methods and conditions for conducting Nano finance under supervision) and it is an unsecured loan. The objective is to provide career loans only to customers

who have a history of installment of vehicle title loans with the Company before and have a good payment history.

1.5 Motorcycle leasing loans

The Company operates the motorcycle leasing business under the name of Muangthai Leasing Company Limited (“MTLS”). The Company registered to establish a limited company on 1st March, 2019, *As of December 31, 2021 the authorized and paid-up capital of 1,000 million baht divided into 10,000,000 ordinary shares with a par value of 100 baht each. At present, the Company holds 199,997 shares in MTLS equivalent to 99.99 percent of the total number of the sold shares. MTLS operates the new motorcycle leasing to customers having the vehicle title loans with the Company who have good payment history and want to buy a new motorcycle by leasing through the Company’s branches.

1.6 Non-life insurance broker

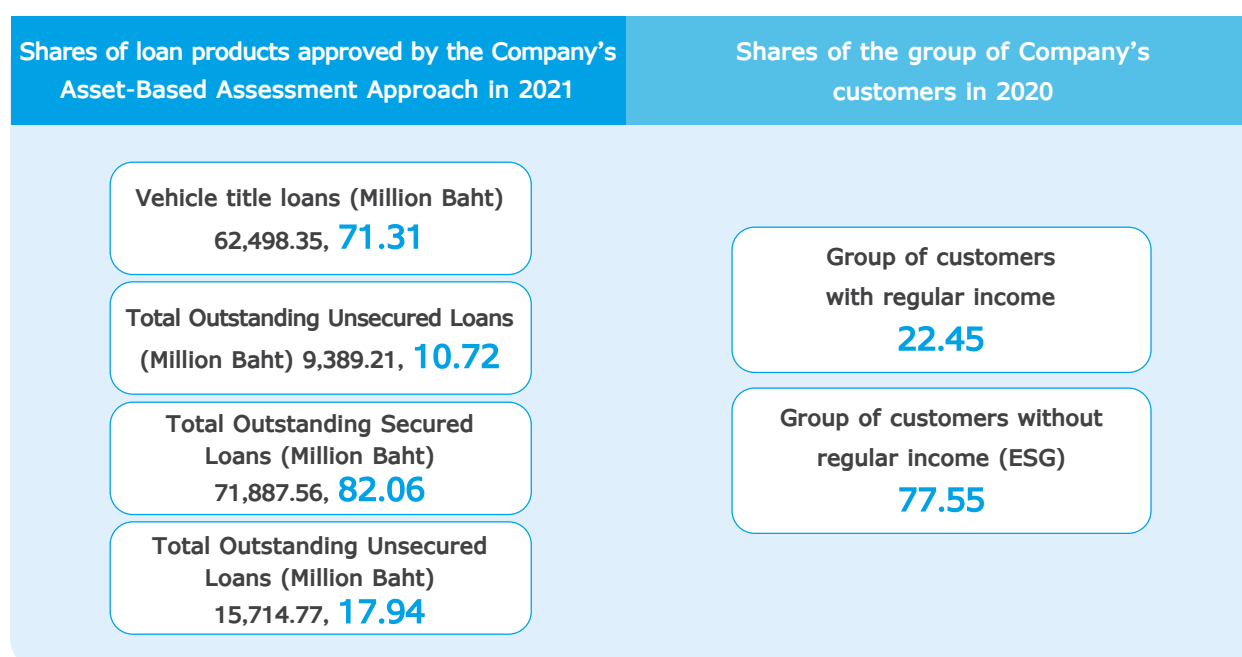
The Company operates a life insurance brokerage business under Muangthai Leasing Insurance Broker Company Limited (“MTLI”) which was established on 4th February, 2011, with authorized and paid-up capital of 2 million baht divided into 20,000 ordinary shares with a par value of 100 baht each. Currently, the Company holds 19,998 shares in MTLI, equivalent to 99.99 percent of the total sold shares.

MTLI engages in the insurance broker business including Compulsory Third Party Insurance (CTP) and personal accident insurance by being licensed as a non-life insurance broker referred to the Insurance Act B.E. 2535 from the Office of Insurance Commission (OIC) since 4th May, 2011. Currently, the non-life insurance policies having MTLI as the broker for distributing are the Victims Insurance Policy for Motorcycle Accident (Motorcycle Act), Victims for Automobile Accident (Automobile Act), Insurance Policy for Lost Car, and personal accident insurance policy to facilitate customers

1.7 Loans for hire purchase of electrical appliances and general equipment

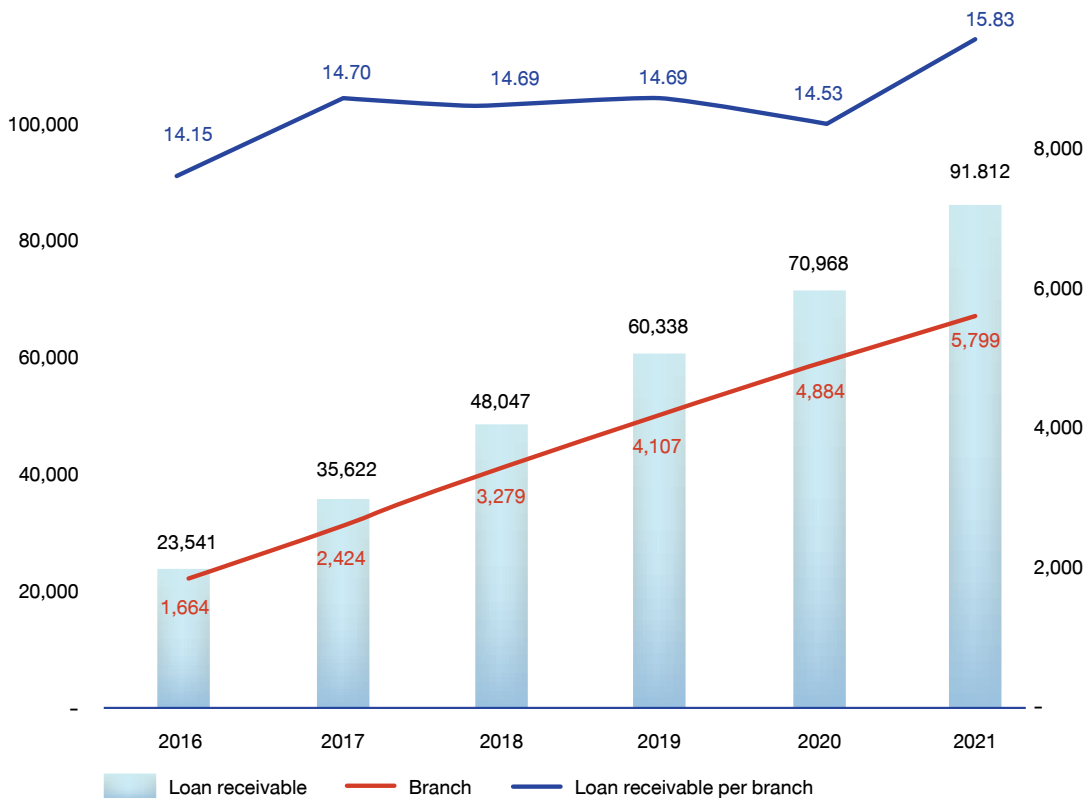
The Company provides credit services under the name of Muang Thai Pay Letter Company Limited (“MTPL”), which will be registered capital on October 18, 2021 with a registered capital of 100 million baht (paid-up amount of 50 million baht). divided into 1,000,000 ordinary shares with a par value of 100 baht per share. Currently, the Company holds 999,996 shares in MTPL, representing 99.99 percent of the total number of shares sold

MTPL provides hire purchase loans for electrical equipment and general equipment such as all kinds of electrical appliances, mobile phones, agricultural equipment and gold under the slogan “buy first, pay later”. by leasing through the company’s branches



2. Development on the customer’s access to loan resources by expanding branches

The Company continues to focus on accessing the customers through the strategies of expansion on the number of branches throughout the country. The Company performs the action following the Company’s medium-term business strategy plan resulting in customers and the public, especially customers who do not have access to commercial bank services or digital banking to be able to access the Company’s services more easily and more conveniently.



In the year 2021, the Company has opened 915 new branches, consisting of 26 big branches, 223 sub-branches and 666 service centers. The average loan outstanding rate per branch was 15.83 million baht compared to the end of the year 2020 that is equal to 14.53 million baht. This reflects that the Company is able to maintain the stability in loan receivable growth through the branch expansion.

The business expansion strategy from 2021 to 2023 still maintain the growth rate through the opening of branches by opening on 700 branches per year averagely. The Company also increases the strategy in expanding the channels for credit launching and the increase of products and new credit services with the expectation that the above strategies will improve the efficiency of the branches or the ratio of credit per branch of the Company to be higher.

3. Appropriate design of loan products, conditions and procedures for controlling the risk of default payment

The Company considers collateral for the loan products with low risk of default payment. The loan granting ratio is compared to the appropriate collateral value. The maximum credit limit per contract and per customer is set at a low level. The interest rates are set suitably for the credit risk, debt collection process, and credit approval process. These are all factors contributing to the non-performing debt rate of the Company’s credit portfolio to stay below the industry’s non-performing debt rate. The Company’s non-performing debt rate is the most important performance indicator of personnel.

4. Building the great customer experience

On 31st December, 2021, the Company has a total number of 2.5 million outstanding customers. As the Company sees that enhancing the efficiency of customer experience development is an important sustainable development strategy, in 2021 we have performed the following operations

4.1 Focus on providing excellent, thorough, and equitable services

Excellence service provision policy

The Company focuses on building service standards by providing training for employees. The results of the service evaluation are included as part of Key Performance Indicator (KPI) for the service provision to customers.

Channel for Customer Engagement

Although most of the Company's customers are the Offline group, in the past year, the Company finds that the number of customers who contacted the Company via online channels such as social media, telephone, and email were more than 250,000 persons growing from 2020 for more than 43 percentage.



4.2 Innovation development and Digital Transformation

Muangthai 4.0 Application

This is the mobile application which has provided the service to the Company's customers since 2017 in order to facilitate the customers in checking the outstanding loans, payment date, and the locations of the Company's branches. However, the Company has a policy to develop online modules more such as online loan payment and other services in the future.

4.3 Cultivating the financial awareness and discipline to customers

Project of recognition for income and expense

The Company has conducted the project of recognition for income and expense which is the account program allowing the users to record income and expenses based on the Bank of Thailand's guidelines. This can respond the target of reducing household debt in the citizen sector of the Bank of Thailand. The Company's customers and general people can download the program from the Company's website without charge. The program can analyze spending behavior whether there is discipline or without discipline. The goal is for users to understand their spending habits. The users can monitor their expenses, income, and savings. If the customers and general people need the income-expense account book, they can be requested from every branch of the Company.

Project of "Debt Solving Clinic" with SAM

Apart from social activities initiated by the Company for supporting the creation of financial discipline to the Company's customers and general people, the Company has also cooperates with SAM to join the Debt Solving Clinic Project to help debtors who have debts with many creditors. These are bad debts, credit cards, cash cards and unsecured personal loans. This is to provide an opportunity to solve debt problems along with promoting learning, planning, and creating good financial discipline for debtors and interested people. It also prevents economic and social problems of the country in the long run. In 2021, 18 companies who are not financial institutes participate in the project.

4.4 Development on the industry's ethics

From government's measures in response to Covid-19 that restrict about not moving across provinces and restrict some activities in 10 provinces, to control about Covid-19 disease situation, make a widespread impacts specially in business and debtor who are in the financial fragility. Not only restrict measures but also released a measure for affected person to relieve damage in income resulting from this pandemic.

Bank of Thailand (BOT), The Thai Bankers Association, and The Association of International Banks realize in debtor's trouble and providing more financial assistance using a 2-month debt suspension

scheme for employees and entrepreneurs which is the person who faced a temporality closed in business because government's measure during the Covid-19 pandemic, both in controlled and out controlled areas, started from July 2021 of the repayment period. After 2-month of the scheme, financial institution will not charge principal and accrued interest immediately.

For the debtor who is indirectly affected, who can run their business but decrease in income, financial institution will consider and provide help based on a necessary and situation.

For an assistance in above, the debtor can contact to creditor (Financial Institution) to request for financial help since 19 July 2021. However, debtor

should show a document about an impact from Covid-19 that effected on the business to make creditors can provide a help quickly.

For a debtor who still have a potential and also debtor who are in the restructuring process should continuing pay off debt in order not to increase the unnecessary debt in the future.

However, financial institution can provide a help more as appropriate than the measure from the government.

Bank of Thailand (BOT) and associations including The Government Financial Institutions Association (GFA) will provide a measure continually and need a help from nonbank provide a help together.

4.5 Respect given to the customer's satisfaction, rights and personal information

● Feedbacks and customer satisfaction survey results



● Customer's personal information

For the Company to operate business in accordance with the Personal Information Act which was announced in the Royal Gazette on 24th May, 2019, and would come into effect from 1st January 1, 2020, onwards, the Company then formulates relevant policy of information protection and information security as well as disclosing such policy on the Company's website. Apart from the aforementioned policy, the Company has also raised risks associated with the protection of personal information having the legal department and technology information department to perform the operation for reducing or limiting the risks involved. The Company conforms to the law for the protection of personal information of customers.

Balance of account receivables classified by type of loan products

Type of loan products	2021		2020		2019	
	Million baht	%	Million baht	%	Million baht	%
Vehicle title loans	62,498	68.07	50,985	71.84	42,946	71.17
Loans with land title deeds as collateral	9,389	10.23	5,277	7.44	5,351	8.87
Unsecured personal loans	9,794	10.67	6,928	9.76	6,104	10.12
Nano finance loans	5,921	6.45	7,417	10.45	5,852	9.70
Hire purchase loans for new motorcycles	4,210	4.59	361	0.51	85	0.14
Total account receivables	91,812	100.00	70,968	100.00	60,338	100.00

Note: The account receivables are calculated from the contract debts and accrued interest

(2) Marketing and competition

(a) Marketing and competition in the vehicle title loan and personal loan industry

Conditions and trends of the car registration/ personal loan industry and market size in 2020.

The Covid-19 virus outbreak that affected not only the global economy but also the domestic economy including the entire supply chain significantly caused the slowdown in exports, tourism, and related industries arising from the lockdown of the country from foreign tourists as well as the slowdown in traveling of tourists and business people worldwide. Many institutions predict that private consumption will likely to slow down in line with lower income fundamentals. The household debt ratio will be higher. The Bank of Thailand therefore asked for cooperation

from financial institutes and non-financial institute entrepreneurs in issuing measures to assist retail debtors affected by the volatile economic conditions in Phase 1 The operators can apply for Soft Loan from Government Savings Bank with low interest rates to compensate for liquidity from rescuing measures. The accounting practice guidelines can be applied for the measures of temporary relief for businesses that assist debtors affected by the situation affecting the Thai economy announced on 16th April, 2020. The measure to assist retail debtors in Phase 2 is the special aid to individual retail debtors.

The Company has provided assistance to debtors according to the measures to provide assistance to retail debtors in Phase 3 as follows.

- Postpone both principal and interest repayment for a period of 2 months.
- Extend the installment period in order to reduce the installment costs for not less than 30 percent from previously.
- Reduce the interest rate for all unsecured personal loan debtors to 22 percent for all customers generally without registration for a period of 3 months.
- Reduce the interest rate for motorcycle registration loan debtors to 21.25 percent and vehicle title loan debtors to 19 percent for a period of 3 months.

The summary of an assistance according to bank of Thailand (BOT) measure.

Financial Aid Measures	Number of Contracts	Outstanding loan balance (million baht)	Proportion
Postpone the payment for 2 months (August and September)	46,179.00	1,470.07	1.68%

The total number of registered customers requesting assistance was, 1,470.07 million baht, representing 1.68% of the outstanding loan balance as of September 30, 2021.

As for the assistance measures in 2021, the company provided assistance by suspending principal and interest payments for a period of 2 months (during July - August 2021), with customers participating in the measures accounting for 692 outstanding loans. million baht

The situation of the Covid-19 epidemic is not expected to resolve in the near term. Besides, the direction of the Thai economy particularly in the domestic export and tourism industry will remain sluggish over the next 1-2 years if the vaccine is not widely available to the public. Therefore, the proportion of domestic household debts will continue to increase and the entrepreneurs still have to be careful about managing asset quality.

At the end of December, 2021, the non-financial institute business entrepreneurs reported the outstanding

loans of personal loans under supervision (excluding car registration as collateral) in the total amount of 248,000 million baht compared to the outstanding loans of the same type of the Company in the amount of 9,794 million baht or amounting 3.95 percent of the market share. The outstanding loans of the personal loans under the supervision of vehicle title loans with collateral was in the total amount of 149,351 million baht compared to the outstanding loan of the same type of the Company for 62,498 million baht or amounting 41.85 percent of market share. The Nano finance had a total value of 22,805 million baht compared to the amount of outstanding loans of the same type of the Company in the amount of 5,921 million baht or amounting 25.96 percent of the market shares.

**Source: the Bank of Thailand*

However, in 2019, the Ministry of Finance determined that the car loan business with car registration as collateral was the business that must be operated under the personal loan business license under supervision of the Bank of Thailand in accordance with the Ministry of Finance's notification on the businesses that need to apply for a license under Clause 5 of the Notification of the Revolutionary Council No. 58 (Personal Loan under Supervision) (No. 3) to be effective on 1st February, 2019. This resulted in a number of loan service operators both old and new to show greater interest in entering the industry competition. These operators gathered on behalf of the vehicle title loan trade association to discuss business practices for the benefits of all stakeholders.

In addition, the Ministry of Finance issued a business license under the provincial micro-credit license under supervision for the pledge loan business operators of car registration in the company form. This is to add a channel for accessing public capital (Financial Inclusion) and to create the clarity and transparency in the business operation under supervision. Thus, the existing entrepreneurs including financial institute entrepreneurs and non-financial institute entrepreneurs as well as new entrepreneurs including entrepreneurs of hire purchase loans, motorcycles, insurance companies, and operators of communication services, and other consumer products businesses turn their attention to enter the competition in the car registration and retail loan industry more. However, in this year of 2020, the competitive strategy which has begun to be developed can be described as follows.

1. Competition with different loan products

Due to the more intense competition, the retail loan operators are trying to differentiate themselves by introducing new loan products or original loan products that each operator has special expertise to maintain customer base and occupy new customer groups such as expanding from vehicle title loan products to small business loans, title deed mortgage loans, group loans, or personal loans granted to private employees who receive their salary through their own banks, etc.

2. Competition with technology

The new entrepreneurs both financial institutes and non-financial institutes who do not have sufficient potential to expand the number of branches or have a different target group possibly focus on reaching

customers by using technology and data (Data Analytics) as a key competitive strategy such as lending via mobile phone applications or merging with businesses that provide technology and communication services in order to obtain information of target customers, etc. However, the Company does not ignore competition with technology but has begun working on bringing technology to improve Customer Experience Management for the convenience and more transparency in service provision. With the introduction of "Muangthai Capital 4.0" mobile application, the customers can download the application to be used in checking the outstanding balance and other services. The Company is in the process of developing the application to create more value for accommodating the fierce competition in the industry.

The Bank of Thailand issued the criteria for the business operation of Digital Personal Loan since 17th September, 2020, to encourage people to access financial services in the system more easily. Especially those who do not have regular income, the group that cannot be proven for the income, and the group that does not have assets to be used as collateral can use the alternative data such as payment of water, electricity, telephone bills, income or online trading behavior in assessing the ability or willingness of debt repayment. This will result in the competition in the personal loan market to have more entrepreneurs and fiercer competition. However, the Company still sees an opportunity to use the information in considering the Company's unsecured personal loans and expand channels to apply for the loans.

3. Competition with prices and service provision

At present, the competition in the industry has not yet entered the price competition. Although, during the year 2021, some operators may have cut their interest rates down to comply with the Bank of Thailand's regulation in lowering the personal loan interest rate throughout the system. The unsecured personal loans currently have the interest rate of 25 percent per annum. The personal loans with car registration as collateral have the interest rate of 24 percent per annum. Although the government banks have expressed interest in expanding their business into the car registration pledge loan business with interest rates lower than the market average rate, the Company views that the customers do not pay attention to the interest rate equaling to the credit

limit or service provision. Thus, the competitive nature of the industry during this year is mainly the competition in service provision. When the competition starts to enter the price competition, the Company sees that the big operators are competitively advantageous due to the lower cost, larger customer base, and more effective internal risk management in maintaining debt quality. The interest rate can be then reduced to be competitive. However, the Company presently charges the interest rates lower than the industry average.

● **Competitive strategy**

The Company's competitive strategy is in accordance with the slogan of "Intimate services like closed family members" which consists of the following strategies.

1. Convenient and fast service provision

The key competitive strategy for retail loans is the speed of service provision to the customers in order to respond to the demands of customers in a quick and timely manner. The Company has the concise loan approval process allowing customers to know the approval results and receive the money within 20 minutes. In addition, the Company also maintains the tight loan approval process.

2. Careful and friendly customer service

As the quality of service is the core of the Company's business operations, the Company focuses on and gives importance to provide good service to the customers. All of the Company's employees will receive regular service training enabling them to provide services to customers in a polite and friendly manner as the Company's slogan "Intimate services like closed family members". From this reason, the customers return to use the Company's service continuously. This includes introducing other people to use the Company's service. Besides, the Company also emphasizes on cultivating 5 values for employees; honesty, dedication to work, good attitude, unity, and strict discipline.

3. Effective debt collection and respect for customers' human rights

With experience in service provision business on the vehicle title loans and personal loans of the Company's executives, the Company can understand the behaviors and habits of customer well. The loan approval process, credit limit, and the debt collection

process are efficient and suitable for the Company's customers. The Company has set up a debtor management policy called "MTC Model" which is a comprehensive debt management in the debtor's quality, ability of debt collection, and debt management. The MTC Model is an important tool for the Company to control the debtors to be in the criteria set by the Company.

4. Having service channels covering all over the country

The Company has branches to provide services to customers covering most areas of the country including the North, the East, the West, the Central, the Northeast and the South. As of 31st December, 2021, the Company has the total of 5,799 branches. The Company can contact for using the services and paying the installments at every branch of the Company. The customers can use the Company's services more conveniently resulting in the Company to be able to continuously expand the customer base.

5. Development and digital adaptation

Application on mobile phones

Since 2017, the Company has started to develop and adapt to the digital age completely. For the Company's sustainable growth, the "Muangthai Capital 4.0" application on iOS and Android operating systems was launched for the convenience and transparency in providing services to customers in reminders of payment due dates, amount due to be paid, and outstanding credit balance.

New service towards Cashless Society

The Company has started Cross Bank Bill Payment service to facilitate the customers in making loan payments more conveniently and faster through K-Plus online banking application of Kasikorn Bank without charges.

Digital marketing and social media strategies

Apart from driving marketing through digital media and social media strategies to build brand confidence and credibility, the Company also uses social media to create a bond with the Company's customers. Previously, the Company found that the communication through online media did not only help in sales but it is also an important effective communication

channel between the Company and the Company’s customers in other aspects such as fraudulent reporting, complaint receiving, suggestion and comment receiving. The Company has set the guidelines and targets for the use of all social media channels including the Company’s website, Facebook, and others in sending and receiving messages for the results and maximum benefits.

AI Chatbot Development

In 2019, the Company started initiating AI Chatbot to help developing and improving the communication with customer groups through Social media channels to be more efficient and faster. The Company’s AI Chatbot can answer basic customer questions about the loan products, steps for loan application, the Company’s branches, etc. The Company believes that the AI Chatbot tool is an important communication tool capable for connecting and supporting the customer engagement so that the Company can maintain the interactions with customers thoroughly even during the Company’s off-hours.

(3) Procurement

3.1 Sources and uses of funds

As on 31st December, 2020, the Company’s major sources of funds are loans from financial institutes amounting 21 percent, borrowing by issuing the bonds (debentures and bills of exchange) amounting 52 percent with the finance sources from the shareholders amounting 27 percent.

For the use of funds as of 31st December, 2020, the credits were granted for retail customers amounting and other properties.

Issued bonds and loans

As on 31st December, 2021 and 2020, the outstanding bonds and domestic loans are as follows:

Unit: million baht	Interest rates	Due	2021	2020
Debentures - Baht	2.30-4.30	2565-2568	47,028	38,453
Bills of exchange - Baht	1.60-1.65	2565	1,215	1,047
Loans from financial institutes	1.70-3.50	2565-2566	19,071	11,475
Total			67,314	50,975

Credit Policy

Credit policy and credit risk management

The Company’s operational goal is to be the Microfinance service provider helping people with difficulty in accessing the loans from financial institutes from them to access the loan sources more easily and conveniently with the fair and transparent financial cost. This is to become the ‘responsible microfinance service provider’ meaning creating a microfinance loan product that can respond to the development of Financial Inclusion of the country with the responsibility to all stakeholders.

Therefore, the Company’s credit policy is the operation by adhering to the human rights policy. This includes the loan products, processes for loan approval, and service provision that must be thorough and equal without exclusion. The customers must not be discriminated by different physical, gender, race, religion, social status or political attitudes to be used as a tool to reduce financial inequality of Thai people by providing an alternative source of loans to increase opportunities for people to access loan sources more easily and conveniently.

The Company operates the microfinance loan business which means lending small loans to retail customers only. The credit approval process is based on social impact through the Asset-Based Assessment Approach mainly. The important loan products are vehicle title loans including motorcycles, cars, pickup trucks and agricultural vehicles registered with the Department of Land Transport. The interest rates and the Loan to Value (LTV) are set in accordance with the overall risks of default payment of each product.

The Company has set and reviewed the balance table to reduce the risk of debt default arising from the excessive credit limit. The market value of vehicles is collected from 6 in-house auction centers scattered throughout the country. LTV is centralized to set the credit limit to be the same standard with the rate suitable for the risks that is acceptable by the Company.

In addition, the Company has also established Internal Single Lending Limit to reduce debt repayment risk arising from credit concentration or provide a credit limit that exceeds the ability and intention of repayment of the customers. The credit limit per customer is set in the amount of not exceeding 550,000 baht. Therefore, the Company does not depend on any customer that accounts for more than 30% of total income or total outstanding loans.

Significant accounting policies and provisioning methods

Bad debt amortization policy: The Company has a policy to write off the debtor from the account when the Group has pursued the debt repayment as appropriate to the case with clear evidence of collection and the debt has not been repaid.

Provisioning policy: In accordance with the Financial Reporting Standard No. 9 on the Financial Instruments (TFRS 9). In the past, the Company pursued the debt collection and legal action promptly and could set up a lawsuit against the debtor within 2 months if there was a difference between the sales price and the outstanding receivables. Previously, the Company reduced the risk of damage caused to the Company by having the credit policy not exceeding 50% of the collateral value.

(4) Assets used in business operation

License for the loan business operation

The Company is the Non-Bank institute performing the loan service business operation with the business license under the supervision of the Bank of Thailand as follows:

License to operate personal loan business under supervision

It is allowed to operate an unsecured personal loan business. Currently, the interest rate is not more than 25 percent per year and the interest rate for the vehicle title loan is currently for not more than 24% per year.

License to operate Nano finance business under supervision

It is allowed to operate a retail loan business for the purpose of occupation without security. The credit limit is not more than 100,000 baht and the interest rate is not more than 33% per year.

Most of the industry competitors are the vehicle title loan operators who have the license to operate the personal loan business under supervision and the license to undertake the Nano finance business under supervision of the Bank of Thailand or the Pico Finance from the Ministry of Finance. Such licenses are one of the major barrier to entry. The operators who are interested in entering the industry competition or the operators having been licensed to undertake the loan business must have the ability to maintain and preserve various standards to comply with the supervised regulations.

Main fixed assets used in business operation

As of 31st December, 2021, the Company has fixed assets that are used in business operations. The net book value is 1,162.19 million baht with the head office building located at 332/1 Bangplad Sub-district, Bangkok. There are only 7 branches of the Company. Almost all of the Company's branch offices are the rented buildings.

Property list	Property features	Net book value (million baht)	Obligations
1. 7 plots of land	Owned by the Company	257.47	Without obligations
2. Office buildings	Owned by the Company	358.74	Without obligations
3. Building improvement	Owned by the Company	545.98	Without obligations

Investment in a subsidiary in which the Company holds 99.99% of shares

The Company has invested in 99.99% of 3 subsidiaries; Muangthai Leasing Company Limited, with the registered capital of 1,000 million baht and engaging in hire purchase loan business. At present, the Company operates a new motorcycle hire purchase loan through the aforementioned subsidiary and Muangthai Leasing Insurance Broker Company Limited has the registered and paid-up capital of 2 million baht to operate the insurance brokerage business. The Company operates the non-life insurance sale through such subsidiary and Muangthai Pay Later Company Limited with a registered capital of 100 million baht and Paid-up 50 Million baht engaging in hire purchase loan business.

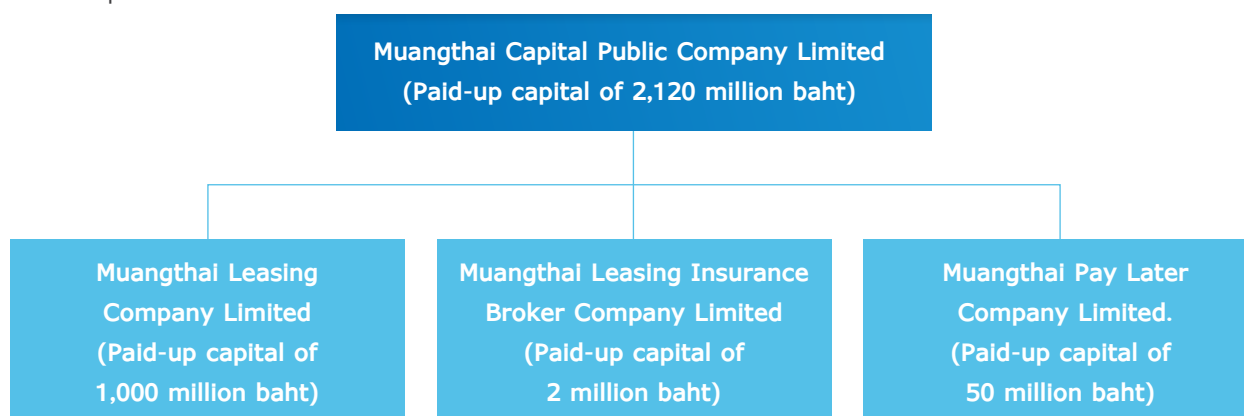
(5) Undelivered work

-Not any-

1.3 Shareholding Structure of the Group

1.3.1 Shareholding Structure of the Group

Regarding the investment of the Company in the subsidiaries as of 31st December 2021, the Company has investments in subsidiaries by holding the shares of 10% or more of the issued and paid-up shares, Muangthai Capital Public Company Limited directly holds 99.99% of 3 subsidiaries; Muangthai Leasing Insurance Broker Company Limited with the insurance broker business operation ,Muangthai Leasing Company Limited and Muangthai Pay Later Company Limited with the hire purchase business operation. The shareholding structure of the Group is as follows:



No.	Company's Name	Location	Nature of Business Operation	Registered Capital (million baht)	Paid-up Capital (million baht)	Total number of issued shares	Number of shares held	Share-holding Proportion (%)	Type of share
1.	Muangthai Leasing Insurance Company Limited	Bangkok	Insurance brokerage	2	2	20,000	19,998	99.99	Ordinary share
2.	Muangthai Leasing Company Limited	Bangkok	Hire Purchase	1,000	1,000	10,000,000	9,999,997	99.99	Ordinary share
3.	Muangthai Pay Later Company Limited	Bangkok	Hire Purchase	100	50	1,000,000	999,996	99.99	Ordinary share

1.3.2 Persons possibly having conflicts hold more than 10 percent of shares in the subsidiaries or the associates.

- Not any -

1.3.3 Relationship with the business group of major shareholders

- Not any -

1.3.4 Shareholders

(1) Major Shareholders

(a) List of the top 10 major shareholders

Source of information: Thailand Securities Depository Company Limited as on 11 November 2021

No.	Names of shareholders	Number of shares 11/11/64	Shareholding Proportion (%)	Voting rights (rights)
1	Mrs. Daonapa Petampai	720,000,000	33.96	720,000,000
2	Mr. Chuchat Petaumpai	710,056,400	33.49	710,056,400
3	Thai NVDR Company Limited	116,458,483	5.49	-
4	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	38,585,138	1.82	38,585,138
5	STATE STREET EUROPE LIMITED	35,256,651	1.66	35,256,651
6	Registered Provident Fund: Tisco Master Pooled Fund	24,390,300	1.15	24,390,300
7	CITI (NOMINEES) LIMITED-CITIBANK LONDON RE FUND 208	21,326,163	1.00	21,326,163
8	THE BANK OF NEW YORK MELLON	18,994,471	0.89	18,994,471
9	Thai Life Insurance PLC.	13,625,300	0.64	13,625,300
10	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	11,534,600	0.54	11,534,600

(B) Group of major shareholders influencing management policy or operation

No.	Names of shareholders	Number of shares 31/12/64	Shareholding Proportion (%)	Voting rights (rights)
1.	Mr. Chuchat Petaumpai	710,056,400	33.493	710,056,400
2.	Mrs. Daonapa Petampai	720,000,000	33.962	720,000,000
3.	Mr. Surapong Pechaumpai	980,100	0.046	980,100
4.	Mr. Parithad Petampai	3,093,100	0.146	3,093,100
5.	Mr. Suksit Petampai	902,100	0.042	902,100
	Total	1,435,031,700	67.69	1,435,031,700

The investors can view information of the Company's major shareholders at the closing date of the shareholders' register book for the shareholders' general meeting of the latest year available on the Company's website prior to the annual general meeting of shareholders for each year. This can be found in the topic of "Investor's Information / Shareholder's Information".

(2) Holding company

- Not any -

(3) Shareholding Agreement

- Not any -

1.4 Company's securities

1.4.1 Registered capital

The Company has registered capital of 2,120,000,000 baht paid-up for 2,120,000,000 baht divided into 2,120,000,000 ordinary shares at a par value of 1.00 baht each.

1.4.2 Securities other than ordinary shares

- Not any -

1.4.3 Issuance and offering of shares or convertible securities to mutual funds for investors who are aliens (Thai Trust Fund)

- Not any -

Non-Voting Depository Receipt (NVDR)

As on 11 November 2021, the Company's ordinary shares were issued as NVDRs in the amount of 116,458,483 shares. Since the issuance of NVDR is not under the control of the Company, the investors can check the number of NVDR shares from the website of the Stock Exchange of Thailand at www.set.or.th/nvdr

The effect on voting rights of having common NVDR shares is that the shares that have been issued as NVDR will not be exercised at shareholders' meetings except in case of voting on the delisting of shares from the listed securities on the stock exchange. If a large number of NVDRs are issued, the voting shares of the Company will decrease and voting rights of other shareholders will increase.

Company's obligations on the future share issuance

- Not any -

1.5 Issuance of other securities

1.5.1 Convertible Securities

-Not any-

1.5.2 Debt Securities

As the Company's business is to provide credit services, the source of funds is therefore an important supply chain in the Company's value chain. The fund source procurement and the proportion management of the Company must be conducted with caution in order to control the Company's burden of expenses for the financial cost not to be excessively high. Meanwhile, the stability of the Company's liquidity must be maintained appropriately. The Company's major sources of funds are the shareholder's equity and debts comprising loans from financial institutes. As on 31st December, 2021, the Company has outstanding credits approved by the commercial banks amounting 19,071 million baht, issuance of debentures to financial institutes and major investors.

However, in the year 2021, the Company issued 3 public offerings (PO) of debentures in February August and November in order to expand the Company's capital base to be stronger to support future business growth. In addition, in the year 2021, Thailand is plunged into an epidemic which causes fluctuations in the country's economy including the money market and capital market. As the Company has proven the strong business potential, the credit rating for the issuance of unsubordinated and unsecured debt instruments is still maintained by TRIS Rating Co., Ltd. to be BBB+ and it is likely to be stable. This positively affects the Company's financial stability in the Company's funding through the bond market in order to maintain liquidity, the cost of the bond offering, and the size of the market that supports long-term loans. The debentures have loan repayment periods between 18-48 months. The average loan period is appropriate for the liquidity risk management of the Company. As of 31st December, 2021, the details of the Company's registered capital and information about the Company's debt instruments offered for sale can be described as follows:

Information on the Company's debt instruments offered for sale

In 2021, the Company issued and offered debentures to the general public 3 times for the purpose of business operations to be used as working capital in business and to repay the loans or debts from the issuance of debt securities.

The total value of the unsecured debentures is 47,168.70 million baht. All debentures are unsecured.

No.	Name of debenture	Issuance date of debenture	Maturity date of debenture	Amount (million baht)	Interest rate (%)	Offering type
1	Debenture of Muangthai Leasing Public Company Limited No. 1/2561, Series 2 due with the maturity date in 2022	28/2/2018	28/2/2022	1,000.00	3.95	Offering to institutional investors and / or major investors
2	Debenture of Muangthai Capital Public Company Limited No. 2/2561, Series 2 due with the maturity date in 2022	19/7/2018	19/7/2022	1,564.00	4.10	Offering to institutional investors and / or major investors
3	Debenture of Muangthai Capital Public Company Limited No. 3/2561, Series 2 due with the maturity date in 2022	2/11/2018	2/11/2022	1,515.50	4.30	Offering to institutional investors and / or major investors
4	Debenture of Muangthai Capital Public Company Limited No. 1/2562, Series 1 due with the maturity date in 2022	22/2/2019	28/2/2022	1,650.30	4.10	Public offering (general investors and / or institutional investors)

No.	Name of debenture	Issuance date of debenture	Maturity date of debenture	Amount (million baht)	Interest rate (%)	Offering type
5	Debtenture of Muangthai Capital Public Company Limited No. 1/2562, Series 2 due with the maturity date in 2022	22/2/2019	2/11/2022	2,349.70	4.30	Public offering (general investors and / or institutional investors)
6	Debtenture of Muangthai Capital Public Company Limited No. 2/2562 due with the maturity date in 2022	26/2/2019	28/2/2022	500.00	4.10	Offering to institutional investors
7	Debtenture of Muangthai Capital Public Company Limited No. 3/2562 due with the maturity date in 2022	19/6/2019	30/6/2022	270.00	3.20	Offering to not more than 10 investors
8	Debtenture of Muangthai Capital Public Company Limited No. 4/2562, Series 2 due with the maturity date in 2022	11/7/2019	11/7/2022	2,043.30	3.80	Public offering (general investors and / or institutional investors)

No.	Name of debenture	Issuance date of debenture	Maturity date of debenture	Amount (million baht)	Interest rate (%)	Offering type
9	Debenture of Muangthai Capital Public Company Limited No. 4/2562, Series 3 due with the maturity date in 2023	11/7/2019	11/7/2023	1,756.70	4.00	Public offering (general investors and / or institutional investors)
10	Debenture of Muangthai Capital Public Company Limited No. 6/2562 due with the maturity date in 2023	22/7/2019	14/7/2023	500.00	3.70	Offering to institutional investors
11	Debenture of Muangthai Capital Public Company Limited No. 7/2562 due with the maturity date in 2022	9/8/2019	8/8/2022	200.00	3.19	Offering to not more than 10 investors
12	Debenture of Muangthai Capital Public Company Limited No. 10/2562, Series 2 due with the maturity date in 2023	14/11/2019	14/2/2023	1,500.00	3.40	Public offering (general investors and / or institutional investors)

No.	Name of debenture	Issuance date of debenture	Maturity date of debenture	Amount (million baht)	Interest rate (%)	Offering type
13	Debenture of Muangthai Capital Public Company Limited No. 10/2562, Series 3 due with the maturity date in 2023	14/11/2019	14/11/2023	500.00	3.45	Public offering (general investors and / or institutional investors)
14	Debenture of Muangthai Capital Public Company Limited No. 10/2562, Series 4 due with the maturity date in 2023	25/11/2019	25/2/2023	1,000.00	3.40	Offering to institutional investors
15	Debenture of Muangthai Capital Public Company Limited No. 1/2563, Series 1 due with the maturity date in 2022	13/3/2020	13/6/2022	1,200.00	2.30	Offering to institutional investors
16	Debenture of Muangthai Capital Public Company Limited No. 1/2563, Series 2 due with the maturity date in 2023	13/3/2020	13/6/2023	900.00	3.15	Offering to institutional investors and / or major investors

No.	Name of debenture	Issuance date of debenture	Maturity date of debenture	Amount (million baht)	Interest rate (%)	Offering type
17	Debenture of Muangthai Capital Public Company Limited No. 1/2563, Series 3 due with the maturity date in 2024	13/3/2020	13/3/2024	900.00	3.25	Offering to institutional investors and / or major investors
18	Debenture of Muangthai Capital Public Company Limited No. 2/2563, Series 2 due with the maturity date in 2023	12/6/2020	14/11/2023	1,319.20	3.65	Public offering (general investors and / or institutional investors)
19	Debenture of Muangthai Capital Public Company Limited No. 3/2563, Series 1 due with the maturity date in 2022	26/11/2020	2/11/2022	2,163.40	3.00	Public offering (general investors and / or institutional investors)
20	Debenture of Muangthai Capital Public Company Limited No. 3/2563, Series 2 due with the maturity date in 2023	26/11/2020	14/11/2023	2,836.60	3.40	Public offering (general investors and / or institutional investors)

No.	Name of debenture	Issuance date of debenture	Maturity date of debenture	Amount (million baht)	Interest rate (%)	Offering type
21	Debtenture of Muangthai Capital Public Company Limited No. 1/2564, Series 1 due with the maturity date in 2023	23/2/2021	25/2/2023	1,514.00	2.95	Public offering (general investors and / or institutional investors)
22	Debtenture of Muangthai Capital Public Company Limited No. 1/2564, Series 2 due with the maturity date in 2024	23/2/2021	13/3/2024	2,486.00	3.23	Public offering (general investors and / or institutional investors)
23	Debtenture of Muangthai Capital Public Company Limited No. 2/2564, Series 1 due with the maturity date in 2023	25/3/2021	24/3/2023	500.00	2.70	Offering to institutional investors
24	Debtenture of Muangthai Capital Public Company Limited No. 2/2564, Series 2 due with the maturity date in 2024	25/3/2021	28/3/2024	500.00	3.20	Offering to institutional investors and / or major investors

No.	Name of debenture	Issuance date of debenture	Maturity date of debenture	Amount (million baht)	Interest rate (%)	Offering type
25	Debenture of Muangthai Capital Public Company Limited No. 3/2564, Series 1 due with the maturity date in 2023	27/5/2021	30/5/2023	1,100.00	2.50	Offering to institutional investors
26	Debenture of Muangthai Capital Public Company Limited No. 3/2564, Series 2 due with the maturity date in 2024	27/5/2021	28/5/2024	1,600.00	2.90	Offering to institutional investors
27	Debenture of Muangthai Capital Public Company Limited No. 3/2564, Series 3 due with the maturity date in 2025	27/5/2021	27/5/2025	800.00	3.20	Offering to institutional investors
28	Debenture of Muangthai Capital Public Company Limited No. 3/2564, Series 4 due with the maturity date in 2026	27/5/2021	26/5/2026	500.00	3.65	Offering to institutional investors

No.	Name of debenture	Issuance date of debenture	Maturity date of debenture	Amount (million baht)	Interest rate (%)	Offering type
29	Debtenture of Muangthai Capital Public Company Limited No. 4/2564, Series 1 due with the maturity date in 2023	16/8/2021	15/8/2023	2,000.00	2.45	Offering to institutional investors
30	Debtenture of Muangthai Capital Public Company Limited No. 4/2564, Series 2 due with the maturity date in 2024	26/8/2021	27/8/2024	1,641.80	3.20	Public offering (general investors and / or institutional investors)
31	Debtenture of Muangthai Capital Public Company Limited No. 4/2564, Series 3 due with the maturity date in 2025	26/8/2021	26/8/2025	1,361.80	3.50	Public offering (general investors and / or institutional investors)
32	Debtenture of Muangthai Capital Public Company Limited No. 4/2564, Series 4 due with the maturity date in 2026	26/8/2021	25/8/2026	996.40	3.70	Public offering (general investors and / or institutional investors)

No.	Name of debenture	Issuance date of debenture	Maturity date of debenture	Amount (million baht)	Interest rate (%)	Offering type
33	Debenture of Muangthai Capital Public Company Limited No. 5/2564, with the maturity date in 2023	25/10/2021	17/10/2023	2,000.00	2.35	Offering to institutional investors
34	Debenture of Muangthai Capital Public Company Limited No. 6/2564, Series 1 due with the maturity date in 2024	9/11/2021	5/11/2024	1,902.00	3.13	Public offering (general investors and / or institutional investors)
35	Debenture of Muangthai Capital Public Company Limited No. 6/2564, Series 2 due with the maturity date in 2025	9/11/2021	4/11/2025	1,598.00	3.45	Public offering (general investors and / or institutional investors)
36	Debenture of Muangthai Capital Public Company Limited No. 6/2564, Series 3 due with the maturity date in 2026	9/11/2021	3/11/2026	1,000.00	3.70	Public offering (general investors and / or institutional investors)
Total of net value				47,168.70		

The value of the bills that have not yet matured is totally 1,220 million baht. The bills have maturity dates for not exceeding 270 days and are unsecured.

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ไม่ตาวน



ไม่ค้ำ



ไม่ต้องใช้เงินก้อน

1.6 Dividend Policy

The dividend payment is in accordance with Article 35 of the Company's Articles of Association which prohibits the Company in paying dividends from other types of money apart from profits. In the case that the Company still has accumulated losses, it is forbidden to pay dividends. The payment of dividends shall be distributed according to the number of shares, each share equally. The payment of dividends must be approved by the shareholders' meeting. However, the Board of Directors may pay interim dividends to shareholders from time to time when the Company was profitable enough. After paying dividends, the shareholders' meeting shall be reported acknowledgment in the next meeting.

The Company has the policy of dividend payment at the rate of not exceeding 50% of the net profit from the separate financial statements of the Company and subsidiaries each year after corporate income tax deduction and the allocation of legal reserves and accumulated losses carried forward (if any). However, the dividend payment is subject to change depending on the business expansion plan, liquidity, the need for working capital to manage the business, and the Company's business expansion including the economic conditions and other suitability in the future.

The dividend payment policy has been revealed on the Company's website in the "Shareholder Information" section to ensure transparency and fairness to the Company's stakeholders, especially to individual shareholders and financial institutes that invest in ordinary shares of the Company in the decision for investment.

Company's dividend payment history

	Approval date	Payment schedule	Dividend rate per share (in baht)	Amount (in thousand Baht)
2021				
Annual dividend 2020	20 April 2021	May 2021	0.37	784,400
2020				
Interim dividend 2019	8 April 2020	May 2020	0.30	636,000
2019				
Annual dividend 2018	18 April 2019	May 2019	0.26	551,200





Risk Management

2.1 Risk Management Culture

The Company puts great emphasis on risk management by defining the risk management policy and business strategies. The Company builds the risk management culture considering various risk factors including building risk management as part of the organizational culture. This is to allow the business to grow, generate returns, and create the most sustainable benefits for all stakeholders.

1.1 Risk Policy and Supervision

The Company adheres to the risk management framework in accordance with international standards of the COSOERM Risk Management Principle consisting of the codes of practice covering 8 elements as follows:

1. Internal environment and risk management structure to cultivate a good internal control environment

The Company has performed the operations as follows:

The Company has the risk management structure which is accepted internationally. The duties and responsibilities of the Risk Management Committee are defined. The Risk Management Department acts clearly and independently. It is currently the Risk Management and Legal Department. They directly report to the Risk Management Committee independently. There is the Dual Reporting on a regular basis at least once a quarter. Apart from the Risk Management and Legal Department, the Company also has the Internal Audit Department to perform the duties independently. They report to the Audit Committee consisting of 3 independent directors. There is the Dual Reporting. Currently the company has established a Compliance Department for risk management.

Risk Management Structure

The Company reviews and improves the risk management policy, risk management manual, corporate governance policy, code of conduct, and business ethics including operational procedures to provide a framework for business administration and risk management in the organization effectively and timely. It must be communicated to the management, employees and relevant stakeholders for being able to comply with the policy.

The Company's Risk Management Policies

All executives and employees are responsible for managing risks throughout the organization with a systematic and continuous management in the same standard.

All executives and employees are required to implement risk management as part of their normal operations in strategic planning processes, decision-making and daily work by applying information technology to the maximum benefits.

All executives and employees must report the assessed risks and prioritize along with specifying the methods of risk management and responsible person (Risk Owner). This report must be presented to the supervisor in the hierarchy.

The identification and management of risks affecting the achievement of the Company's objectives must be managed in a systematic manner to keep the risk at an acceptable level and to prevent unexpected losses to the business. It is the good use of the existing opportunities to balance business growth, risks and returns of the Company.

The executives and employees must monitored and evaluate the risk management results with the regularly review and participation in improving and developing the risk management system to be efficient and effective continually.

The risk owner agencies shall report the risks to the Board and the Executive Committee in correspondence with the level of risk from time to time through various channels set out in the risk management manual.

The Company has required the internal audit to cover operational systems in both Head Office and branches all over the country every year. Therefore, the number of employees who perform the duties of internal audit is allocated sufficiently.

2. Clear determination of objective

As the Company's business objective is being the "responsible leader in microfinance loan service", the risk management strategies are established especially the risk of default debt repayment of the customers in order to reduce the likelihood of failure. The executives have discussed to review and improve the strategies and indicators of achievement including the returns related to such risks or NPL on a regular basis. This is for maintaining efficiency and keeping up with the changes of external and internal factors possibly affecting the business operation. For example, in the year 2021, the Company was affected by the fluctuating economic condition and the higher proportion of household debts. Thus, the collection strategy must be improved in order for the Company to be able to maintain the asset quality or the measures were formulated to assist retail debtors for them to maintain the debt repayment ability to get through the crisis during the domestic lock-down period. This yields positive effect on asset quality, long-term credit portfolio, etc.

The executives have set and announced the target and the 3 year action plan for the third phase of 2021-2023 for the Company to be able to maintain a level during the Growth Stage continuously in the internal meeting on 26th - 27th October, 2021, as disclosed in the topic of "Medium-Term Business Plan (2021-2023).

3. Risk identification

The Risk Management and Legal Department is responsible for being aware and being able to identify risks in business operations in the short term and long term for the emerging risks and the risks possibly arising in the future. This is for the Company to formulate the strategies in eliminating, mitigating, or adapting to deal with such risks. It will enable the Company to achieve sustainable growth over the long term. The Company uses a variety of tools in the process of risk

identification such as brainstorming during internal meetings among departments, SWOT analysis, hypothesis analysis, workshop, industry comparison, and hearing from stakeholders.

The Company has classified the risks possibly occurring into 8 areas as classified in the topic of "Risk Factors". However, in 2021, the risks that were considered the significant risks highly affecting the Company's operations (Materiality) are the following risks associated with the Covid-19 pandemic situation:

- **Emerging Risks:** Emerging risks of the Covid-19 and cybercrime risks.

- **Operational Risks:** Debt collection risk and asset quality control due to the decline in household income in line with the slowing economic condition.

- **Financial risks:** Liquidity risk arising from retail customer aid measures and the declination in the needs for borrowing of retail customers due to government aid measures.

- **The risk of changes in the regulations:** This is the risk of the Bank of Thailand to cut the interest ceiling rate in the second phase of consumer loan assistance measures for personal loans to be not more than 25 percent, for vehicle title loan to be not more than 24 percent, and Nano Finance to be not more than 33 percent. This includes the adjustment of the fine interest calculation and guidelines for supervision of various fees.

4. Risk assessment

In prioritizing the importance of each risk, the Company has set criteria for risk assessment. It is measured from the likelihood of risk and the severity of impact as follows.

- Impact on quantitative policy and operational performance

- Impact on reputation, corporate image, and competitiveness

- Impact on business operations

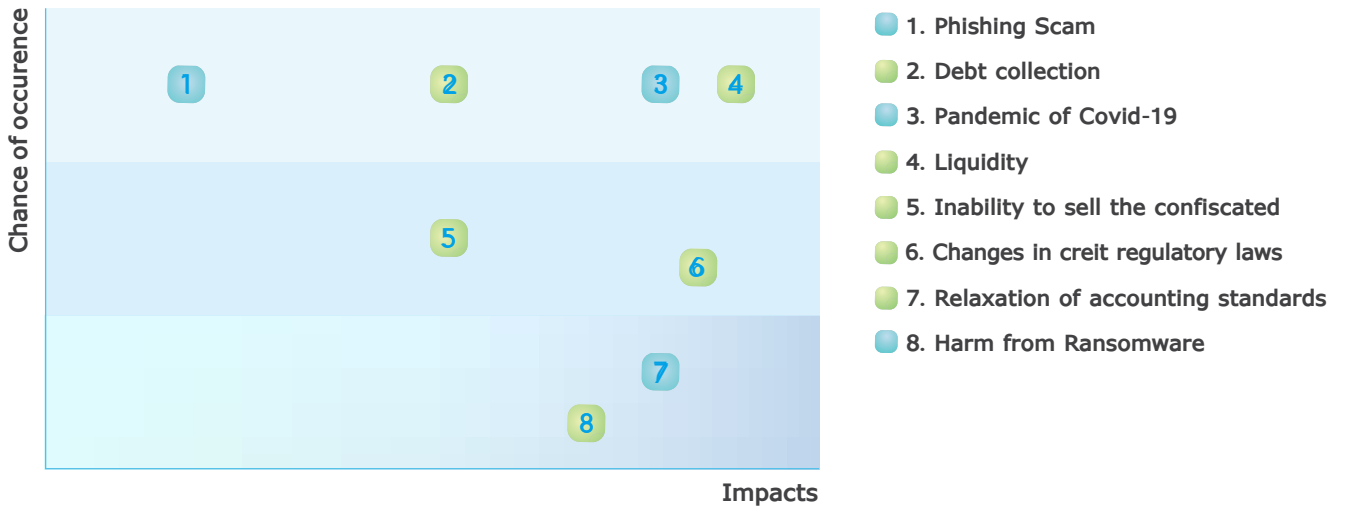
- Impact on the satisfaction, quality of life, and safety of employees

- Impact on satisfaction and security of personal information

- Impact on information security system

- Impact on human rights / corruption

Risk Mao of the year 2020 can be described as follows:



Risk factors	ESG	Risk Issues	Risk assessment criteria	Risk management strategies	Stakeholders
Pandemic of Covid-19	S	Infection with an epidemic that has no cure and can spread the infection in a wide area	L – high I – high	<ul style="list-style-type: none"> ● Business Continuity Plan (BCP) for the virus outbreak ● Regulations on work from home ● Regulations on the Social Distancing policy conformity in the Head Office, branches and employee’s dormitory ● Codes of practice for the provision and installation of accessories and PPE for employees at all levels in every branch and customers 	Employees, customers

Risk factors	ESG	Risk issues	Risk assessment criteria	Risk management strategies	Stakeholders
Cyber crime	S	<ul style="list-style-type: none"> ● Phishing Scam ● Ransomware: Computer viruses penetrating security systems to destroy personal databases 	<p>L – high I – low</p> <p>L – low I – high</p>	<ul style="list-style-type: none"> ● Information safety policy and privacy policy ● Alert and educate employees, customers, and general people via online channels and various communication channels to be careful with phishing scams ● Improve the method of collecting information from the complaint channel. 	Society, customers, investors
Debt collection / Failure to confiscate the collateral	G	Inability to follow up with customers to pay off debts resulting in higher NPL.	L – high I – moderate	<ul style="list-style-type: none"> ● Debt classification relaxation policy and the provision of allowance for doubtful accounts in accordance with the notification of the Bank of Thailand and Federation of Accounting Professions 	Employees, customers
Inability to sell the confiscated assets		Inability to sell the confiscated assets or the price is lower than estimated.	L – moderate I – moderate	<ul style="list-style-type: none"> ● Measures to help small debtors <ol style="list-style-type: none"> 1) Moratorium for a period of 3 months 2) Debt restructuring 3) Lowering the interest rates ● Regulations on debt correction ● Regulations on problematic credit monitoring and execution ● Regulations on auction management ● Regulations on the unusual incident reporting process 	

Risk factors	ESG	Risk issues	Risk assessment criteria	Risk management strategies	Stakeholders
Financial liquidity	G	Lack of cash for performing the operation resulting in the interruption or decrease of lending	L – high I – high	<ul style="list-style-type: none"> ● Prepare cash flow forecast report to view the sufficiency of operating cash. The report is divided into a range of cash usage classified into daily, weekly, monthly, three-month and yearly. ● Policy to manage and expand funding channels to diversify financial liquidity risks such as issuing and offering debentures to the general public. ● Borrowing soft loan from Government Savings Bank for providing assistance measures to retail customers 	Employees, customers
Changes in credit regulatory laws	G	Lowering the interest rate ceiling and / or fees may cause the Company's revenue to suddenly reduce. If the expenses cannot be reduced in a timely manner, the profits will reduce.	L – moderate I – high		Employees, customers, supervising unit
		Relaxation of accounting measures due to the fluctuating economic conditions resulted from the pandemic of Covid-19.	L – low I – high		

5. Response to risks

In order to control the risk of default debt repayment which is the most important risk of the Company's business operation, the Company has determined the risk appetite of the Company using the index to measure the proportion of NPL for not to be more than 2 percent. The practices to respond such risks can be explained as follows:

● Avoidance of risks

Focus on the loan products that the Company has skills only.

● Reduction of risks

Policy on compensation for employees having KPI as the effectiveness of debt collection. This is a major driving force and motivation in driving an efficient debt collection process.

Policy sets Single Lending Limit per customer.

Policy stipulates the average LTV ratio at approximately 50% which is the appropriate ratio not too high that it might pose a higher risk of abandonment leading to higher NPL.

Policy requires the review of payment history to assess the customer's debt repayment ability for unsecured loans. This must be an existing customer who has a payment history with the Company only.

● Risk distribution

Focus on offering small loans to many customers for distributing the risks of bad debt concentration

Provide a wide variety of microfinance loan products in the right proportions without focusing on unsecured loans. Despite the high interest rate, there is a high risk of default debt repayment as well.

● Risk Acceptance

The Company does not have a policy to sell lost car insurance to customers in a bundle manner with lending because the Company foresees that the bad debt rate of the Company is very low. Most cases of the inability to track the vehicles are caused by the customer's fraud. This has a low chance of occurrence and causes damage to the Company at a low level. Thus, the Company decides to accept the loss or deviation from the target due to the effect of such risk

for the benefits of most customers who have no intent to commit corruption.

6. Risk control activities

The Company uses an early warning strategy for credit risk from economic conditions and some economic signs including budget plans to help people in various things.

The Company has reviewed and adjusted the policy and regulations for credit approval in accordance with various risk factors. This is an activity for risk prevention which is efficient and timely.

The Internal Audit Department performs audit work covering the operation of all branches and opening the communication channels for the Company's stakeholders. It is a risk discovery activity for the benefit in identifying the undesirable events to occur and handling the alerts about what happened. This will enable the management to take corrective action in a timely manner.

7. Communication and cultivation of risk culture in the organization

The information technology system is one of the most important and powerful tools for the successful communication of internal and external risks to be complete, accurate, timely and sufficient for the Board of Directors and the management to make decisions. For the employees to be aware and able to comply with, the Company places great importance on information technology system and safety by establishing a policy for information protection and information security. The Company has invested in installing SAP and other operating systems for the management of information in the organization. In addition, the Company also allows a world-class information system auditor to perform audit of the Company's information and security systems annually for reporting to the Audit Committee and the Board of Directors.

8. Risk monitoring

The meeting between the Risk Management Committee and the Risk Management and Legal Department is organized regularly at least once a quarter in order to ensure that the risk management and risk control system are adequate, appropriate and efficient based on the risk management structures.

1.2 Development of products and services by considering the risks

Regarding the Company's practical approaches in the development of new microfinance loan products and services, there are various factors to consider in order to limit the risks especially in credit and operation such as:

- Appropriate interest rates

The interest rate of each product is set to be appropriate for the credit risk of the customers and is not more than that required by law

- Appropriate Loan-to-Value (LTV)

The LTV is determined based on the market price from the Company's auction center. This assures the Company that the Company's LTV is appropriate and is at the appropriate level for credit risk.

- Appropriate credit limit

The credit limit is set for not more than 550,000 baht per person. This can reduce the Cluster Risk. The average loan size per contract in 2020 is 22,000 baht. This increases from the average loan size per contract of the previous year only for 4.7%.

- Reasonable installment rates

A low interest rate together with the appropriate limit and flexible contract duration, the customer's installment rates are set suitably for the customer's payment ability. Therefore, the credit risk is not high.

- Appropriate selection and credit approval processes

The establishment of Know-Your-Customer (KYC) procedure and Authentication Process is required.

- Appropriate debt collection procedures

The establishment of appropriate debt collection procedures is required as prescribed by law.

1.3 Determination of employee performance appraisal with consideration of risks

The employee performance appraisal is divided into 3 main topics as follows.

- 1) Asset Quality based on the MTC Model.
- 2) Portfolio of credit based on the number of new customers
- 3) Performance in maintaining the customer base

The topic that is most important and affects employees' performance is the first topic which is directly related to credit quality and credit risk of the credit portfolio.

In addition, the Company also conducts the fraud risk assessment by considering the operating procedures that may cause frauds such as:

- Fraud in purchase / procurement
- Fraud in outsourcing of contractors / agencies
- Fraud in the loan approval
- Fraud in the credit collection
- Fraud in the cash storage in branches
- Fraud in the disbursement of expenses
- Fraud in property auctions
- Benefits between the Company and the

government officials / government agencies / private agencies

If an employee is found to commit fraud, the Company has a policy to punish according to the punishment regulations until finalized.

1. Policy on risk management for establishing business ethics

Anti-corruption policy and report on complaints

In order to comply with the anti-corruption policy according to the approaches of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), the Company has established and disclosed the Anti-Corruption Policy and Whistleblower Policy on the Company's website. The mentioned Whistleblower Policy sets the guidelines for receiving complaints including the guidelines for protecting the whistleblowers as well. The Company has communicated and disclosed the whistleblowing channels on the Company's website as follows:

- Link: <https://www.muangthaicap.com/th/contact.php>

● Whistleblowing channels: The whistleblowers can report complaints or clues by clearly stating that it is confidential document through the following channel: Contact: President of the Audit Committee

● Address: Muangthai Capital Public Company Limited 332/1 Charansanitwong Road, Bangplad, Bangkok 10700

- Tel: 02 483 8888

- Email: whistleblower@muangthaicap.com

In the year 2021, the Company found that 30 cases of whistleblowing were made through the whistleblowing channels and via the Company's social media.

Report and whistleblowing	Number (cases)	Process of action	Damage value (Baht)
Corruption, fraud/bribery	-	-	-
Conflict of interest	-	-	-
Human rights/operational safety	-	-	-
Disclosure of internal information of the organization	-	-	-
Security of the information technology system, personal information, and Phishing Scam	29	Inspected and warned of Phishing Scam on the Company's website and notified Technology Crime Suppression Division	-
Inaccurate financial reports/defective internal control system/false financial documentation	-	-	-
Other offenses such as breaches of Company's rules and regulations, violation of duty	1	Manage according to the Company's regulations	-

2. Donation policy and subsidies to political parties, trade associations, or any other tax-exempt association

● Supporting political parties

Referring to the approaches of Anti-Corruption Policy in the Company's Anti-Corruption Policy Guidelines Clause 3 on the caution in providing political support, the Company has a policy of political neutrality and will not provide support, not get involved, or an act of favoring political parties both direct and indirect. This includes the use of fund or use of the Company's resources in political related activities. Therefore, the Company has no expense for supporting any political party.

● Support of car registration operator trade association

However, the Company is involved in developing fair and transparent service supervision to customers by collaborating with the vehicle title loan operator trade association to discuss, hear, and exchange the opinions on various issues with the Bank of Thailand. This is for being able to formulate the regulations or approaches for governing businesses under financial institutes and non-institute business operators to be in the same direction. In 2020, the measures that have been discussed altogether are such as measures to help the borrowers affected by economic fluctuation and the pandemic of Covid-19. This includes the reduction of interest rates of the supervised personal

loans and supervised retail loans including the improvement to the tax monitoring fee structure and default repayment interests.

Support of personal loan operator trade association

The Company has joined as a member of the Personal Loan Business Operator Association. In 2021, the Company had an annual association fee paid to the Association in the amount of 10,700 baht.

3. Tax Management Policy

The Company discloses the tax management policy on the Company's website to present the principles and standards of tax management of the Company including transparent disclosure and concise in tax management. In 2021, the Company has been selected as a member of the FTSE Thailand USD Net Tax Index from FTSE Russell calculated from the tax amount paid by the Company.

Thailand only	2021	2020	2019	2018
Total revenue (million baht)	16,019	14,733	12,688	10,416
Profit before tax deduction (million baht)	6,201	6,516	5,293	4,627
Paid ax	1,256	1,303	1,056	913
Actual tax rate (percentage)	20.27%	19.99%	19.95%	19.73%
Tax rate paid in cash (percentage)	20.27%	19.99%	19.95%	19.73%

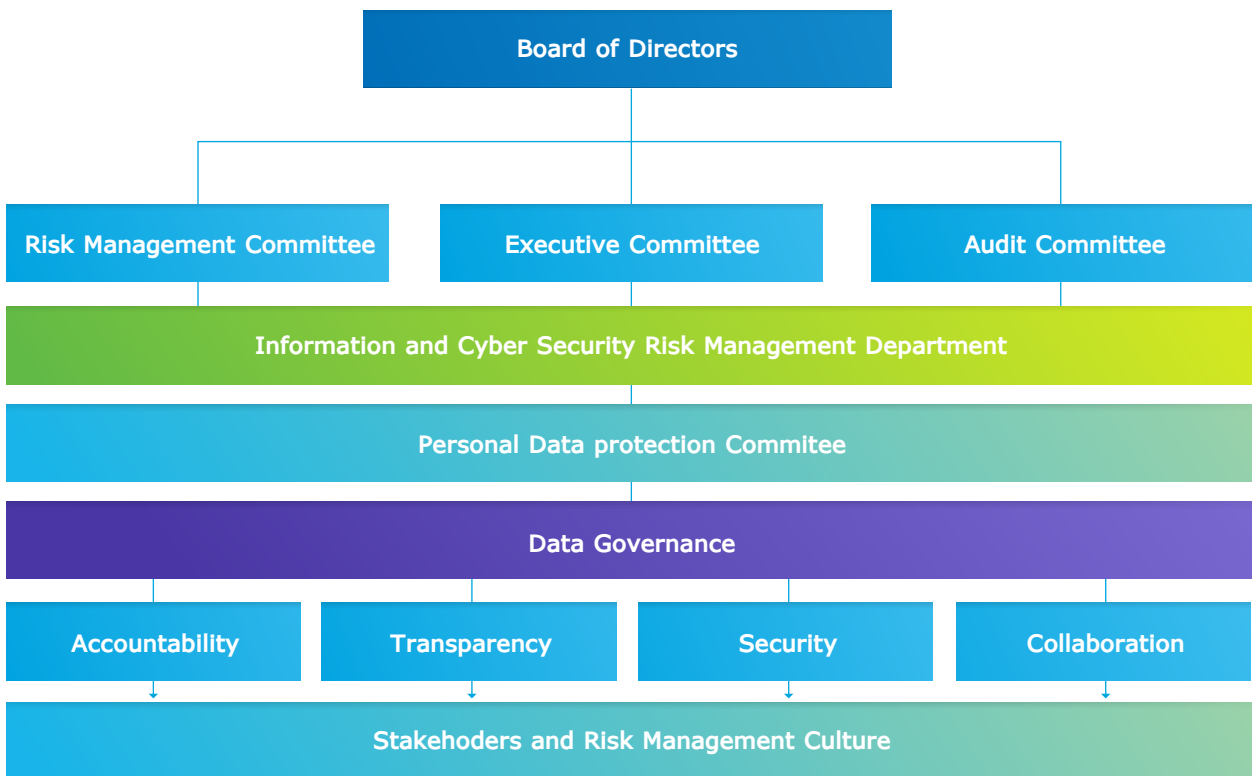
4. Policy on the information protection and information security

The Company is aware of the risks of information protection and information security which possibly have material impact on the Company's operational performance in case of personal information leakage or damage to the information security system. Therefore, the Company has set a policy and measures to supervise and prevent such risks to be disclosed on the Company's website in the section of "Investor Relations", topic of "Information Protection and Security Policy". The Company has established the Personal Information Protection Committee of the Company and personal information protection officers, procedures for breach of personal information in the Company, whistleblowing channel for stakeholders if there are suspicious events or damage through the Company's internal communication channel and the Company's whistleblowing channel as well as stipulating the penal

penalties in case of personal data breach both the Civil Liabilities and the Criminal Liabilities. In 2021, the Company has arranged the training for the employees in the Information Security Department by ITC Training Center Co.,Ltd.. The training covers server efficiency and networking security. The Personal Data Protection Committee has reported on the operational performance of data protection and information security to the management, Risk Management Committee, and the Board of Directors that in 2021 the Company has not received any complaint about the security of personal information. However, there is a whistleblowing of phishing scam for 30 cases which does not cause any damage or affect the Company's performance in any way. The Company has followed the risk prevention procedure by notifying the stakeholders on the Company's website and report it to the Technology Crime Suppression Division (TCSD).

In addition, the Company has arranged for the external auditors to audit the information system once a year and report to the audit committee and the management.

Information Protection and Information Security Program



5. Procurement Policy

The Company has disclosed the procurement policy on the Company’s website in the section of “Investor Relations” in the topic of “Policy for good corporate governance”. The Company stipulates the procurement policy for the Company’s procurement to be efficient, transparent and free from corruption taking into account the economic, social and environmental impact (ESG).

In 2021, the Company improved the internal equipment procurement in the head office, corresponding with the new procurement policy to support the purchasing of environmentally friendly products. The products are certified green by the Ministry of Industry, and meet the products and service environmentally-friendly requirements set up by the Ministry of Natural Resource and Environment and Pollution Control. These products include toilet paper, energy saving electronics, cloth bags, etc.



2.2 Risk factors to the Company's business operation

2.2.1 Operation Risk

1. Emerging Risks

The Risk Management Department presents new risk factors that may arise in the future to the Risk Management Committee. It is a risk associated with sustainable development to find guidelines for limiting or reducing the risk. At the same time, the Company also discloses the new risks that may arise in the future with the following risk management processes.

1.1 Emerging Epidemics Risk

- The pandemic risk is a major risk that companies and organizations around the world still have to follow up and prepare to cope continuously. In addition, there are challenges from having to adapt the management process and approaches to dealing with the situation in accordance with the measures of the relevant government sectors. The pandemic may become more serious and broader impact on both the economy and the society also affect the company's operations such as:

- Customer Service need to adjust the business model and customer service so that customers can receive services like continuous and safe. Emphasize that staff will keep cleaning the counter area after the service is complete. There is an alcohol gel service point. To give customers confidence in the safety from such epidemic

- Employee operation: Employees have to adjust their working style to be able to work with safety the pandemic.

- Compliance with laws and regulations: The company must comply with update Covid prevention measure from Center for COVID-19 Situation Administration (CCSA): The impact arising from such measures on the national economy is the slow down and the recession in the production, export and tourism sectors. Moreover, such impacts may directly affect the Company's operational performance in the short, medium and long term. In the short term, liquidity arising from investors' concerns in the bond market

causes the bond market's Yield interest rate to rebound in the medium term, potentially affecting borrowing demand and asset quality. This is because some customer groups have been affected by the business interruption resulting in the lack of income. In the long run, it may affect customer behavior modification in payment. As the customers avoid entering to use the service at the branches, the sales of other products decrease. Besides, in the social dimension, the main business operation of the Company is to lend with the assets as collateral. The asset review and valuation is an important hedge step. This can cause the exposure and spread of epidemics among employees and customers.

However, the Bank of Thailand is aware of the volatility of the economy which may have a direct impact on retail customers, business customers of financial institutes, and non-financial institute operators. The Company discussed with the financial institutes and non-financial institute operators under the supervision of the Bank of Thailand on measures to provide financial assistance such as the moratorium measures, debt restructuring measures, and measures to reduce interest rates to help mitigating the impact on customers, financial institutes, and non-financial institute business operators.

Risk management process from emerging epidemics

The Company has urgently announced policies and measures to prevent the spread of Covid-19 for all levels of employees across the country to follow in order to protect themselves and customers from the outbreak and exposure in the Head Office and branches all over the country.

The Company cooperates with the Bank of Thailand in issuing the financial assistance measures to customers.

The Company developed a way to raise fund by issuing bonds to retail investors (Public Offering) to manage liquidity. This includes borrowing of Soft loan from Government Savings Bank in the amount of 4,958,000,000 baht at an interest rate of 2% per annum for a period of 2 years.

The Company has updated mobile application Muangthai Capital 4.0 to be able to support the function of requesting additional credit approval. It is expected to be available in 2021 for expanding online payment channels and accommodating the changes in customer behaviors in the future.

The Company improves the auction process for assets in the Company's auction center to avoid exposure in compliance with the Social Distancing Policy. This increases the overall asset auction efficiency and effectiveness. As a result, the average asset selling price becomes higher when compared to before the improvement.

1.2 Cyber Security Risk

The current rapidly developed technology causes the cyber threat to affect all sectors in the economic and national security. The financial industry, financial institutes, and financial service providers are also threatened by such risks. The impact becomes more severe both in the probability and magnitude of the effects which may come in evolving ways and are difficult to prevent or detect. Even though the operation and business model of the Company continue to mostly utilize the concrete security and the transaction in the cash form, The operational process and business model of the Company use the principles of organization and operation in the form of value. The Company's main operational system is used in recording the sensitive information of the customers in the form of digital. Therefore, the Company can be involved in digital and cyber security risk The Company performs the following actions.

Cyber Security Risk Management Process

Establish cyber security policy including the measures to prevent and detect threats by opening whistleblowing channels and communication channels with customers both offline and online to enable the Company to detect cyber threats and find ways to prevent and solve problems promptly.

Create corporate culture for stakeholders including third parties of the Company regarding the awareness of cyber threats continuously including monitoring of SMS messages by phone or electronic mail (phishing scam) and take urgent action to immediately

warn of risks through the Company's communication channels.

However, in the year 2020, the Company has received notification on the Phishing Scam which does not directly cause any damage to the Company and there is no expense incurred from this whistleblowing. The Company has urgently taken action to notify the whistleblowing on the Company's website to prevent any stakeholder from believing the said Phishing Scam.

1.3 Conventional and Non-Conventional Competitor Risk

Since the Bank of Thailand revised the personal loan business license under supervision to supervise the vehicle title loan business and the provincial retail credit business license under the supervision of the Ministry of Finance, the small financial service providers, FINTECH technology developers, including financial institutes both national and international pay attention to the microfinance business. This possibly creates even more intense competition in the industry including competition with technology, branch expansion, and expansion of loan products, new microfinance or even price competition in the future. As the Company is well aware of changing, the preparation is made. The strategies and operational plan are changed in order to be able to cope with and compete in the industry strongly.

Risk management process from competition with new competitors

The Company has established the standard of service excellence including the practices in accordance with the rules related to the Market Conduct as a guideline for the Company's operation. This is part of the employee's performance index. For the service excellence policy, the Company has changed the form of competition in the microfinance loan industry entirely by helping to reduce the conflicts and unequal serving of customers. Moreover, the emphasis on providing excellent service has resulted in existing customers returning to the service again and telling it to new customers (Snowball Effect). This is an important marketing strategy of the Company.

Since the Company's main customers are motorcycle registration loan customers who are likely to use the loan service near their houses with convenient traveling, the Company then emphasizes the strategy to reach customers first by expanding branches to the provinces, districts, sub-districts and villages. At present, the Company has more than 5,799 branches. The Company is the microfinance loan providers having the most branches in the country located in 74 provinces and have more than 2.5 million customers. The potential of business growth still can be seen through the branch expansion.

In order to meet the needs of customers and approach more customers, the Company has continued to expand the retail portfolio of loan products continually. Before being listed on the Stock Exchange of Thailand, the Company only had motorcycle registration loans. After entering the Stock Exchange of Thailand, the Company added vehicle title loans, vehicle title loans for agriculture, land title deed loans, unsecured personal loans, and Nano Finance loans, respectively. Since 2019, the Company has expanded motorcycle hire purchase loans to existing customers who have a good history of payment of the Company. The Company believes that the new products will accelerate the growth of the portfolio, outstanding loans, and the interest receivable rate of the Company in the future. The customer loyalty of the Company is also developed.

For the fair and transparent interest rates and fees under the Personal Loan Act under Supervision, the maximum interest rate is 25% for unsecured loans and not more than 24% for vehicle title loans. This is a factor driving the interest rates of new industries down from the past at the average rate of higher than 30%. However, the interest rate of the Company is averagely around 22-23% over many years. In 2020, the company reduced the interest rate to around 21-22% which is lower than the new maximum regulated interest rate. This is for creating the fairness to the Company's customers who can maintain the good credit status and debt quality in order to attract new customers from informal loan providers including other service providers.

2. Operational risk

2.1 Risks from the employee's fraud

As the credit service provision of the Company is for retail customers having the low credit limit per contract, the average amount of credit granted per contract of the Company is approximately 22,000 baht per contract. The Company also has the Single Lending Limit policy allowing the total credit limit for pledge, car registration and personal loan totaling not exceeding 550,000 baht per customer. There is also the decentralization policy to more than 5,799 branches spread across the country to enable efficient, fast, and effective operation to be able to compete with other operators. However, the Company is aware of the possibility of employee's fraud. Thus, the Company stipulates the strict measures to prevent the damage caused by the employee's fraud with the internal control system or the implementation of the SAP operating system. It is to increase operational efficiency and reduce the risk of fraud. In addition, since 2018, the Company has provided the whistleblower channels for the employees and other stakeholders of the Company to participate and report if fraud is suspected. If the employee is found to corrupt, the Company will force such employee to take responsibility for the damage incurred and such employee will be punished according to the Company's regulations. Furthermore, the Company also has measures to prosecute employees who are corrupt including civil and criminal cases.

Employee's Fraud Risk Management Process

The Company has determined the guidelines for monitoring and assessing the risks and the guidelines for practices according to the principle of prevention of fraud and corruption as follows.

The Internal Audit Department reviews the risk management process and internal control to ensure the adequacy and efficiency for building the confidence and transparency in business operations. This is proposed to the Audit Committee to guide the operators for putting into action. Such process is the Preventive Control.

The Company has adopted technology such as the SAP operating system and the installation of CCTV. Such technology is used as a Detective Control measure.

The Internal Audit Department examines the system compliance and random inspections as well as monitoring, assessing, proposing the preventive measures on the corruption to the Company's management, and reporting to the Audit Committee following the reporting cycle.

Arrange to inspect the contract and documents for applying for loans and cash counting cross branches regularly to cover all branches as well as reporting suspicious events to the superiors.

Provide opportunities for employees and stakeholders to report suspicious incidents that implicate fraud through whistleblower channels of the Company as disclosed in the Company's website. The Company certifies that the whistleblowers will be protected according to the Company's whistleblowing handling policy.

When a cause that may be believed to be fraud is detected, the Branch Affairs must investigate to the end and report to the management to determine the punishment measures based on the discovered facts.

Provide training for new employees on Anti-Corruption Policy including penalties. All employees must be periodically communicated for acknowledging and reviewing the guidelines of practices on the jobs set by the Company to prevent fraud through various communication channels of the Company.

However, on 30th May, 2019, the Company was certified as a member of the Collective Action Coalition (CAC). Currently, the membership renewal is under progress.

2.2 Risk from human resource shortage

The Company has challenges in human resource management to be appropriate and sufficient for growing rapidly and sustainably. Amidst the fierce competition in the industry of the Company, the recruitment of personnel to work in the Company's branches scattered throughout the country makes the management even more challenging especially in the human resource development, incubation of corporate culture, creation of discipline, management on internal control, entry into aging society, or even work attitudes of personnel of different ages that are different. Such obstacles cause new employees to have the high turnover rate during their service life of less than 6 months. This may have a direct negative impact on the growth and the competitiveness of the

Company. Therefore, recruiting suitable and sufficient personnel and retaining these personnel to progress along the way with the continuous growth of the organization is very challenging and necessary for the Company.

Risk Management Process from Human Resource Shortage

The Company has established the guidelines for risk assessment and established the guidelines for the mitigation of risks from human resource shortage as follows:

The Company provides employees with appropriate and fair welfares in line with the Company's short-term and long-term achievement.

The Human Resource Department organizes employee satisfaction survey to understand the factors that have positive impact and negative impact on employee satisfaction to the organization on a regular basis. The survey data will be used to improve strategies or action plans for maximum benefits.

The Company provides an internal communication channel both online and offline. The employees can communicate directly with other employees. Moreover, the employees can also communicate with the superiors or the executives. The executives and the superiors can communicate with the employees thoroughly through the communication channels according to the technology project which consists of MTC University Digital Learning Platform and MTC Forum Digital Platform. There is also a monthly journal channel of "Muangthai Samphan" both in book form and in e-book format to be stored in the MTC University Digital Forum accessible to all employees. The contents of the journal will focus on communicating the policy from the management and the messages that the management wants to communicate to the employees for sharing the employee's debt care and monitoring experiences, knowledge, news, including market and industry changes.

The Company provides a comprehensive and adequate training for employee's potential development to achieve the goals or the objectives of the Company sustainably. The Company realizes that creating job opportunities and motivation will increase the potential of employees. Ultimately, it will increase the Company's benefits in the long run. Thus, the Company has the

duty to prepare the employees to have progress and stability in their own career through the Company's training program as detailed in the Human Resource Development's policy.

As teamwork is the core organizational culture, the Company has adopted a 360 degree assessment form to assess employees' abilities and potential. The objective is to achieve a transparent, fair and independent assessment.

The Company promotes diversity in the organization to respect human rights. There is no end-to-end barrier in every process.

2.3 Risk of inability to track and confiscate the collateral

The Company is mainly engaged in vehicle title loans whereby customers have to bring their own motorcycles, cars or agricultural vehicles as collateral for applying for loans without registering the ownership transfer. The Company can confiscate the vehicle that is collateral from customers to be sold by auction through the Company's auction center in the event that the customer defaults on the debt repayment. However, because such collateral is a property that can be easily moved, it is possibly difficult to track and monitor collateral. If the Company is unable to track and confiscate such collaterals, it will directly affect the financial position and the operational performance of the Company.

In 2020, from the slowdown in the country's economy due to the Covid-19 epidemic, the Company expects collateral seizure to be a very challenging risk. Since some of the Company's customers are customers that may have direct impact and the risk of debt servicing ability increases, the Company needs to improve the policy and regulations for debt collection to maintain the ability and maintain a rate of non-performing debt and credit costs.

Process of risk management from inability to track and confiscate the collateral

To reduce the chance that the company cannot track and confiscate the collateral, the Company then determines the qualifications of customers who will apply for the Company's loans which must have a domicile or have a place of work in the area of the branch requesting for the service. If having domicile in different areas, the third party who is a person domiciled in the area is required as a guarantor for the branch

loan employee can verify the accuracy of the customer's address information and can monitor the customers closely and thoroughly.

Building a large branch network through branches and employees spread across the country is another mechanism that the Company used in debt collection and confiscation of collateral assets in the event of asset movement.

Revision of regulations on commission payment for debt collection can create motivation and reward to employees who can perform their work to achieve their goals or indicators of ability to perform well even in times of crisis.

2.4 Risk from selling the confiscated properties

For the process of selling the assets seized after the customers defaulted the debt repayment, the assets will be auctioned by the Company through the auction center under the Company's supervision and management. There are currently 6 centers including Phitsanulok Auction Center, Ayutthaya Auction Center Chonburi Auction Center, Khon Kaen Auction Center, Nakhon Ratchasima Auction Center, and Ratchaburi Auction Center. However, the Company has a risk that the asset assessment may incur losses. If the auction price of the asset is lower than the outstanding receivables, this will directly affect the operational performance of the Company.

In 2020, at the time of the Covid-19 pandemic, the country's economy slowed down. This affected the demands for new and used vehicles which were expected to directly affect the auction price of assets. Besides, the Social Distancing policy which affects the Company needs to be improved in the procedures for the auction of assets. Previously, the Company conducted two auctions per month per auction center and took 1 day for the auction. After the Covid-19 epidemic, the Company has adjusted the auction for a period of 5 consecutive days instead of 1 day allowing the interested bidders to sign and choose the date and time of the property inspection via online channels in advance. This is for preventing the crowd of people in the auction center. The improvement on the operational procedures results in a higher number of bidders. As a result, the auction price increased compared to the pre-Covid-19 period. The Company found that the demand for used vehicles during the virus outbreak did not decrease which might be

resulted from the needs for new vehicles to be replaced by the used ones instead. Therefore, in 2020, the Company has not been significantly impacted by the risk of the sales of the seized assets.

Process of risk management from the sale of the seized properties

The Company pays attention to the determination of credit limit or LTV to be appropriate and in accordance with the vehicle type, model, popularity and condition of the assets used as collateral. The credit balance schedule will be reviewed on a regular basis or when the significantly affecting event occurs.

The operation at the auction center is another mechanism for the Company to improve and develop in response with the demands adequately and suitably for the supply or assets to be auctioned. The purpose is for selling to obtain the auction price of the property and to provide the most benefit to all stakeholders. In the event that the auction center is able to sell more assets than the debts, the Company will return the difference to the customer as prescribed by law.

2.5 Risks from relying on customers and major debtors

For the reliance on large customers in 2020, the Company has a proportion of revenue from the top 10 customers amounting 0.01 percent of the Company's total outstanding credits. This shows that the Company has no significant reliance on any particular customer group or large customers. In other words, the Company does not have a concentration of default debt repayment risk. In other words, the Company has set a Single Lending Limit (SLL) for not more than 550,000 baht per customer.

3. Financial risks

3.1 Risks from insufficient financing and Liquidity Risk

The continuous business expansion is a factor that requires the Company to acquire capital or incur more debt in the future to support the expansion. This creates the risk of inadequate financing and liquidity risk in the future. Apart from bank or financial institute loan sources, the Company still endeavors to obtain financing from other sources, taking into account the financial structure, benefits and impacts on all groups of shareholders and stakeholders.

However, in the year 2021, as the Company joined to cooperate with the Bank of Thailand in issuing measures to help retail debtors who have been affected by the economic fluctuation since the second quarter of 2020, the Company received Soft Loan from Government Savings Bank for 4,958 million baht. The loan interest rate is 2% per annum for a period of 2 years. Thus, this can mitigate the liquidity risk from customer assistance measures and reduce the financial cost of the Company as well.

Management process of risks from insufficient financing and Liquidity Risk

In the year 2021, the Company has offered three Public Offerings to sell unsubordinated debentures. In the first round, the Company offered to sell to the public in the amount of 4,000 million baht in February 2021. The second time at 4,000 million baht in August 2021 and the third time at 4,500 million baht in November 2021. Offering to sell debentures to people is a risk mitigation process from insufficient financing and the lack of liquidity of the Company. It can also help the Company to increase the access to large funding sources that the Company can control risks in the future.

The Company has managed bills of exchange (short-term debt instruments) issued by the Company to have remaining credit limit from the reserve financial institutes to support the value of the bill of exchange. In the event that the Bills of Exchange market fluctuates, the Company will be able to find funds from other sources to replace immediately.

The Company has long-term debt management (contract period of more than 1 year) and short-term debt (contract period of less than 1 year) to have a higher long-term debt ratio than short-term debt to prevent the lack of liquidity and sufficient to support the rapid growth of the Company.

3.2 Risk from interest rate fluctuation

The Company earns the main income from interest income from lending which is characterized by the interest rate charged at fixed rates. For the cost in borrowing of the Company, the interest rate depends on market fluctuation at the time of borrowing. If there is a lot of fluctuation, the loan interest rate will increase. While the Company's interest rate has not been adjusted, there is an impact on the reduction of the ratio between interest income and interest expenses.

Management process of risks from interest rate fluctuation

The Company manages the interest rates on loans from banks by distributing the loans to both Thai and foreign commercial banks. This allows the Company to choose to borrow from the banks that provide reasonable interest rates to maintain the ratio of difference between interest rates and interest paid in the consistent level.

The Company can enter into an interest swap contract to reduce the risk of market fluctuation.

3.3 Credit and asset quality risks

The process of consideration for lending of the Company depends mainly on the value of the assets brought by the borrowers as collaterals. In 2021, the Covid-19 epidemic has had a direct impact on employment in the country causing the increase of unemployment rate from 0.96 percent at the end of 2019 (before the Covid-19 epidemic) to 1.60 percent in 31 December 2021 (during the Covid-19 epidemic the unemployment rate reached to the peak at 2.30 percent in 30 September 2021) (based on the unemployment rate data of the Bank of Thailand). It also affects the demands for new and used vehicles posing a credit risk and the quality of the Company's assets becomes higher.

However, in the year 2021, the Company has reviewed and improved policies, strategies and operational processes in accordance with the changes and new restrictions that arise under the epidemic situation to control credit risk and asset quality as follows.

Management process of risks in credit and asset quality risks

The Company has arranged to update the database of market value of the assets in the operating system with the information shared by the Company's branches nationwide. Such data of the market value of assets was collected from the auction results of assets that have been auctioned through the Company's 6 auction centers at least twice a year to reduce the probability of default and maintain the amount that will be repaid at the recovery rate.

The Company maintains the Loan-To-Value in the ratio at about 50 percent. The excessively high Loan-To-Value will make the borrowers choose to abandon their collateral assets causing higher bad debts.

The Company focuses on lending to retail customers as small credits and diversifies the risk of lending in geographic areas through branches available throughout the country in terms of credit products and in terms of customer base both with fixed income and without fixed income spread across many industry groups. This is in order to avoid the Concentration Risk that possibly causes higher credit risk.

The Company aims to develop the Market Conduct of the entire industry to be fair and transparent under the supervision of the Bank of Thailand. Thus, the Company has a low interest income structure following the notification without complex fee structure. The interest rates are low compared to the industry. The focus is on transparent communication with customers. The above strategy will motivate customers to maintain their credits with the Company so that the customers can easily access to the loan sources with the fair and transparent cost in the future.

Apart from considering the market value of the assets that the borrowers have taken as collaterals, the Company also considers debt repayment behavior from the Company's database, Best Efforts Basis, and guarantors if the credit value is high or the borrower does not have the same address as the source of residence to be used in considering granting the loans.

The Company is the operator of auction management of assets that the have been taken as collaterals by the borrowers. The auction is made through all 6 auction centers of the Company. The Company pays attention to the management of auction centers efficiently and holds the auction transparently. This reduces the amount of bad debts and is a tool for maintaining the amount that will be repaid at the Recovery Rate of the Company for maximum effectiveness.

The Company still focuses on the management of Non-Performing Loans and control the risks of asset quality by maintaining the Coverage Ratio continually

in line with the target set by the Company. As of 31st December, 2021 and 2020, the allowance for doubtful accounts to non-performing loans of the Company equaled to 144% and 178%, respectively. This is considered sufficient compared to the TFRS9 standard calculation. The Company has also established a specific cumulative debt default rate of long-term general loans classified by year of credit lending (Vintage Analysis) regularly in order to assess and monitor the true credit risk of the Company closely.

The Company improves the auction process for asset sales at the auction center of the Company regularly to encourage higher auction competition for maintaining the asset selling price resulting in the reduction of loss from non-performing loans (NPL).

The Company has cultivated knowledge and understanding on the risks as part of the corporate culture as same as the discipline for the employees in performing the debt collection operations. The Company uses the Key Performance Indicator (KPIs) in terms of asset quality or the loans that the employees grant to the customers as the main performance indicator instead of using the credit amount like the industry. As a result, the average bad debt rate of the Company is lower than the industry's bad debt average.

The Company is committed to develop and improve the payment channels for customers to have the convenience in paying the installments more easily and faster. At present, the Company's customers can pay installments via the following payment methods:

- Pay through more than 5,799 branches nationwide (free of charge)
- Pay through counter service 24 hours a day
- Pay through every branch of Tesco Lotus
- Pay through all branches of Big C and Mini Big C
- Pay via Airpay Counter or Airpay app
- Pay through any bank's ATM
- Pay through Mobile Banking Application K-Plus of Kasikorn Bank

4. Marketing Risk

4.1 Policy on budgeting for assistance measures and the welfare system of the government sector

Most of the Company's customers are farmers and the population of Local Economy who are the group of population highly dependent on aid measures and welfare from the government. The assisting measures and various remedies have significant impact on loan demand and the ability of debt repayment. For example, in the year 2020, due to the Covid-19 epidemic, the government has released the following important aid and remedial measures:

- "Rao Mai Ting Kan Project" is for people without regular income or people who are not in the social security system for 15.3 million persons to receive a grant of 5,000 baht per person per month for a period of 3 months from April to June, 2020, in a total budget of 240,000 million baht.

- "Farmer Assistance Project" is for 10 million farmers registered with the government to receive a grant of 5,000 baht per person per month for a period of 3 months from May to July, 2020, in a total budget of 150,000 million baht.

- "Aid project for vulnerable populations" a vulnerable group consisting of 13 million "young children, the elderly, the handicapped" received financial assistance. The Comptroller General's Department will transfer money for child support in the amount of 600 baht, an elderly living allowance of 600 -1,000 baht, and a disability allowance of 800 baht and 1,000 baht. Such assisting measures caused the significant reduction in the credit demands of the population. This reflected the contraction in the accrual loan growth of the industry and of the Company to recess. However, the impact on asset quality has improved as reflected in a significant decline of the bad debt ratio

4.2 Farmer Assistance Policy

The Company anticipates the risk of drought that will occur in 2021, which may significantly affect the amount of agricultural production in the country, and may be substituted by the price of production that will soar higher according to the factors of supply and demand. And the impact of government aid policies will be reduced as farmers will be able to be more self-sufficient.

5. Risks of data retention and information security

In operating business, the Company is required to collect information of key stakeholders, especially customers and employees, including general information and sensitive information. The Company has strictly complied with the Personal Data Protection Act B.E.2562 for the data retention, disclosure, and the use of such information. However, the data retention risk is caused by the internal control system. The security of information technology must be concise and efficient. We do our best to reduce the risk of loss and leakage of information. This may affect the reliability of the Company and may violate the regulations on the protection of personal information. The Company has disclosed the personal information protection policy and information technology security policy on the Company's website.

Process of data retention and information security risk management

The Company appoints an external expert to be the IT Auditor who is responsible for assessing the adequacy of the internal control and risk management in information technology systems. The audit results shall be directly reported to the Audit Committee and the Risk Management Committee.

The Company has installed a system to prevent data leakage from external attacks or computer viruses by installing network security software (Firewall).

The Company sets and improves the access authority to prevent information leakage which may be caused by internal personnel.

The Company has a backup plan along with ensuring the backup is correct accordingly following the Information Policy and Information Security.

The Company provides internal communication to raise awareness and cultivate employees' awareness of the correct use of technology such as not downloading unauthorized programs, not opening e-mails with unknown origins, etc.

The Company has established a manual on the protection of personal information and information security and the Business Continuity Management Plan (BCP) to prevent and cope with interruptions in business operations caused by threats to the operation of information systems.

6. Risk from the changes in the regulations and laws on the operations and accounting standards

6.1 Risks from changes in regulations and laws

At present, the Company is principally engaged in the service of vehicle title loan with a personal loan business license under the supervision of the Bank of Thailand effective from 1st February, 2019. In addition, the Company also offers collateralized personal loans under the same license and Nano finance under supervision. As a result, almost all of the main business of the Company is under the supervision of the Bank of Thailand. There are regulations, rules, practices and conditions for undertaking personal loan business for non-financial business operators such as qualifications of service providers, setting of credit limits, fee rate determination, and report of information to the Bank of Thailand, etc. This is to ensure fairness and transparency for credit customers or borrowers and the Company has strictly adhered to the aforementioned requirements. However, in the future, the Bank of Thailand possibly amends or issues regulations more about personal loan service and retail loan for business operation.

Due to the Covid-19 epidemic, the Bank of Thailand asked for cooperation from financial institutes and non-institutional entrepreneurs in issuing financial assistance measures to customers who have credits and may be affected by the epidemic situation such as moratorium measures, measures to reduce installments, interest rate reduction measures. In addition, the Bank of Thailand has announced a reduction in the interest ceiling rate for personal loans under supervision and Nano finance loans under supervision of the entire system effective from 1st August, 2020, resulting in the

interest rate for unsecured personal loans to reduce from 28 percent to 25 percent, secured personal loans or registration pledge loans to reduce from 28 percent to 24 percent and Nano finance loans to reduce from 36 percent to 33 percent. The Company has not been affected by the announcement of such interest rate reduction because the interest rate of the Company is lower than the new interest rate ceiling.

6.2 Risk from Changes in Accounting Standards

The accounting standards in Thailand are still being developed in accordance with international accounting standards and are expected to develop gradually in the future. However, such risks are the risks that the Company can assess in advance including the impact size in order to be able to manage the impact of the possible risks.

Management Process on the Risk from Changes in Regulations and Laws on the Operation and accounting standards

As the Company realizes the importance of legal risks, the level of the risk management working group and the legal affairs is raised to become the risk management and legal department with the responsibility in managing the risks. This includes the close legal risk management. In addition, in 2021, the Board of Directors has approved the establishment of a Compliance Department which is responsible for supervising and monitoring the Company's operations to comply with the framework of relevant rules, regulations and laws. The Risk Management and Legal Department, Supervisory Department, and Internal Audit Department must work with independence and report to management, Risk Management Committee, and Audit Committee on a regular basis.

In 2020, The situation of the Covid-19 epidemic affected the Thai economy, businesses and the general public including debtors of financial institutes and non-institutional business operators. The Bank of Thailand and the government sector have issued measures for financial institutes and non-institutional business operators to provide assistance to debtors in order to urgently alleviate the effects of lack of liquidity through debt suspension and debt restructuring. In addition,

relevant guidelines are temporarily established to support the implementation of these measures such as the classification of debtors, provision of reserve funds. Bank of Thailand has discussed with the Federation of Accounting Professions Under the royal patronage to assess the impact of businesses operation in granting credits from the implementation of measures to provide assistance to debtors while still having to comply with the Financial Reporting Standard No. 9 on Financial Instruments (TFRS 9). It is mutually agreed to issue the accounting guidelines for temporary alleviating measures for businesses that provide assistance to debtors who are affected by the situation affecting the Thai economy. This was published in the Royal Gazette dated 22nd April, 2020, which can be summarized as follows:

- Debtor classification: The original classification can be maintained in the event of a moratorium, delay of the debt repayment to the debtors. In case of debt restructuring for Non-NPL debtors, they can be adjusted to Stage 1 immediately. Or in case of debt restructuring for NPL debtors, they can be adjusted to Stage 1 if the debtors can pay the debt repayment under the debt restructuring agreement for 3 consecutive months or 3 periods. Moreover, in case of giving additional working capital credit to the debtors, they can be classified as individual account.

- Provision of reserve funds: There is no need to provide reserves for undrawn credit lines.

- Other accounting methods: The effective interest rate can be adjusted to recognize interest income when the cash flow received from the loan is changed.

- Measuring on the amount of expected credit losses: The Forward-looking information can be used to have less weight due to high volatility and short-term uncertainty. The information that reflects the debtor's ability of debt repayment from past experience can also be used (such as past default rate, historical damage rate) or historical credit loss data together with the management overlay.

- Disclosure of information: The information is required to be disclosed in the notes to the financial statements about the application of such relief measures including the facts of compliance with the Bank of Thailand circular.

- Relief period: From 1st January, 2020, to 31st December, 2021, or until the Bank of Thailand changes and to comply with such changes.

7. Risks from climate changes

The variable climate is the situation that occurs around the world and directly affects the economy, society and environment. As the impacts are increasingly severe in Thailand, climate is the main factor affecting agricultural productivity. This is considered the main source of income that drives the country's economy from climate change assessment in Thailand. It was found that the average temperature is likely to increase by 1.5-2.0 degrees Celsius within the next 40 years. This is a challenge for the agricultural sector and the Company having a majority of customers working in agriculture. Climate change may therefore reduce the incomes of farmers. This will increase the demand for credits but the quality of debts has decreased.

Management process of risks from climate changes

As the Company is well aware of the risks, the environmental policy has been implemented since 2018 with a goal to reduce direct and indirect greenhouse gas emission from business operations such as constructing a new LEED Certified head office building.

The Company has expanded the branches to various areas in order to be able to reach a wider group of customers such as expanding branches in Bangkok to balance the customer base to customers who are not directly related to the agricultural sector or do not have climate change risks as much as the group of farmers.

2.2.2 Securities holder investment risk

- Risk of shareholders

Risk from the dependence on existing shareholders and major shareholders holding the shares for more than 50% of the registered capital

As the major shareholder of the Company is the Petaumpai family holding 1,430,056,400 shares in the Company or equivalent to 67.45 percent of the Company's paid-up capital. This makes it possible to control almost all shareholder resolutions on various important matters such as the appointment of directors or requesting for the resolutions on other matters requiring a majority vote of the shareholders' meeting. Thus, other shareholders may not be able to balance with major shareholders (information of shareholders from Thailand Securities Depository Co., Ltd. as of 30th December, 2021) However, the Company has appointed 4 directors who are independent directors out of 7 persons having the Chairman of the Board of Directors as an independent director and the Audit Committee totaling 3 independent directors to consider the transactions possibly causing conflicts of interest in accordance with the laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC) in order to ensure whether it is reasonable with the most benefits to the Company. It also makes the management of the Company transparent and auditable.

General risks of bonds

- Credit Risk

The bond holders are at risk of not receiving interest or principal payments in the event that the business and performance of the bond issuer is not as expected or the properties of the issuer are insufficient for debt repayment. Therefore, before making the decision to invest, the investors should consider the financial status and debt servicing ability of the bond issuer based on the information provided in the debenture offering information registration form and a draft prospectus for the credit risk assessment of the bonds. The investors can view the credit rating of the bond issuer provided by the credit rating agency for making investment decision. If the credit rating of the issuer is low, it shows that the credit risk of the issuer is high. The investors' returns should also be high in order to offset the high risk of such bonds. However, the credit rating

is not a recommendation to buy, sell, or hold any debentures offered. Besides, the credit rating is subject to cancellation or change over the life of the debenture.

Before investing, the investors should study information on the performance of the bond issuer. Apart from considering the credit rating of the debenture issuer, the investors are encouraged to follow up on the news of the bond issuer including updates to the rating from the website of the Securities and Exchange Commission, credit rating agency, or the Thai Bond Market Association. The bond underwriter or an analyst for the bond underwriter does not have an analysis on the bond. Before investing, investors should study information on the performance of the bond issuing company. In addition to considering the credit rating of the issuer, the investors are encouraged to follow up on the news of the issuing company. This includes the changes in the credit rating from the SEC's website, credit rating agency, or the Thai Bond Market Association.

● Price Risk

The market price of the debentures is subject to change depending on several factors, for example, the interest rate level in financial market, policy of the Bank of Thailand, overall economy, inflation rate, age of debentures, or excessive demand or lack of bonds. Thus, the bond holders may be affected by the fluctuation of the bond price. In the event of trading of instruments before maturity, longer maturity bonds will be more affected by such fluctuation.

● Liquidity Risk

The debenture holders may not be able to sell the debentures immediately prior to their maturity at their own preferred price since there may not be a lot of trading on the bond market in the secondary market. The debenture issuer will not list the debentures on the Bond Electronic Exchange (BEX) or any secondary market. However, the debenture holders may trade debentures at a commercial bank, securities companies, or any other juristic person being licensed for trading securities as bonds if someone offers to buy or sell debentures through the aforementioned licensees.

Besides, the bond holders cannot sell or transfer the debentures to any person in general. Selling or transferring the debentures is restricted only in the institutional investors and major investors only. This is because the debenture issuer has registered the transfer restrictions with the Securities and Exchange Commission to restrict the transfer of debentures to the group of institutional investors and major investors according to the Notification of the Securities and Exchange Commission No. Kor.Jor. 5/2552 on the definitions specified in the Notification of all types of bonds dated 13th March, 2009 (as amended or replaced) and in accordance with the Notification of the Securities and Exchange Commission No. Kor.Jor. 4/2560 on the definitions of institutional investors, extra major investors, and major investors dated 8th February, 2017, unless it is an inheritance transfer.

● Risks from the ability of debenture debt repayment

The Company has continuously issued debentures to use as working capital for business operation to support the expansion of the Company's business and to be used for repayment of debentures or bills of exchange. It is also used as working capital of the Company. However, if the Company does not issue new debentures, the Company believes to be able to acquire new loans to repay the existing liabilities and adjust the repayment of principal to suit the Company's cash flow as well. As of 31st December, 2020, the Company has outstanding credit line from commercial banks in the amount of 8,870 million baht.

● Record of default

The Company has no record of default on the principal or interest of debt instruments or default on loan from commercial banks, financial company, credit foncier company, or financial institute established by specific law and breaching the conditions in performing the rights for the past 3 years.

2.2.3 Risk of investing in foreign stock markets

- None -

Driving business for sustainability

Throughout the period of 30 years, the main business philosophy of the Company is to be a microfinance loan service provider allowing people who cannot access the loan source from a financial institution to be able to obtain the loan source with fair and transparent economic costs. The said philosophy has become a guideline for business operations based on the principles of good governance, appropriate risk management including the strategy for sustainable development of the Company to be “responsible microfinance loan provider”. This means creating credit products of Microfinance which can respond to the country’s financial inclusion with the responsibilities to all stakeholders corresponding to the policy of the Bank of Thailand.

Currently, the Company focuses on growth by expanding the customer base through the expansion of branches to cover all areas in the country. The Company aims at helping improving access to public funding sources more natural and more convenient. The Company believes that the distribution of financial access to people will help reducing financial inequality in the country which is the cornerstone of sustainable economic system. As on 31st December, 2021, the Company has 5,799 branches spreading in 74 provinces nationwide.

The customer group of the Company consists of retail customers with both regular and non-regular income. As this group is a vital stakeholder of the Company, the Company pays attention to create an excellent sustainable relationship with customers by adhering to the Service Excellence Policy as the Company’s slogan of “Intimate service”. Besides, the Company is determined to develop and upgrade the market conduct to customers of the whole industry to be truly fair and transparent. From this reason, the Company has received trusted by customers to use the Company’s credit services and grows continuously.

3.1 Policies and goals in sustainability management

The Company is determined to be the microfinance service provider to help people who do not have access to credit from financial institutes to

be provided with access to loan sources with reasonable and fair financial costs through the strategy in expanding branches to all over the region of Thailand. As a result, the Company’s credit portfolio has grown more than 1,233% since the listing date of 2014. The number of clients increased from 0.68 million contracts to 3.92 million contracts and the number of employees increased from 1,703 to 11,460 persons.

The Company realized that the impact of the Company’s operations to those stakeholders has increased significantly. At present, we focus on the business operation according to the sustainable development approach covering economic, social and environmental dimensions to become the “responsible microfinance service provider”.

3.2 Management of impacts on stakeholders in the Company’s value chain

3.2.1 Business Value Chain

The Company’s Value Chain demonstrates the process of credit issuance in a circular value chain, which consists of:

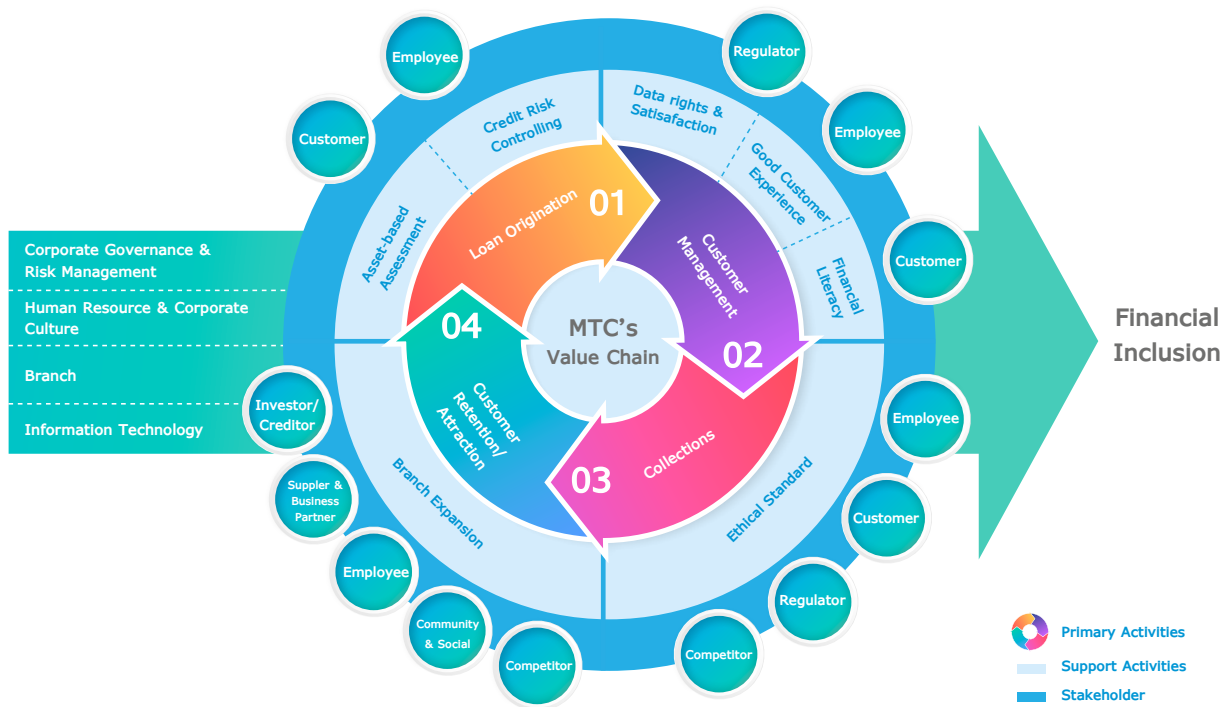
3.2.1 Loan Origination: Credit issuing process which has a policy on sustainable development in regards to credit consideration by using Asset-Based Assessment instead of using income information or the customer’s credit bureau to increase accessibility to sources of credit for the general public without fixed income and credit risk management policies, such as setting employee performance indicators (KPIs) to suit credit risk.

3.2.2 Customer Management: The customer management process has policy on customer experience development by providing excellent services such as the development of a Customer Relationship Management system to respond to the use and changing customer behavior towards technology and satisfaction with credit products, customer privacy policy, and financial education policy for customers and the public.

3.2.3 Collection: The debt collection process is a process that is the core of the Company’s business operation and is relevant to the industry’s ethical development policies, especially in the debt collection process.

3.2.4 Customer Retention / Attraction is the process of maintaining the existing customer base and attracting new customers. Currently, the Company uses the policy to expand the approach to customers by opening branches. This may be reshaped in the future if the environment context changes.

The Company’s value chain management will adhere to good corporate governance guidelines which consists of good governance and adequate and appropriate risk management and effective management to have thorough care of employees having secure information system. It results in the Company to promote sustainable access to public credit.



3.2.2 Analysis on stakeholders in the business value chain

Continuous participation with stakeholders makes the Company know the expectations and needs which help the company able to define issues related to business operations. This is considered as one way to drive sustainable development as it will make the Company know the impact that the Company has on the stakeholders. This process will make the Company know a way to prevent, correct and mitigate negative impacts which can be developed and amplified the positive impact continuously and effectively.

Identifying the Company’s Stakeholders will consider the person, group of people or agencies that can affect or be affected by the Company’s operations. Each stakeholder group has different methods of participation and interaction. This reflects the creation of shared values between the Company and the stakeholders to reduce risks and create added value to the business sustainably. It will undertake annual stakeholder engagement through assessment and review of stakeholder expectations. Once the expectations of the stakeholders are known, the Company will determine the guidelines for meeting the expectations of each stakeholder group. The details are as follows:

Stakeholders	Guidelines for participation and frequency	Expectations/ demands of stakeholders	Organizational operation guidelines
Employees, Executives and Board of Directors	<ul style="list-style-type: none"> ● Meeting (on a monthly basis) ● Company website ● Notifications/Orders ● Telephone ● Questionnaire on employee's satisfaction ● Complaint system of the Company 	<ul style="list-style-type: none"> ● Have a good working environment. ● Receive appropriate compensation and benefits ● There is a good relationship between colleagues and supervisors. ● Good Company's work system. ● Obtain career advancement and career growth. ● Have balance between work and personal life. ● Create positive attitude towards work. 	<ul style="list-style-type: none"> ● Building a strong corporate culture based on the Company's core values. <ul style="list-style-type: none"> - Recruiting and allocating human resources by adhering to human rights policy and accept diversity - Personnel Development - Performance appraisal - Compensation, welfare and safety of employees - Succession
Customers	<ul style="list-style-type: none"> ● MTC Call Center 1455 ● Walk-in to customer service center ● Facebook: Muangthai Capital ● Line @Muangthaicapital ● Telephone customer service center 02-483-8888 ● Application "Muangthai 4.0" 	<ul style="list-style-type: none"> ● Clear, flexible and fast loan approval procedures/ documents/conditions ● Suitable approved credit line. ● There are convenient and fast payment methods. ● Reduced interest rates/ fees ● The communication of the staff is correct and complete. ● Confidentiality of customers' confidential information. 	<ul style="list-style-type: none"> ● Responsibly improving access to funding. <ul style="list-style-type: none"> - Taking into account ESG in credit products and credit approval process - Expansion of branches to increase access to services - Designing appropriate credit products, conditions and operating procedures to control the default risk ● Creating a good experience for customers. <ul style="list-style-type: none"> - Providing excellent, thorough and equal service - Creating financial discipline for customers - Developing Industry Ethics ● Respect for customer satisfaction, rights and personal information.

Stakeholders	Guidelines for participation and frequency	Expectations/ demands of stakeholders	Organizational operation guidelines
Shareholders/ investors/ creditors	<ul style="list-style-type: none"> ● Annual General Meeting of Shareholders (1 time per year) ● Communicate through the stock exchange (regular) ● Arrangement of Opportunity Day with the SET (3 months/time) 	<ul style="list-style-type: none"> ● Consistently good turnover ● Good Corporate Governance Principles ● To be an organization with stability, transparency and sustainable growth 	<ul style="list-style-type: none"> ● Good corporate governance ● Risk management in a concrete and effective manner
Trading Partners	<ul style="list-style-type: none"> ● Email (annual) ● Visit (only new partners once a year) 	<ul style="list-style-type: none"> ● Collaborate in various operations for maximum benefits. ● Continuity of the operation an important part of the supply chain ● Standard evaluation and selection criteria ● Fair, transparent, verifiable 	<ul style="list-style-type: none"> ● Supply chain management with regard to impact on ESG.
Business Competitors	<ul style="list-style-type: none"> ● Meeting of the car registration business trade association ● Personal Loan Business Club meeting 	<ul style="list-style-type: none"> ● Fair competition ● Industrial upgrading ● Cooperate with car registration/personal loan operators' associations/trade clubs to comply with regulatory criteria. 	<ul style="list-style-type: none"> ● Cooperate with car registration lenders trade associations to jointly upgrade the industry

Stakeholders	Guidelines for participation and frequency	Expectations/ demands of stakeholders	Organizational operation guidelines
Community and Society		<ul style="list-style-type: none"> ● Take responsibility for the health and safety of the community ● Consider the environmental impact including the conservation of energy and natural resources ● Strictly comply with the law. ● Identify the current or potential impact of products, services, ● Processes and activities on society in general and to the local community in specific matters. 	<ul style="list-style-type: none"> ● Creating Engagement between the Company and the community through the CSR project
Regulatory Agency	<ul style="list-style-type: none"> ● Email (regular) ● Meetings through trade associations/clubs for car registration/personal loan operators ● Visit the Company (2 years/time) 	<ul style="list-style-type: none"> ● Support the policy and comply with the set rules appropriately (or exceeds the limit) ● Management with honesty. There is transparency in the operation and adhere to the principles of accuracy. ● Improve operational processes in accordance with policies and regulations 	<ul style="list-style-type: none"> ● Cooperation with regulators to upgrade the industry. <ul style="list-style-type: none"> - Develop Market Conduct - Build financial discipline for customers and the public - Provide financial knowledge to clients and the public

3.3 Sustainability management in environmental dimension

3.3.1 Policies and guidelines for the environment

In 2021, the Corporate Governance Committee has organized a review on the “Environmental Management Policy” in accordance with the context and global environmental challenges to reflect the operations of the Company in the environmental dimensions covering the Company, subsidiaries, and employees including the trading partners and business partners.

Muangthai Capital Public Company Limited recognizes that climate change is one of the world’s most important challenges. Therefore, it is important to participate in dealing with environmental problems. The Company has a policy to reduce the impacts arising from the operation process and reduce the use of natural energy that is limited ready to prepare plans and measures to participate in solving the challenges of climate change.

The Company has established business policies in accordance with environmental regulations, international standards, including voluntary participation in sustainability standards. This policy includes employees, subsidiaries, and business partners by defining environmental guidelines as follows:

1. Strictly comply with international and local environmental laws and responsible for negative environmental impacts that may arise from the operations of the organizations.

2. The environmental management assessment is defined as a type of scorecard for management and employee performance evaluation.

3. Support raising awareness by organizing training to educate employees on environmental knowledge

and stakeholders to create knowledge and understanding on the climate change, conservation of natural resources and the importance of preventing negative environmental impacts.

4. Establish guidelines and goals for energy, resource and environmental management in the Company in accordance with international standards to promote sustainable development goals with a focus on environmental conservation. The resources are used wisely to reduce the occurrence of waste. The most important thing is to reduce greenhouse gas emission which is the catalyst for accelerating climate change.

5. Encourage effective waste management to reduce the impact on the environment as well as encouraging the reuse and / or selection of materials (Recycle) or alternative products in an efficient and cost-effective manner.

6. Support the purchase of products and services and/or products from environmentally friendly manufacturing processes according to the criteria on the Pollution Analysis and Environmental Laboratory, Pollution Control Department, Ministry of Natural Resources and Environment.

7. Communicate and provide information on efficient and cost-effective use of energy and resources by disclosing environmental performance to the public in One Report of the Company or disclosing it in other ways with the approval of senior management of the organization.

8. Coordinate with government organizations, educational institutes, communities and other agencies to jointly tackle climate change problems nationally or internationally.

3.3.2 Operating performance in the environment

Summary on the operating performance in the environment	
Type	Operating performance
Material	
Paper consumption (kg.)	695,394.60
Energy	
Benzene fuel consumption (Liter)	3,597,810.01
Diesel fuel consumption (Liter)	1,097,706.47
Electricity consumption (kilowatt-hour (kWh))	39,624,696.22
Intensity of energy consumption	
Emission of greenhouse gas	
Scope 1: kgCO ₂ e	11,063,224.86
Scope 2: kgCO ₂ e	23,065,535.67
Scope 3: kgCO ₂ e	
Intensity of greenhouse gas emission (FTE)	
Water	
Water consumption (megaliters)	109,656.93

Remark: Methods for estimating the amount of greenhouse gas emission from the resources used by the Company mainly include oil consumption for company-owned vehicles, electricity, tap water, paper, and methane emission from the entire office's septic tank system of both Head Office and branches for 100%

3.3.2.1 Carbon Footprint Management

The main reason of the current climate change problem is the implementation of activities of all sectors whether using fuel deforestation, use of various energy, etc. The climate change are caused by, for example, drought, flood, rising sea levels, etc., which greatly affects the way of life and business today.

The Company as the Microfinance service provider of the country is inevitable that in the process of operation various fuels are used whether using electricity, use of oil from cars used in the Company's activities which is one of the causes of greenhouse gas emission such as particulate matter, CO, CO₂, SO_x, NO_x into the atmosphere. Operational processes are such as reducing energy consumption, reducing fuel consumption from cars, etc.

In 2021, the Company has conducted the organization's carbon footprint by measuring greenhouse gas emission in 3 scopes You can learn more at in the Sustainability Report 2021.

Fuel type (scope of operation)	Consumption volume (unit)	Volume of gas emission (kgCO ₂ e)
Benzene consumption (liters)	3,597,810.01	8,050,459.68
Diesel fuel consumption (liters)	1,097,706.47	3,012,765.18
Electricity Consumption (kWh)	39,624,696.22	23,065,535.67
CH4 gas emission from septic tank (kg)		
Paper consumption (kg)	695,394.60	792,749.84
Water consumption (megaliters)	109,656.93	55,716,687.73
Total gas emission (kgCO₂e)		90,638,198.10

Scope 1: Direct GHG Emissions: It is calculated based on the fuel combustion generated by corporate vehicles (owned by the organization) and at the Company paid to employees which uses a personal motorcycle for use in the Company's business by calculating from the consumption of benzene and actual diesel fuel in 2021.

Type	Fuel consumption volume (liter)			
	2020	kgCO ₂ e	2021	kgCO ₂ e
Diesel	1,023,106.42	2,808,017.88	1,097,706.47	3,012,765.18
Benzene / Gasohol 91,95	1,478,859.35	3,309,095.68	3,597,810.01	8,050,459.68
Total energy consumption (liter)	2,501,965.77	6,117,113.56	4,695,516.48	11,063,224.86

Scope 2: Indirect GHG Emissions: It is calculated from the amount of electricity purchased for use in the Company in 2021 which is measured from the actual electricity bill paid by the Company (data covering the Head Office and branch offices across the country for 100%) divided by the average price of electricity 3.90 baht per unit*

Type	Electricity consumption (kWh)			
	2020	kgCO ₂ e	2021	kgCO ₂ e
Electricity use	32,085,942.74	19,206,645.32	39,624,696.22	23,065,535.67

Scope 3: Other Indirect GHG Emission: It is calculated from the amount of paper use and the actual tap water use (data covering the Head Office and branch offices across the country for 100%). The measures and operating results can be categorized in scope 3 as follows:

Type	Paper consumption (kg)			
	2020	kgCO ₂ e	2021	kgCO ₂ e
A4 paper	272,303.80	181,817.25	469,253.02	534,948.44
F14 paper	99,333.08	66,324.70	188,538.07	214,933.40
A3 paper	-	-	1,832.97	2,089.59
A5 paper	-	-	35,770.54	40,778.42
Total paper consumption (kg)	371,636.88	248,141.94	695,394.60	792,749.84

Type	Water consumption (megaliters)	
	2020	2021
Tap water	987.32*	109,656.93**

Remark: *The amount of tap water consumption in 2020 was only collected from October-December 2020.

** The water consumption in 2021 was calculated from collecting the actual consumption unit (unit: liter) during January-December 2021. It was found that the tap water price was 0.15 baht per unit. Tap water per unit was estimated with the water supply expenses that the Company has for actual payment in each month of the year 2021 to obtain estimates of water consumption (unit: megaliters).

According to water risk assessment in the Company's operational area and all branch offices (100%) with the World Resource Institute's Aqueduct Water Risk Atlas in 2021, it was found that the area with a high level of water crisis (40-80%) was the Pa Sak River area, Phetchabun Province.

3.4 Sustainability management in social dimension

3.4.1 Human rights policies and practices

The Company recognizes and places importance on human rights which are fundamental human rights. We consider human rights principles as the cornerstone of equal living without distinction of any kind, such as race, religion, gender, language, culture or other status.

The Company is committed to doing business in accordance with the national laws on human rights protection to ensure that the Company conducts business without violation of human rights in all business activities (Direct Activity). Therefore, it is appropriate to establish policies and guidelines on human rights. This includes all stakeholders in the Company's value chain. The guidelines are as follows:

1. The Company values and respects human rights by treating people or any group of persons, including all stakeholders of the Company with equality and fairness without distinction of body, mind, race, religion, sex, language, age, skin color, education, social status, culture, customs, political attitude or any other matters.

2. The Company will not do anything that violates the rights and freedoms of the person or any group of people both directly and indirectly, including physical, verbal abuse, intimidation, humiliation, sexual harassment, sarcasm, etc.

3. The Company will be careful in performing the duties in order to prevent the risk of human rights violations in all business activities.

4. The Company will not use and support the Company's business partners in all types of illegal labor including child labor and other illegal workers.

5. The Company provides communication, disseminates human rights policies and practices to all stakeholders in the Company's value chain in order

to enable all stakeholders to participate in business in a humane manner with respect for human rights in accordance with this policy of the Company.

6. The Company provides surveillance on human rights respect. In each step of the operation, we do not neglect or ignore if there is an act that violates human rights. Employees are obliged to report to supervisors or the person in charge for acknowledgement. The Company provides the process to protect people who report complaints or doubts about human rights violations by using measures to protect whistleblowers or the complainants as set out in the Whistleblower Policy. Such complaints will be sent directly to the Chairman of the Audit Committee.

7. The Company aims to create an organizational culture that adheres to respect for human rights that employees adhere to as a guideline for their work. The employees can work altogether under a happy and accepting environment. In addition, this culture is reflected in the practice of providing services with the highest standards to all stakeholders with equality.

8. The Company provides an assessment process to be able to identify the issues of human right violation risks and impacts so that the Company can plan and formulate guidelines for correcting and preventing human rights violations.

9. The Company imposes penalties for those who commit crimes of human rights violations to the maximum extent which is the dismissal.

เมืองไทย แคปปิตอล

เติบโตอย่างมีคุณภาพ
และยั่งยืนไปพร้อมคุณ

“บริการใกล้ชิด ดุจญาติมิตรที่จริง”



3.4.2 Operating performance in the society

Summary on the operating performance in the society	
Type	Operating performance
Operating performance	
Number of employees (persons)	11,460
Number of new employees (persons)	2,096
Number of retired employees (persons)	1,016
Employee satisfaction (percent)	82.56
Human rights	
Cases of human right violations (cases)	0
Number of discrimination incidents (incidents)	0
Society and community	
Amount of community contribution (Million Baht)	4.25
MTC customers	
Number of new branches opened in 2021 (branches)	915
Number of application user accounts (accounts)	1,279,148
Number of times spent through the application (times)	107,668
Number of data leak incidents (times)	0
Number of data leak incidents (times)	91.58

3.4.2.1 Human rights policy and practice

The Company recognizes the importance of respecting human rights very much. All personnel and trading partners must treat everyone in accordance with the principles of human rights equally without discrimination and not do anything which is considered a violation of human rights.

Human rights policy

Muangthai Capital Public Company Limited recognizes and values human rights which are fundamental human rights. We consider human rights principles as the cornerstone of equal living without distinction of any kind, such as race, religion, gender, language, culture or other status.

The Company is committed to doing business in accordance with the national laws on human rights protection to ensure that the Company conducts business without violation of human rights in all business activities (Direct Activity). Therefore, it is appropriate to establish policies and guidelines on human rights. This includes all stakeholders in the Company's value chain. The guidelines are as follows:

1. The Company values and respects human rights by treating people or any group of persons, including all stakeholders of the Company with equality and fairness without distinction of body, mind, race, religion, sex, language, age, skin color, education, social status, culture, customs, political attitude or any other matters.

2. The Company will not do anything that violates the rights and freedoms of the person or any group of people both directly and indirectly, including physical, verbal abuse, intimidation, humiliation, sexual harassment, sarcasm, etc.

3. The Company will be careful in performing the duties in order to prevent the risk of human rights violations in all business activities.

4. The Company will not use and support the Company's business partners in all types of illegal labor including child labor and other illegal workers.

5. The Company provides communication, disseminates human rights policies and practices to all stakeholders in the Company's value chain in order to enable all stakeholders to participate in business in a humane manner with respect for human rights in accordance with this policy of the Company.

6. The Company provides surveillance on human rights respect. In each step of the operation, we do not neglect or ignore if there is an act that violates human rights. Employees are obliged to

report to supervisors or the person in charge for acknowledgement. The Company provides the process to protect people who report complaints or doubts about human rights violations by using measures to protect whistleblowers or the complainants as set out in the Whistleblower Policy. Such complaints will be sent directly to the Chairman of the Audit Committee.

7. The Company aims to create an organizational culture that adheres to respect for human rights that employees adhere to as a guideline for their work. The employees can work altogether under a happy and accepting environment. In addition, this culture is reflected in the practice of providing services with the highest standards to all stakeholders with equality.

8. The Company provides an assessment process to be able to identify the issues of human rights violation risks and impacts so that the Company can plan and formulate guidelines for correcting and preventing human rights violations.

9. The Company imposes penalties for those who commit crimes of human rights violations to the maximum extent which is the dismissal.

3.4.2.2 Human Resource Management

The business operations in the 4.0 era must face challenges from the current global situation that has changed rapidly in economic, social and environmental dimensions especially the role of technology. As a result, the business model has changed significantly. As a result, there are challenges in managing human resources appropriately and sufficiently for rapid and sustainable growth amid the intensifying competition in the industry.

The Company attaches importance to recruiting personnel and attracting potential personnel along with preparing and developing the potential of diverse personnel different expertise to be effective personnel. They are "dedicated to work, have good attitude, unity, and strictly maintain discipline" according to the Company's 5 values. Therefore, the Company should maintain suitable recruitment and sufficient personnel to keep these personnel to grow continually. Therefore, it is very challenging and necessary for the Company.

Number of employees in 2021

Data of employees	2021	2020	2019	2018
Total employees (persons)	11,460	10,328	9,589	7,660

	Sex		Age (years)			Nationality
	Male	Female	<30	30-40	>40	
Senior executives (persons)	7	3	-	1	12	Thai
Executives (persons)	22	4	-	5	18	Thai
Employees/Officers (persons)	10,206	1,218	8,871	2,266	287	Thai

* Most of the Company's employees stationed at the branches. With the main duties and responsibilities in the analysis, loan approval, and follow up for credit claims. As the Company considers a risky duty in the operation, the Company avoids using the female employees.

Number of newly recruited employees - retired employees

	2021		2020		2019		2018	
	Number (persons)	Percent	Number (persons)	Percent	Number (persons)	Percent	Number (persons)	Percent
Number of newly recruited employees								
	2,096	18.29	1,627	15.75	3,210	33.48	3,086	40.29
Number of retired employees								
	1,016	8.87	920	8.91	1,267	13.21	1,318	17.21

Benefits and welfares

In addition, to maintain personnel to remain with the Company as long as possible, the Company defines the welfares and benefits allocated to permanent employees and contract workers. The details are as follows.

Welfare and allowance	Employees	Contract workers
Health insurance, life insurance and accident insurance	√	
Medical expenses (themselves)	√	
Special price for the Act of motorcycles and cars	√	
Parental leave rights	√	
Maternity allowance	√	
Marriage allowance	√	
Statutory compensation up to retirement age (Employees who have worked for more than 20 years, one day or more)	√	
Provident Fund Contributions	√	√
Special accommodation for employees	√	
Gym (Head Office Building)	√	√
Others (New Year's party, local sports competition, annual travel, marathon race, CSR activities)	√	√

For various benefits and welfares, the Company communicates information through various channels such as the MTC University system, e-mails, circulars, and the creation of public relations boards. This is for the Company's personnel to know about benefits as well as obtaining various benefits effectively.

Personnel potential development

Effective training can help people increase their operational efficiency and change their attitudes towards work as well as helping to improve the quality of operations regularly. Therefore, the development of the Company's personnel is considered the key to the survival of the organization. It also creates growth for the organization. It helps increasing knowledge, understanding, attitude and working skills towards personnel. The task of developing knowledge, understanding and skills to be proficient in the performance is therefore an important duty.

Human Resources Development Program

In the operation of personnel training and development, it starts with the process of exploring needs and training need to create and develop training courses for employees as well as monitoring and evaluating training results. Such process can be used to develop personnel with training in all positions.

1. Performance training consists of different courses for different development objectives of employees at different levels such as new employee orientation training, excellent service training, training on debt acceleration techniques by telephone and on site, management technique training.

2. Training in effectiveness consists of compulsory courses intended to enable employees to perform their duties and to clearly measure the results after the training. The results of the Company's performance were measured after the brokerage training course and the insurance renewal course.

Internal learning exchange platform MTC University

The Company encourages employees to develop skills and knowledge necessary to operate in order to achieve maximum efficiency and effectiveness through training and learning exchange platform known as "MTC University". It is a digital platform that can be applied to manage various matters in the organization including connections and sharing knowledge Company's information, market data, various databases including knowledge in various fields which is in the interest of employees and executives. In other words, it acts like a library which all employees can access. The objective of such digital platform is to create a learning culture of the organization to develop personnel and to extend the potential of personnel to not stand still and keep up with current competition. In addition, the knowledge that has been collected in the digital platform is also a tool to help transferring knowledge to new employees as well.

Average training hours per person per year

Average training hours	2021	2020	2019	2018
	2.97	3.30	6.30	9.19

After the personnel have developed their skills and the knowledge necessary to work, the Company has a performance measurement process (KPIs) also known as the "MTC Model" which is a standard for employee performance evaluation. The rate of remuneration of personnel will depend on their performance. The Company will assess each person individually through a 360-degree assessment. 100% of the Company's personnel will be assessed on an impartial, transparent and fair performance.

Based on the evaluation of personnel's performance, the Company has a policy to pay employees compensation according to their knowledge, abilities, duties and responsibilities taking into account the suitability and fairness. It is in line with the average of the same industry to maintain and strengthen the competitiveness in human resources. In addition, the Company has set the annual salary and bonus adjustment by taking into account the operating results of each year and the performance of each employee to motivate employees to perform their duties to the best of their ability.

Occupational health and safety at work

Safety and occupational health of employees is what the Company prioritizes with the realization that safety and good health are fundamental rights that everyone deserves. In addition, investment in safety is considered as an important risk prevention of the Company. The number of accidents that occur to the Company would have a huge impact on the Company, whether it was the confidence of the personnel towards the Company property damage as well as the reputation of the Company. From this reason, the Company is committed to developing safety as well as enhancing the Company's culture safety to occur continuously.

Occupational Health and Safety Policy

Muangthai Capital Public Company Limited is concerned about the life and health of all employees. The Company has established a safety policy in the workplace to create knowledge and understanding for all personnel to cooperate in complying with the policy. In order to make employees aware of the importance of safety at work, the Company has set a policy to adhere to the guidelines for operating safety as follows:

1. The Company will encourage employees to work safely.
2. The Company will support and promote the management of the safe workplace environment.
3. The Company will support and promote various safety activities that will stimulate the consciousness of employees.
4. The Company will control and prevent accidents from work. The goal is to reduce the employee's performance hazard statistics to zero.
5. All supervisors must act as a role model to be a leader in providing training and motivating employees to work in a safely manner.
6. All employees must consider their own safety and of their colleague as well as the Company's assets. It is important at all time when working.
7. All employees must participate in activities to promote working environment and safety as determined by the Company.
8. The Company considers the work related to safety, occupational health, and work environment as one of the criteria for evaluation.

Injury rates of employees

Data of Injury of employees	2021	2020	2019
Employee's injury from work (cases)	47	97	109
Number of working hours (hours)	19,863,669	19,614,752	17,392,596
Work injury rate (incidents/200,000 working hours)	0.47	0.99	1.25
Death from work-related injuries	0	N/A	N/A

3.4.2.3 Participation, promotion and development of the community

The social promotion and development plays very important role in today's business operation. As the changes that have occurred have resulted in the deterioration of the social condition, the Company considers that the role of social responsibility is important to the Company as well. That is why the Company turns to pay attention and contribute to the development of society better which will focus on the progress of society by participating in the development of people in society to make people in society have sustainable progress.

Social projects to build strong communities

Muangthai Capital donated essential kits for COVID-19 patients in Sukhothai Province

Mr. Chuchat Petaumpai, Chief Executive Officer, and Mrs. Daonapa Petampai, Managing Director of Muangthai Capital Public Company Limited delivered 300 essential kits distributed to hospitals in Sukhothai to help COVID-19 patients.



Muangthai Capital supported computers to Sukhothai Hospital

Muangthai Capital Public Company Limited donated computers and laptops to Sukhothai Hospital to support operations during the Covid-19 epidemic situation having Mr. Wasin Dejkitvikrom as a representative to the hospital's medical personnel. The sets consisted 7 units of computers, 3 units of laptops at the total value of 236,340 baht.



Muangthai Capital constructed the building of Dental Center and Administrative Office of Ban Dan Lan Hoi Hospital, Sukhothai Province

Mrs. Daonapa Petampai, Managing Director of Muangthai Capital Public Company Limited, donated 30 million baht to build the building of Dental Center and Administrative Office of Ban Dan Lan Hoi Hospital, Sukhothai Province. It was designed as a 2-storey concrete building with a total usable area of 1,700 square meters. The building was designed and supervised by Mr. Parithad Petampai, Deputy Managing Director of Muangthai Capital Public Company Limited. It was scheduled to be completed in July, 2022.



Muangthai Capital donated 110 million baht to purchase medical equipment to fight COVID-19

Mr. Chuchat Petaumpai, Chief Executive Officer, and Mrs. Daonapa Petumpai, Managing Director of Muangthai Capital Public Company Limited donated 110 million baht to purchase medical equipment necessary for the care of patients infected with COVID-19 to 9 hospitals, namely 1. Siriraj Hospital, 2. Chulalongkorn Hospital, Thai Red Cross Society, 3. Thammasat University Hospital, 4. Wachira Hospital, 5. Bangkok Hospital (10 places), 6. Ramathibodi Hospital, 7. Chakri Naruebodin Medical Institute, Ramathibodi Hospital, 8. Bamrasnaradura Institute, Department of Disease Control, and 9. Various hospitals in Sukhothai Province.



3.4.2.4 Access to Client Fund source

The Company focuses on approaching the customers through the strategy of expanding the number of branches nationwide, which follows the business plan of 2021-2023. It results in customers and the public, especially the customers who do not have access to the services of commercial banks or digital banking, to have access to the Company's services more conveniently. In 2021, the Company opened 915 new branches, 26 major branches, 223 subsidiary branches, and 666 service center branches. The growth of the Company through opening an average of 700 more branches per year has added a strategy to expand credit distribution channels and add more new credit products and services.

Years	Number of new branches (branches)
2019	828
2020	777
2021	915

Ethical Standards & Policy Influence

The Company, altogether with entrepreneurs in the trade association, car registration loan business and the personal loan club, participated in a panel discussion organized by the Bank of Thailand on issues related to raising the standard of business operations in the industry, such as measures to support customers affected by the coronavirus epidemic (COVID-19) in adjusting the interest rate ceiling for personal loans under supervision and microfinance loans for occupation under supervision by reducing interest by 3-4%, adjusting the method of calculating default interest including a guideline for calculating the collection fee in order for people to get the most benefit in the current coronavirus disease (COVID-19) epidemic situation.

Cultivating Financial Awareness and Discipline in Customers

From the epidemic situation of COVID-19, it was found that the overall labor market in Thailand was severely affected. As a result, people are unemployed and the unemployment rate is the highest, and the problem of household debt continues to expand. The main reason is the economic situation that has not been able to expand at a normal level. This reflects that household income has not fully recovered. This will affect the liquidity and debt repayment ability of households. It may cause problems such as bad debt problems, debt restructuring problem, problems in forming informal debts, etc. From such problems, the Company foresees that many groups of people at the foundation level still lack skills, knowledge, understanding and good financial management planning. Therefore, the Company has implemented a project to strengthen financial discipline for customers. It is hoped to help reducing the problem of incurring debts of the people at present.

Wise Spending Project

The Company has set up a program to recognize the purchase which is an accounting program that allows users to record income - expenses according to the guidelines of the Bank of Thailand. This is in response to the Bank of Thailand's target of reducing household debt in the public sector. It is open for the Company's customers and the general public to download the program from the Company's website. The program can be used for free of charge. The program can analyze spending behavior and indicate financial discipline. The goal is for users to understand their spending habits and be able to track expenses, income and personal savings. If customers and the general public want a record of income-expense accounts, they can request from all branches of the Company.

Making dream of Thai farmers from the Muangthai Capital

The Company together with Chiang Mai University by Science and Technology Park (STeP) and Smart Bee Project, Faculty of Science, Chiang Mai University, joined in the activities to promote, help and develop the potential of farmers groups which are considered as one of the Company's customers. It started with more than 89% of the beekeepers in the northern region of all bee farmers in Thailand through learning beekeeping technology for providing knowledge and financial support. The in-depth consultation is to support the development and production of prototypes of bee products in order to expand the business and be able to upgrade bee products. It also helps to support, promote and develop the careers of bee farmers to have a better life and well-being.

Development, innovation and Digital Transformation

At present, reaching customers by using technology is considered one of the strategies that are important for industry competition such as the use of applications to provide technology and communication services, etc. The Company has initiated the use of

technology to improve the customer experience management for the Company's customers to receive more convenience and speed of service. It also complies with the Bank of Thailand's Digital Personal Loan Business Regulations to encourage people to access financial services through the system. The alternative data can be used, especially those without fixed income. The groups cannot prove income and those without assets can be used as collateral. As a result, the competition in the personal loan market has become more intense. Therefore, the Company sees an opportunity to use technology as a channel for applying for unsecured personal loans. It also creates an opportunity to access the source of funds for the Company's customers as well.

Application "Muangthai Capital 4.0"

The Company has developed an application "Muangthai Capital 4.0" to facilitate customers without having to travel to branches. During the coronavirus disease (COVID-19) epidemic, with the application, customers can check the payment due period, amount to be paid, and outstanding loans. It is also a payment channel through Digital Payment and also helps to reduce the amount of paper used for storing slips or receipts. It also increases the efficiency of service and data storage that is more convenient and faster. In 2021, there were 1,279,148 user accounts in Thailand 4.0 applications and spending through applications for 107,668 times* (the Company will count the amount of expenses through the application from the amount of spending that has been successfully made only).

Cashless Society

The Company has worked with commercial banks, foreign bank branches, and Specialized Financial Institutions in the service of cross bank bill payment through automatic payment machines and e-Payment in financial transactions. This can facilitate and can be quick for customers to pay off loans and help to support social distancing measures from the epidemic situation of the coronavirus disease (COVID-19). It also respond the changing behavior of consumers today that is modern effective and increase the security of financial transactions.

Digital marketing and social media strategies

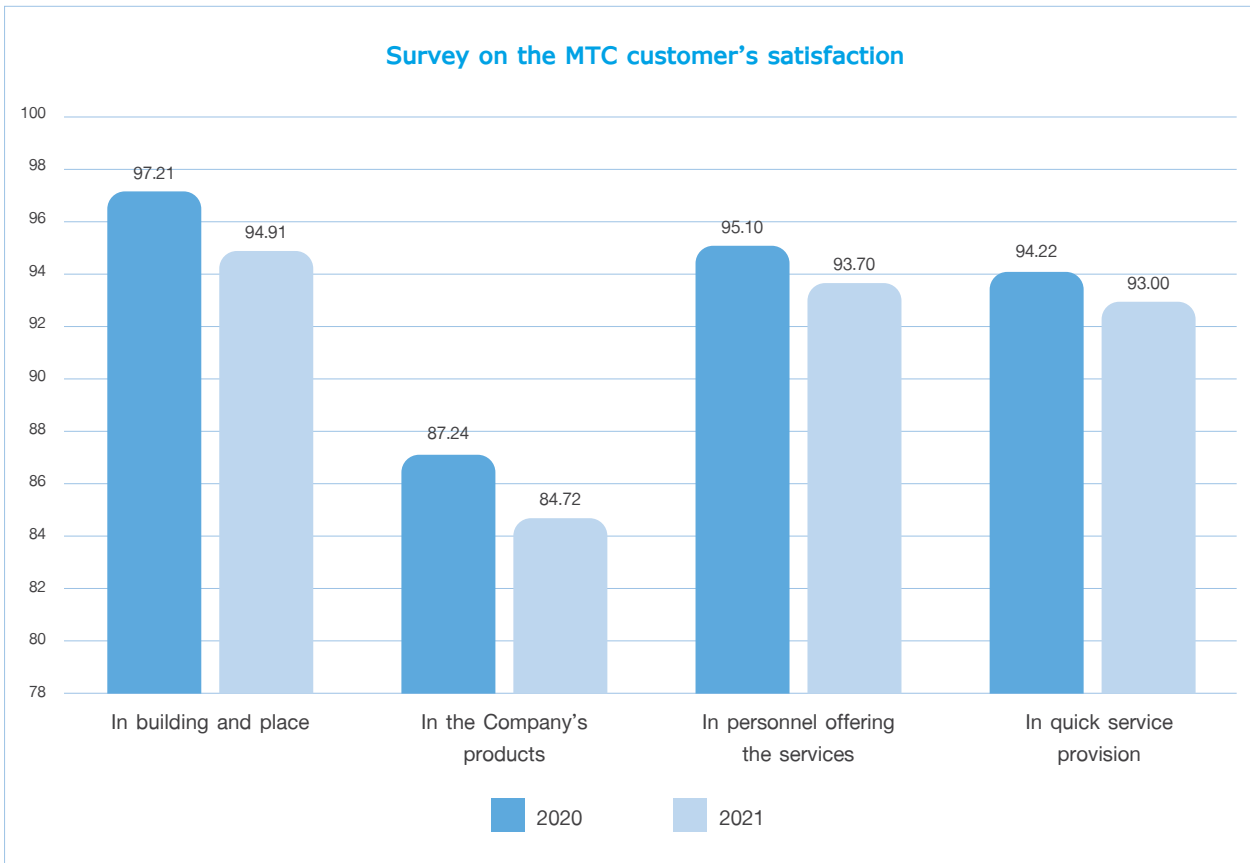
From the current consumer behavior, the Company has foreseen a new marketing channel by focusing on marketing through digital media and social media to publicize and build a base of trust and credibility for the Company. The Company also uses social media to create engagement with the Company's customers such as website: www.muangthaicap.com, Facebook Fan page: Muangthai Capital, and LINE Official Account: @muangthaicapital. It is also an important effective communication channel between the Company and the Company's customers in other aspects such as fraudulent reporting, complaint receiving, suggestion and comment receiving. The Company has set the guidelines and targets for the use of all social media channels in sending and receiving messages for the results and maximum benefits.

AI Chatbot Development

The Company started initiating AI Chatbot to help developing and improving the communication with customer groups through Social media channels to be more efficient and faster. The Company's AI Chatbot can answer basic customer questions about the loan products, steps for loan application, the Company's branches, etc. The Company believes that the AI Chatbot tool is an important communication tool capable for connecting and supporting the customer engagement so that the Company can maintain the interactions with customers thoroughly even during the Company's off-hours.

Customer Satisfaction Survey

The Company aims to create good experience for customers. This is to continually improve the process of providing services to customers for listening to customers’ voices to follow their interests. Therefore, the opinion for the service is important. Each month, opinion on customer service are communicated through internal channels to each branch and set customer feedback as a key performance indicator of branch offices, including Head Office.



For details of sustainability performance in economic, social and environmental dimensions, it can be learned more at “Sustainability Report 2021” which can be downloaded at the website: <https://investor.muangthaicap.com/th/report/sustainability-report>.

Management Analysis and Explanation

4.1 Management Discussion and Analysis on Operational Performance

The unceasing situation of the 3rd wave COVID-19 in mid-2021 has prolonged the recovery of the Thai economy. Many economic stimulant programs from the governments have been implemented along with the lift of the lockdown decrees and the country's reopening with the hope to endure through this difficult time. As a result, some business sectors have started to resume and contributed to a strong demand for capital to proceed in their operations. To timely respond to the loan demand, the Company has increased the exposure to customers through more than 915 newly branches expansion in 2021 to end the year with 5,799 branches in total to provide full coverage of potential customers across Thailand. Additionally, the most recent loan product of hire and purchase was one of the significant loan growth drivers of 2021 despite being under the pressure of motorcycle supply shortage. The Company's organic growth strategies has contributed to a significant increase in the Company's loan growth of 29.37% (YTD) while ending the year with 91,812 million baht in loan receivables compared to 70,968 million baht in 2020.

Considering the higher household debt level, the Bank of Thailand has been actively monitoring and regulating the loan market to prevent a deterioration of debt quality. Many loan relief measures have been encouraged such as loan payment holidays, collection fee reduction, and other attempts on interest rate cap. Not only the regulators concerned on the asset quality but the Company as well. Responsively, the Company has tackled many strategies both to acquire new

customers and to control the NPL level which has successfully been maintained at 1.39% as of the end of 2021.

In terms of operation, the essential factors contributed to the strong performance were the ability to grow the revenue through loan portfolio expansion, effective funding cost, and the ability to efficiently control operating cost. The Company had reported the revenue of the year of 16,019 million baht with the growth of 8.73% YoY. The revenue consisted of the interest income, fees and management income, and other income of 94.86%, 4.80%, and 0.34% respectively. During the year, MTC has lowered the motorcycle title interest rate to help customers during difficult time. Meanwhile, the operating has been efficiently managed to LEAN the expenses. Sub consequently, the Company had earned the net profit of 4,945 million baht.

In 2021, the Company has recently established a new entity under the name of Muangthai Pay Later Limited Company with the registered capital of 100 million baht and 50-million-baht paid-up capital. The subsidiary will be 99.99% held under Muangthai Capital Public Company Limited. The main operation will emphasize on movable property hire purchase agreement which the Company is planning to start operating in 2022.

4.2 Important financial information

Muangthai Capital Group reported the net profit of 4,945 million baht in 2021 which was 5.17% decrease YoY due to many important factors as follows:

4.2.1 Statement of comprehensive income

Revenue

Revenue	2021		2020		Growth rate 2021-2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Interest and fee income from loan receivables	15,195	94.86	13,962	94.77	1,233	8.84	11,880	93.63
Fee and service income	705	4.40	677	4.60	28	4.09	679	5.35
Insurance commission income*	64	0.40	49	0.33	15	29.97	44	0.35
Other income	55	0.34	45	0.30	10	22.62	85	0.67
Total revenues	16,019	100.00	14,733	100.00	1,286	8.73	12,688	100.00

Remark: * Insurance commission revenue is the revenue from the business operations of Muangthai Leasing Insurance Brokers (a subsidiary of the Company)

Interest and fee revenue from loan granting

The interest and fee revenues from loan granting is the main source of revenue which account over 90% of the total revenue which are presented as follows:

Interest and fee income from loan receivables Million (Baht)	2021	2020	Growth rate 2021-2020	2019
● Vehicle title loans and deed loans	11,204	11,212	(0.07)	9,604
● Personal loans and Nano finance loans	3,520	2,704	30.18	2,271
● Hire purchase	471	46	923.91	5
Total	15,195	13,962	8.83	11,880
Average interest income rate (%)	19.04	21.77		22.61

The revenue from interest and fees have grown significantly at 8.83% due to the Company's organic growth strategy of the branch expansion and the loan momentum from the recovering economic situation thanks to COVID-19 vaccines and the ease of lockdown in Thailand. The Company ended the year with 5,799 branches in 2021 compared to 4,884 branches in 2020. As the Company has positioned to be the cost leader in the industry, the interest rates charged to customers have been lowered to competitively attract the loan growth in order to sustain the customer base in the long term.

Fees and service revenues

Fees and service revenues of the Company were the collection fees which were collected by the Company from the customers who made the default loan payment at a fixed rate per the number of times in collection. The charged rate depended on the type of loan that the customers use the services.

In 2021, the fees and service income have declined due to the impact from the new announcement of the Debt Collection Supervisory Committee to lower the collection fees in accordance to the new regulated rates. However, the effect was not considered threaten to the Company since it only affected the overdue customers which accounted for approximately 7% of the total portfolio.

Insurance commission revenues

Insurance commission revenues were the revenues earned from the sales of insurance of MTLI. Being a non-life insurance broker, MTLI earned the commission revenues from insurance sales by selling insurance to customers using credit services with the Company only for the operation made branches through the Company's and service centers. Therefore, the commission income from MTLI insurance sales was in the same direction as the growth in the amount of credit granted to the Company's customers.

Operating Expense

Operating Expense	2021		2020		Growth rate 2021-2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Service expenses and administrative expenses	6,962	70.91	6,144	74.78	818	13.31	5,314	71.86
Loss from disposals of properties foreclosed	-	-	-	-	-	-	-	-
Bad debts and doubtful debts	-	-	-	-	-	-	554	7.50
Loss arising from derecognition of financial assets measured at amortized cost and hire purchase receivables	(20)	(0.20)	(36)	(0.44)	16	(44.44)	-	-
Gain and reversal of expected credit loss	748	7.62	291	3.54	457	157.04	-	-
Finance costs	2,127	21.67	1,817	22.12	310	17.06	1,527	20.64
Total Expense	9,817	100.00	8,216	100.00	1,601	19.49	7,395	100.00

The Group had the total operating expenses of 9,817 million baht in 2021, an increasing 1,601 million baht from 2020 representing 19.49% incremental expenses. The significant increase in the selling and administrative expenses was due to the Company's aggressive branch expansion which aimed to acceleratingly improve the exposure to customers and loan service coverage across Thailand. Thus, the employee expenses have risen accordingly.

Service and administrative expenses

The service and administrative expenses are considered the major expenses of the Group's business operations. The important expenses include:

Service and administrative expenses (Million Baht)	2021	2020	Growth rate 2021-2020	2019
Salary, wages and other employee benefits	4,272	3,676	16.21%	3,009
Rental and service expenses	18	13	38.46%	749
Special business tax	509	494	3.04%	442

Salary, wages and other employee benefits increasing by 596 million baht came from the increase of personnel to support the branch expansion. The number of employees (not include 13 executives) at the end of 2021 = 11,460, 2020 = 10,328 employees, and 2019 = 9,589 employees.

Specific business tax increasing for 15 million baht was mainly due to an increase in interest and fee revenues from increasing credit services. The interest and fee revenues from credit services at the end of 2021 = 15,195 million baht, 2020 = 13,962 million baht, and 2019 = 11,880 million baht.

Impairment of loan receivables

The Company has complied with TFRS 9 which required considerable judgement about how changes in economic factors affect ECLs, which would be determined on a probability-weighted basis. The estimate of expected cash shortfalls was determined by multiplying the probability of default ("PD") with percentage of the loss given default ("LGD") with the expected exposure at the time of default ("EAD").

The Company's impairment of loan receivables resulted as follow:

	2021	2020	2019
Allowance for expected credit loss	1,832	1,328	1,715
Bad debt and doubtful accounts	-	-	554
Loss arising from derecognition of financial assets measured at amortized cost and hire purchase receivables	(20)	(36)	-
Expected credit loss	748	291	-
Non-performing debt ratio	1.39%	1.05%	1.03%

Financial expenses

Finance expenses are the interest expenses of the short-term loans, long-term loans from commercial banks and debentures. In 2021, the Company was able to manage the average funding cost effectively due to the Bank of Thailand's expansionary monetary policy to maintain the policy rate at a low level.

	2021 Million Baht	2020 Million Baht	2019 Million Baht
Financial Cost	2,127	1,817	1,527
Average Interest Expense Ratio (%)	3.34	3.58	3.83
Interest Spread	15.70	18.19	18.78

Net profit

In 2021, the Company received a significant impact from regulatory risks in response to the COVID-19. Since this year the Company aimed to emphasize on expanding the loan portfolio to acquire the market share in the long term, the net profit was affected from MTC lowering the interest rate yield and the unrecovered economic situation from COVID-19. However, the Company was able to maintain the net profit margin of 30.87% despite the negative factors.

Net Profit	2021 Million Baht	2020 Million Baht	2019 Million Baht
Net profit (million baht)	4,945	5,214	4,237
Net profit margin (%)	30.87	35.39	33.40
Net profit growth (%)	(5.16)	23.06	14.11

4.2.2 Statement of financial position

Assets

In 2021, the Company's total assets was at 98,390 million baht. The majority of the asset was accounted for loan receivables which was approximately 90% of the total assets.

Assets	2021		2020		Growth rate 2021-2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	ร้อยละ	Million Baht	%
Cash and cash equivalents	1,306	1.33	1,378	1.78	(72)	(5.22)	783	1.27
Loan receivables - net	85,815	87.22	69,281	89.72	16,534	23.87	58,539	94.61
Hire purchase receivables - net	4,166	4.23	359	0.46	3,807	1,060.45	84	0.14
Land, buildings and equipment	2,054	2.09	1,929	2.50	125	6.48	1,778	2.87
Right of use assets	3,988	4.05	3,564	4.62	424	11.90	-	-
Other assets	1,061	1.08	711	0.92	350	49.23	688	1.11
Total	98,390	100.00	77,222	100.00	21,168	27.41	61,872	100.00

Loan receivables

The loan receivables of the Company consisted of the loan receivables and the hire and purchase receivables with the following composition:

Type	2021		2020		Growth rate 2021-2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Motorcycles	29,543	32.18	24,454	34.46	5,089	20.81	20,620	34.17
Cars	29,511	32.14	23,563	33.20	5,948	25.24	19,686	32.62
Agricultural trucks	3,444	3.75	2,967	4.18	477	16.08	2,640	4.38
Land	9,389	10.22	5,277	7.44	4,112	77.92	5,351	8.87
Personal loan	9,794	10.67	6,928	9.76	2,866	41.37	6,104	10.12
Nano finance	5,921	6.45	7,418	10.45	(1,497)	(20.18)	5,852	9.70
Hire and purchase	4,210	4.59	361	0.51	3,849	1,066.20	85	0.14
Total	91,812	100.00	70,968	100.00	20,844	29.37	60,338	100.00

Note: Collateralized receivables are motorcycles, automobiles. Agricultural vehicles, and land.
Non-collateralized receivables are personal loans and Nano finance

Quality of loan receivables and hire purchase receivables

Aging	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets that have no significant increase in credit risk (Performing)	85,614	93.25	65,727	92.62	54,938	91.05
Assets that have significant increase in credit risk (Under-Performing)	4,923	5.36	4,494	6.33	4,779	7.92
Assets that are credit-impaired	1,276	1.39	747	1.05	621	1.03
Total	91,813	100.00	70,968	100.00	60,338	100.00
Less: allowance for doubtful debts	(1,832)	(2.00)	(1,328)	(1.87)	(1,715)	(2.84)
Loan receivables - net	89,981	98.00	69,640	98.13	58,623	97.16

Classification	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Loan receivables - within 1 year	48,181	53.55	39,472	56.68	34,929	59.58
Loan receivables - over 1 year	41,799	46.45	30,168	43.32	23,693	40.42
Loan receivables - net	89,980	100.00	69,640	100.00	58,622	100.00

Property, plant and equipment

At the end of 2021, the Group had net property, plant and equipment of 2,054 million baht compared to 1,928 million baht and 1,778 million baht in 2020 and 2019 respectively. The property, plant and equipment of the Company mainly consisted of office equipment, computers, and vehicles for operation purposes only.

Liabilities and Shareholders' Equity

Debt	2021		2020		Growth rate 2021-2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Loan and debentures	67,314	68.42	50,975	66.01	16,339	32.05	44,136	71.34
Other liabilities	6,207	6.31	5,565	7.21	642	11.54	1,764	2.85
Total liabilities	73,521	74.72	56,540	73.22	16,981	30.03	45,900	74.19
Total shareholders' equity	24,869	25.28	20,682	26.78	4,187	20.24	15,972	25.81
Total liabilities and Shareholders' Equity	98,390	100.00	77,222	100.00	21,168	27.41	61,872	100.00

In 2021, the Group's liabilities and shareholder's equity was 98,390 million baht, with the main source of fund being loans from financial institutions and debentures. As the Group operates as a financing business, the Group has been raising funds in terms of promissory notes, overdraft limits, and long-term loans while other means of capital raising included issuing Bills of Exchange and Bonds.

Loans and debentures

Loan and debentures	2021		2020		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Short term loan	4,235	6.29	2,397	4.70	1,897	4.30
Long term loan - banks	16,051	23.85	10,125	19.86	7,032	15.93
Long term loan - debentures	47,028	69.86	38,453	75.44	35,207	79.77
Total	67,314	100.00	50,975	100.00	44,136	100.00

The Group received a source of funds from financial institutions in terms of promissory notes, overdraft limit, and long-term loans. As for financial market, the funds came from the issuance of bills of exchange and debentures.

Shareholders' Equity

Shareholders' equity of the Group increased from operating profits. The Company paid dividends from the annual profits every year.

	2021	2020	2019
Net profit (million baht)	4,945	5,214	4,237
Dividend paid (million baht)	721	784	636
Dividend per share (baht)	0.34	0.37	0.30
Debt to Equity ratio	2.96	2.73	2.87

Liquidity

Unit: million baht	2021	2020	2019
Net cash flows used in operating activities	(12,118)	(2,387)	(5,992)
Net cash flows used in investing activities	(562)	(634)	(791)
Net cash flows received from financing activities	12,608	3,616	6,686
Net decrease in cash and cash equivalents	(72)	595	(97)

Cash flows from operating activities

The Group had a net cash flows used in operating activities which was considered a normal nature in financing service business.

Cash flows from investing activities

The Group had a net cash flows used in investing activities in terms of procuring vehicles, properties, and office equipment to support the branch expansion.

Cash flows from financing activities

The Group has cash flow from financing activities received from capital funding to be used as working capital for the loan repayment as well as loan lending operation.

4.3 Financial Ratio

Item	2021	2020	2019
	Million baht	Million baht	Million baht
Total assets	98,390	77,222	61,872
Total liabilities	73,521	56,540	45,900
Shareholders' equity	24,869	20,682	15,972
Total revenue	16,019	14,733	12,688
Total expenses	7,690	6,399	5,868
Net profit (loss)	4,945	5,214	4,237
Net debt to EBITDA ratio (times)	6.89	5.22	6.12
Interest coverage ratio: ICR (times)	4.85	5.57	4.65
Debt service coverage ratio: DSCR (times)	0.33	0.49	0.48
Debt to equity: D/E ratio (times)	2.96	2.73	2.87
Current ratio (times)	1.57	1.87	2.20
BE size to interest bearing debt ratio (times)	0.02	0.02	0.02
Current portion of long-term loans to total interest-bearing debt (times)	0.42	0.37	0.33
Borrowings from financial institutions to total liabilities (times)	0.26	0.20	0.17
Non-performing loan to total loans (%)	1.39	1.05	1.03
Allowance for doubtful account to total loans (%)	2.00	1.87	2.84
Return on assets: ROA (%)	5.63	7.50	7.63

Remark:

- *The net debt to EBITDA ratio is calculated from (total interest-bearing debt exclude liabilities under hire purchase payable – cash and cash equivalent / Earnings before interest tax, depreciation and amortization (EBITDA)*

- *The ability to pay interest ratio is calculated by earnings before interest tax, depreciation and amortization (EBITDA) divided by interest expense*

- *The solvency ratio is calculated by earnings before interest tax, depreciation and amortization (EBITDA) divided by short-term interest-bearing debt + current portion of long-term interest-bearing debt*

- *The debt to equity ratio is calculated following the term which the issuer should maintain the Debt to Equity Ratio below 7:1 at the year-end of each accounting period. The calculation is based on the consolidated financial statement by the auditor of the issuer (which is certified by the Securities and Exchange Commission) throughout the duration period.*

- *The non-performing loan ratio is calculated by the non-performing loan / total loan*

The allowance for doubtful account to total loan is calculated by allowance of doubtful account (or allowance credit loss) / total loan

- *The return on assets ratio is calculated by net profit / total assets*

5

General Information and other important information

General Information

General Information	
Company's name	Muangthai Capital Public Company Limited
Type of business	Non-Financial institution performing supervised personal loan business, supervised career loan business, land title deed loans (Microfinance)
Head Office Address	332/1 Jaransanitwong Road, Bangplad, Bangplad, Bangkok 10700
Company registration number	Plc. No. 0107557000195
Homepage	http://www.muangthaicap.com
Authorized capital	2,120,000,000.00 baht (as of 31 December, 2021)
Paid-up capital	2,120,000,000.00 baht (as of 31 December, 2021)
Telephone	02-483-8888
Registrar of securities	93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Din Daeng, Bangkok 10400 Telephone: 0-2009-9999
Company's secretary	Miss Monthon Onphaen Muangthai Capital Public Company Limited 332/1 Jaransanitwong Road, Bangplad, Bangplad, Bangkok 10700 Telephone: 02-483-8888 Ext.12999 Email: monthon.o@muangthaicap.com
Auditor	1. Mr.Chanchai Sakulkoedsin Certified Auditor No. 6827 and/or 2. Mr.Chokechai Ngamwutikul, Certified Auditor No. 9728 and/or 3. Miss Sureerat Thongarungsang Certified Auditor No. 4409 and/or 4. Miss Orawan Chunhakitpaisan Certified Auditor No. 6105 From KPMG Phoomchai Audit Ltd.

5.1 Other information

-Not any-

5.2 Legal dispute

As of 31 December 2021, the Group is not a litigant or party in the following cases:

5.2.1 Cases that may have negative impact on the assets of the Company or the subsidiaries which are higher than 5% of shareholders' equity as of 31 December, 2021.

5.2.2 Cases that affect the business operations of the Company or the subsidiaries significantly but cannot assess the impact in numbers. They are the cases that do not arise from normal business operations of the Company or the subsidiaries.

5.3 Secondary market

-Not any-

5.4 Regular Contacted Financial Institution

- Bangkok Bank Public Company Limited
- Kasikorn Bank Public Company Limited
- Krungthai Bank Public Company Limited
- Siam Commercial Bank Public Company Limited
- Kiatnakin Phatra Bank Public Company Limited
- CIMB Thai Bank Public Company Limited
- Land and Houses Bank Public Company Limited
- Bank of China (Thai) Public Company Limited
- CIMB (Thai) Bank Public Company Limited

5.5 Legal advisor of the Company

Baker and McKenzie Company Limited,
5th, and 21st-25th floors, 990 Abdulrahim Place Rama IV Road,
Silom, Bangrak,
Tel. 02-636-2000, Fax. 0-636-2111



เพิ่มคุณค่า
การบริการ
ด้วย **รอยยิ้ม**

บริการใกล้ชิด
คุณภาพมาตรฐานที่รู้ใจ

Part 2 Corporate governance



6.1 Overview of Corporate Governance Policy and Guidelines of Practices

Policy and business overview

The Company is committed to conducting business for stable and sustainable growth by creating added value for shareholders and shared values for all stakeholders. The Board of Directors has given importance to the practices of the Stock Exchange of Thailand in order to have the Good Corporate Governance. The Board of Directors has established a corporate governance policy and code of business ethics for the directors, executives and employees so that everyone can be used as a guideline for working with all stakeholders. This was announced and communicated for employees to be informed as well as being published on the Company's website (www.muangthaicap.com) with the objective for the Company's employees and those involved to have knowledge and understanding in the principles of corporate governance in the same direction by adhering to transparency, fairness, accountability, and ethics in business operations. The practices are compliant with related rules, regulations and laws as well as being responsible to the economy, society and environment by setting guidelines for the framework of operation and treating stakeholders to all stakeholders as follows.

1. The Company's directors, executives and all employees are committed to implementing the principles of corporate governance, business ethics, and code of conduct for the Company's directors, executives and employees to practice in the operations of the Company to create value for the Company sustainably.

2. The Company's directors, executives and all employees must perform duties with responsibility, prudence, honesty and integrity in accordance with the Company's law, regulations, and related notices.

3. The Company's directors, executives and all employees will adhere to fairness by treating all stakeholders equally, while monitoring, controlling, preventing any decision or action with conflicts of interest and connected transactions by adhering to the benefits of the Company.

4. The Company's directors, executives and all employees adhere to and follow the anti-corruption manual and does not violate intellectual property with respect to the law and human rights.

5. The operation is performed with internal control system and risk management to be at an appropriate level as well as having an accurate and reliable system of accounting and financial reports.

6. The operation is performed for the Company's management structure to have good corporate governance with the clearly defined power, duties, and responsibilities of each committee and executive.

7. The morality, ethics and good consciousness are cultivated to treat employees with fairness as well as striving for continuous development and upgrading of the competence of personnel.

8. The operation is performed with due regard for the responsibilities of shareholders, stakeholders, community, society, and environment.

9. The recognition and respect is given on the rights of shareholder ownership to treat shareholders equally.

10. It strives for excellence in business operations by adhering to the satisfaction of the customers, listening and reviewing to increase management potential and always create the best outcome.

11. The operation is performed to ensure that important information is adequately disclosed, reliable and timely as long as it does not affect the legitimate interests of the Company.

12. The operation is performed for the tax management to be as efficient as possible based on good governance principles, good tax risk management, and disclosure for transparency.

The Board of Directors is confident that the good corporate governance policy, code of conduct and business ethics along with sustainable development, taking into account participation in the development of the country's economic, social and environmental systems are one of the important factors that will

result in the company to become a leading company with stable and sustainable growth. The can ensure the shareholders and investors. In addition, the Company is aware of corruption which is a barrier to social development and the country's economy. The Company was officially certified as a member of Collective Action Coalition (CAC). This is part of the business practice in accordance with the principles of good corporate governance.

In 2021, the Company was assessed by Thai Institute of Directors (IOD) in the 5-star level for the fourth consecutive year. This was assessed by Thai Institute of Directors (IOD). Such award reflects the Company's commitment to promoting good corporate governance in the organization. The policy and guidelines for corporate governance covering all 5 categories are reviewed and disclosed on the Company's website (www.muangthaicap.com/InvestorRelations/GoodCorporateGovernancePolicy) in order to communicate to directors, executives and employees at all levels to thoroughly study the details and use them as a guideline for their operations. It also has an important objective in communicating the matter to all stakeholders, including shareholders, customers, business partners, employees, society, and regulators. This can reassure that they will be treated fairly and equally, reflecting the good image of the Company and increase the competitiveness of the Company under the framework of ethics and social responsibility for the Company and society to grow together in a sustainable way.

In addition, the Board of Directors has reviewed and monitored the performance according to the plan of good corporate governance including social, community and environmental responsibility plans at least once a year.

In this regard, in 2021, the Company Secretary Department presented it to the Corporate Governance Committee to improve the Company's good corporate governance policies and plans to be in line with the Good Corporate Governance Principles for Listed Companies 2017 (CG Code) by the Securities and Exchange Commission (SEC).

6.1.1 Policies and Practices Related to Board of Directors

Nomination of directors

Criteria for selecting the directors and the top executives

Regarding the criteria for nomination of new directors, the committee will consider the qualifications, knowledge in working, and necessary skills that are still lacking on the board and to be consistent with the Company's business strategy to determine the qualifications of the directors to be nominated. This includes the use of director databases such as the Thai Institute of Directors or a consulting company as the case may be. It is a source for recruiting new directors. The Nomination and Remuneration Committee will consider the person who has qualifications as stipulated in the charter of the Company's directors as prescribed by law and according to the Skill Matrix that the Company has set in line with the Company's business strategy in various areas as follows:

1. Financial industry, banking, lending, insurance
2. Accounting
3. Management and Strategies
4. Human Resource Management
5. Development of Information Technology
6. Risk management

Each year, the Nomination and Remuneration Committee selects a person to be elected as a director from the expiration of the term of the director position. The consideration on the nomination of persons to be considered for election as directors by the shareholders is done by nominating the names to the board of directors. This will depend on the qualifications of the nominated persons which must be in accordance with the Company's good corporate governance guidelines, Public Company Limited Act and the Securities and Exchange Act. The appointment of each director must be approved by more than one-half of the total number of votes of shareholders who attended the meeting and voted.

For the consideration of the position, the person to be nominated as director in the Company must not hold director position in listed companies for more than 5 companies in total. In case of independent director, when the Nomination and Remuneration Committee has considered completely and carefully, such person will be presented to the Board of Directors' meeting for consideration. The Board of Directors will ensure that the person nominated for appointment as a director has the qualifications suitable for the Company's business to approve the appointment as director or propose to the shareholders' meeting for further consideration.

Independence of the Board of directors from the management

The Board of Directors and the Management have clearly separated roles, duties and responsibilities to create the balance and review the management. The Board of Directors will consider and approve the overall policy such as vision, mission, operational strategy, corporate governance policy, and overall financial objectives to achieve objectives and goals. These include monitoring, evaluating, and overseeing the performance reports. The management is responsible for managing the work according to the policy formulated by the Board of Directors.

Director development

The Board has a policy to support and facilitate the training and development for the knowledge of

directors and executives continually. The Company's secretary will be the coordinator in finding courses related to directors in order to facilitate directors to participate in seminars, training projects and exchange knowledge related to the performance of directors' duties.

- Director and Management's knowledge development

The Company has a policy to support the training and seminar for the development of the directors' performance of duties continually. The training programs are arranged by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand and other institutes both domestic and international. This includes the activities of internal training and seminar.

The 7 directors of the Company who attended the training programs of director performance were as follows:

Directors	Training program with IOD
Adm. Apichart Pengsritong	<ul style="list-style-type: none"> ● Directors Accreditation Program (DAP) Batch 82/2010 ● Risk Management Program for Corporate Leaders (RCL 5/2016)
Mrs. Kongkaew Piamduaytham	<ul style="list-style-type: none"> ● Directors Certification Program (DCP) Batch 157/2012 ● Advanced Audit Committee Program (AAP) Batch 13/2013 ● Role of Nomination and Governance Committee (RNG) Batch 7/2015
Mr. Suchart Suphayak	<ul style="list-style-type: none"> ● Directors Certification Program (DCP) Batch 72/2007 ● Audit Committee Program (ACP) Batch 14/2007 ● Director Diploma Examination Batch 20/2007 ● Risk Management Program for Corporate Leaders (RCL 24/2021)
Mr. Chuchat Petaumpai	<ul style="list-style-type: none"> ● Directors Accreditation Program (DAP) Batch SET/2012 ● Risk Management Program for Corporate Leaders (RCL 5/2016)
Mrs. Daonapa Petumpai	<ul style="list-style-type: none"> ● Directors Accreditation Program (DAP) Batch SET/2012

Directors	Training program with IOD
Mrs. Nongnuch Dawasuwan	<ul style="list-style-type: none"> ● Directors Accreditation Program (DAP) 137/2017 ● Advance Audit Committee Program (AACCP) Batch 26/2017 ● Risk Management Program for Corporate Leasers (RCL) Batch 13/2018
Dr. Suksit Petampai	<ul style="list-style-type: none"> ● Directors Certification Program (DCP) Batch 277/2019 ● Corporate Governance for Capital Market Intermediaries (CGI) Batch 22/2019

The Company realizes the importance of knowledge development for the Company's personnel in all departments by setting up a work plan for organizing training to increase knowledge and capability in various courses consistent with each department regularly. This includes internal training and on-site training.

Assessment on the operational performance of the Board of Directors

The Board of Directors has assigned that the Board shall have Board Self-Assessment at least once a year. The assessment is divided into 2 dimensions; 1) Assessment on the operational performance and efficiency of the Board of Directors and directors, 2) Assessment on the expertise and experiences of the directors for the directors to use as the framework in specifying the norm to examine the performance of duties. The obtained results shall be compared to the operational performance following the Board's charter. It reflects the responsibilities in the performance of work for the real efficiency as well as improving the operation of the Board to agree with the set policies. This is also beneficial for the plan of board development efficiently. The assessment result in the 3 dimensions can be summarized as below:

1) Assessment on the operational performance of the Board of Directors and directors

The Self-Assessment of the Boards is held annually divided into 1) Self-Assessment of the Boards, 2) Self-Assessment of the Committees of the Board, and 3) Self-Assessment individual directors of the Board and of the Committee. The self-assessment form will be sent to the members of the Board of Directors annually for the Board and individual assessments.

After each Board's member has successfully completed the evaluation, the Board of Directors will approve and review the evaluation form to verify its accuracy and completeness. Then, the performance assessment form will be submitted to the Company's Secretary. The Secretary will collect a summary of the assessment and submit it to the Nomination and Remuneration Committee's meeting before reporting the assessment results and recommendations received from the evaluation to the Board of Directors to acknowledge and discuss for the improvement on the effectiveness of the Board's operation in the year.

The assessment criteria can be summarized as follows:

1. Self-Assessment of the Boards and committees consists of 6 topics including the structure and qualifications of the Board, roles, duties and responsibilities of the Board, the Board's meetings, performance of duties of the directors, relationship with the management and directors' self-development and management development.

2. Self-Assessment individual directors of the Board consists of 4 topics including the responsibilities for one's own decisions and actions, efficient performance of duties, equal treatment of stakeholders, fairness and transparency in examinable operations, information disclosure and ethics / business ethics.

The topics of the assessment include Director's structure and qualifications, meeting attendance, fulfillment of roles, duties, and responsibilities under the charter, result of duty compliance, relationship and communication with the management, and self-development of directors. The assessment results in 2021 can be shown as follows.

Report on the assessment of operational performance and efficiency of the Board of Directors

Board meeting attendance ratio

Limit the ratio of board attendance	75%
Number of independent directors serving in other companies for more than 5 companies	-
Limit the number of companies to independent directors	5 companies
Number of directors who have served more than 9 years	4

Annual self-assessment of the performance of the Board of Directors

Board of Directors	99.54%
Individual Directors	99.43%

Sub-committee

Audit Committee	98.75%
Nomination and Remuneration Committee	98.56%
Corporate Governance Committee	99.50%
Corporate Governance Committee	99.52%

2) Assessment on the expertise and experiences of the Board of Directors

For the approaches in nominating and selecting directors appropriate and in line with the Bank's strategy and business operations, the Nomination and Remuneration Committee has considered and determined the required qualifications in the committee, namely, knowledgeable directors with macroeconomical management expertise or experiences, directors with expertise or experiences in finance and accounting, and knowledgeable directors with expertise or experiences in other areas beneficial for the sustainable development of the Company. Therefore, the Nomination and Remuneration Committee reviews the Board Skill

Matrix at least once a year to consider the development plan for the directors suitable and in line with the direction of the Company's operation.

In 2021, the results of assessment on the expertise and experiences of the Board of Directors showed that the Company's Board of Directors had knowledge, expertise or experiences appropriate and consistent with the Company's operating direction at present. However, the Company can improve the knowledge, expertise, or experiences of the Board of Directors by seeking an external consultant with expertise in the development of information technology for the Company's sustainable development.

**Report on the assessment of expertise and experiences of the Board of Directors
(Executive Directors excluded)**

Accounting	50.00%
Management and strategies	100.00%
Human resource management	57.00%
Information technology development	29.00%
Risk management	57.00%

Assessment on the operational performance of the top management

The assessment on the operational performance of the Chief Executive Officer is under the responsibility of the Nomination and Remuneration Committee to consider and propose to the Board of Directors for approval. The assessment is held annually. However, the summary of management's performance assessment is confidential information and cannot be disclosed.

Determination of director and management remuneration

The Company has set remuneration for directors and executives at an appropriate level at a rate sufficient for keeping quality directors and executives without paying excessive remuneration. It is at a level that is comparable to the companies in the same industry. The factors to be considered for the remuneration consist of experience, duties, scope of roles and responsibilities. However, the remuneration of directors must be approved by the shareholders' meeting of the Company. For the management's remuneration, it will be in accordance with the principles and policies determined by the Board of Directors which will be considered from the duties, responsibilities, and the performance of each executive together with the consideration of the Company's performance.

- Director and management remuneration

The Company determines the remuneration policy for directors and executives in accordance with the Company's long-term strategies and goals, experiences, scope of duties and responsibilities at a competitive level. It is at a level that can be comparable to the industry. The directors' remuneration is in the form of salary, meeting allowance (for meetings of sub-committee) and annual bonus. Such remuneration must be approved by the shareholders' meeting. The executives including the Chairman of the Executive Committee are paid in the form of salaries and bonuses based on Key Performance Indicators (KPIs) in the form of monetary and non-monetary indicators including sustainability indicators.

Office term of director

The office term of the director is in accordance with the Public Limited Company Act B.E.2535. In every annual general meeting of shareholders, the directors who have been in office for the longest must retire by rotation to be 1/3 of the total number of directors but can be re-elected. However, if the number of directors cannot be divided into three parts, then the number closest to 1 in 3 will be used.

Name	Position	Date of appointment as a director	Date of appointment as a director
1. Adm. Apichart Pengsritong	Chairman of the Board / Chairman of the Nomination and Remuneration Committee / independent director	12 th September, 2012	9 years 3 months
2. Mrs. Kongkaew Piamduaytham	Director / Chairman of the Audit Committee / Corporate Governance Committee / independent director	12 th September, 2012	9 years 3 months
3. Mr. Suchart Suphayak	Director / Audit Committee / Chairman of the Risk Management Committee /Nomination and Remuneration Committee / independent director	17 th August, 2020	1 years 4 months
4. Mr. Chuchat Petaumpai	Director / Chairman of the Executive Committee / Risk Management Committee	12 th September, 2012	9 years 3 months
5. Mrs. Daonapa Petampai	Director / Managing Director	12 th September, 2012	9 years 3 months
6. Mrs. Nongnuch Dawasuwan	Director / Audit Committee / Risk Management Committee / Corporate Governance Committee / independent director	29 th March, 2017	4 years 9 months
7. Dr. Suksit Petampai	Director / Nomination and Remuneration Committee / Corporate Governance Committee	18 th April, 2019	2 year 8 months

Positions of Director in other companies

In order to ensure that the Board and executives can perform their duties with full efficiency, the Board has established the internal guidelines for directors and the executives of the Company as follows:

- Being in the position of director in other companies requires the approval from the Board of Directors first.
- Directors should hold directorships in no more than five companies listed on the Stock Exchange of Thailand. Therefore, in the year 2021, no director holds the position of director in more than other five listed companies.
- Directors must not operate as partners or director in another juristic person of the same nature and is the competition with the Company's business.

Report on the Positions of Director and the Chairman of the Executive Committee in other companies

Independent directors holding the position of director in not more than other five listed companies.

Adm. Apichart Pengsritong	3 companies
Dr. Yothin Anavil*	2 companies
Mrs. Kongkaew Piamduaytham	1 companies
Mr. Suchart Suphayak	3 companies
Mrs. Nongnuch Dawasuwan	None

* Dr. Yothin Anavil (died during the year)

Orientation for new director and director training

Newly appointed director shall receive proper training regarding the knowledge about the Company's business and the roles and responsibilities of the Company's director. Topics of orientation for director newly appointed by the shareholder's meeting include regulatory practice guidelines to comply with related laws, the Company's memorandum of association and the Company's regulations; scope of duties and responsibilities of the Board and other committees; minutes of the Board meeting in the past 1 year; the Director's manual: a framework for Board governance by the Stock Exchange; the Company's corporate governance and business ethics policy; laws relating to the Company's business; rules and regulations of the Company; training programs for directors; other information relating to the Company's business operation, etc.

Disclosure and Transparency

At present, Muangthai Capital is a listed company which has market capitalization of 124,550 million baht as of 30 December, 2021. The Company's securities were included in the calculation of the SET50 Index of the Stock Exchange of Thailand MSCI Thailand Index

and FTSE Mid Cap Index as well. These indexes are included in the calculation making the company gain the attention of both domestic and foreign investors. Therefore, the Company places great importance on equal disclosure to shareholders, investors and all stakeholders of the Company as well as the public to comply with the requirements of the Securities and Exchange Commission. This includes the requirements of the Stock Exchange of Thailand and other revelations strictly.

● Information Disclosure

In the year 2020, the Company disclosed important information through channels that can access information easily, conveniently, and reliably such as the website of the Stock Exchange of Thailand (www.set.or.th), the website of the Securities and Exchange Commission (www.sec.or.th), the website of the Thai Bond Market Association (www.thaibma.or.th) and the Company's website for investor relations (investor.muangthaicap.com).

- The Company shall submit the financial reports without the transaction conditional comments by the auditor, explanation of executives, presentation document, Disclosure Annual/Annual Report (Form 56-1, One Report), and sustainability report to the Office of Securities and Exchange Commission and the Stock Exchange of Thailand within due period.

- The Company discloses information in accordance with the principles of good corporate governance which includes information and company information including the mission, vision and values of the Company, financial information, stock information, shareholders' information such as list of major shareholders, Good Corporate Governance Policy, and other company policies, investor relations calendar, information and dividend payment policy, shareholder meeting, SET news, news from publications, Company's analysis including policies and strategies for sustainable development on the Company's website for investor relations correctly, completely, and timely.

- The Company discloses the criteria for the remuneration of directors and executives in the annual report.

- The Company discloses the information regarding the shareholding of directors and executives by stipulating that it is a policy for directors and executives to report the following transactions:

1. Trading of the Company's shares: The policy is set for all directors, executives and management including close people (spouse and underage children) to refrain from buying, selling or transferring shares of the Company in the period before the disclosure of the financial statements. In the event that the financial statements have been announced to the public, if there is a trade, it must be notified to the Company's secretary in order to prepare a report on changes in securities holding (Form 59-2) to the SEC within the specified time and report the securities holding of directors to the Board of Directors meeting on a quarterly basis.

2. Connected transactions and reports of interest of directors and executives to prevent conflicts of interest. There are reports and requests for approval in accordance with the Notification of the Capital Market Supervisory Board on the rules for making connected transactions.

3. In the year 2021, the Company has never been supervised or accused by the regulatory agency because of not announcing the information from important events within the specified period or the disclosure does not meet requirements.

Agency and investor relations activities

1. Investor Relations Department

The Company has assigned the Investor Relations Department as the central unit that has the duty and responsibility to communicate with shareholders, investors and other stakeholders of the Company regarding the information disclosed by the company which can be contacted directly to inquire or request additional information via the following channel:

Investor Relations

Muangthai Capital Public Company Limited

332/1 Jaransanitwong Road, Bangplad, Bangkok 10700

Tel: 02-483-8888

E-mail: ir@muangthaicap.com

Website: investor.muangthaicap.com

2. Investor relations activities

In 2021, due to the Covid-19 epidemic, investor relations activities must be adjusted in line with the Social Distancing policy, including the inability to travel to and from the country to conduct the investor activities like the past year. Thus, this year's investor relations activities focus on online communication and investor meetings through the Teleconference system mainly. However, due to the unusual situation, the Company has increased the analyst meeting activities by organizing a meeting after the announcement of the operating results of each quarter through the Teleconference system. The main issues communicated this year were operating results and risks, especially the risks associated with the Covid-19 epidemic situation.

Summary of statistics of Investor relations activities in 2021

Investor relations activities	Times
Opportunity Day (times)	4
Securities Analysts Meeting (times)	4
One-on-One Meeting (times)	5
Participating in conferences in the country (persons)	1,210
Participating in conferences in foreign countries (persons)	0
Visit to the establishment / auction (times)	0
Total	1,223

More details can be considered from the disclosure displayed on the Company's website (www.muangthaicap.com).

6.1.2 Policies and Practices Related to Shareholders and Stakeholders

The Equitable Treatment of Shareholders

The Company realizes and values the rights of all shareholders equally without doing anything infringing the rights or limiting the opportunity to access the Company's information. The Company provides additional communication channels to investors through the Company's Investor Relations Department having a team, regular employees, and the Company's website in the section of "Investor Relations". This contains current information and information of the Company including the exercise of various rights of shareholders.

The Company has prepared an invitation letter for the annual general meeting of shareholders and presentation information in both Thai and English for the convenience of foreign shareholders to facilitate all shareholders equally.

Promotion on the exercise of shareholders' rights

The Board of Directors attaches great importance to the rights of shareholders and stipulated in the principles of corporate governance of the Company. The Company take care of the shareholders and all institutional shareholders to receive equal rights as shareholders. The Board is committed to protecting

the rights, benefits and interests of all groups of shareholders as well as encouraging shareholders and institutional shareholders to exercise their legitimate rights.

- Basic rights

Basic rights that shareholders and institutional shareholders should receive include the right to vote, right to receive dividends, right to buy, sell or transfer shares, right to attend the shareholders' meeting. The Company does not act in any way to limit the opportunity or create a burden for the shareholders to attend the meeting. The right to appoint and remove directors in appointing each director must receive a majority vote of the shareholders attending the meeting and having the right to vote. These include the right to approve the appointment of an independent auditor, right to approve director's remuneration both in monetary and non-monetary and the right to receive sufficient, equitable information and in a form suitable for the decision of the shareholders, etc. The Board of Directors has supervised that important matters required by law and matters that may affect the direction of the Company's business must be considered and/or approved by shareholders as an agenda for the shareholders' meeting

- Right to propose the agenda of the Annual General Meeting of Shareholders and to nominate a person to be elected as the Company's director and the right to submit questions for the shareholders' meeting in advance.

The Company provided a channel for individual shareholders to be able to present matters or agenda for consideration in filling as the agenda and nominate qualified persons suitable for being elected as an individual director 3 months in advance from October 2021 to January 2022 by publishing the criteria, process, operational procedures, and documents for exercising the mentioned right on the Company's website <http://investor.muangthaicap.com/th/document/shareholders-meeting>

However, in 2021, it was found that no shareholder submitted questions to propose the meeting agendas and persons to be selected as the Company's directors in advance as announced to shareholders on the SET's press release page.

- Right to receive information about the Annual General Meeting of Shareholders

The Company has provided reasonable convenience for all shareholders to exercise their rights. The meeting was held on business days at a hotel located in Bangkok near the Company's head office where shareholders can travel to attend the meeting conveniently and does not obstruct or hinder in allowing shareholders to communicate with each other and in accordance with the Social Distancing policy. This protects shareholders from the spread of the Covid-19 virus by providing hand sanitizer. The temperature of all participants is checked and the seats are arranged to have distance between each other according to the guidelines of the Ministry of Public Health. The Company arranges an investor relations officer to be the coordinator providing information and answering questions to shareholders.

In 2021, the Board of Directors had the resolution to hold the 2021 Annual General Meeting of Shareholders on 20th April, 2021, at 10:00 am at the Pinklao Meeting Room 2 (9th Floor), Royal City Hotel, No. 800 Borommaratchachonnani Road, Bangkoknoi, Bang Phlat, Bangkok, in accordance with the Company's regulations and related laws including the compliance with the principles of AGM Checklist and the standards of good corporate governance agreeing with the approaches of the Securities and Exchange Commission as follows:

- The Company prepared and sent an invitation letter for Annual General Meeting of Shareholders and meeting invitation document in order for the shareholders to acknowledge the date, time, venue and agenda of

the meeting, registration procedures, and documents that must be presented to the staff prior to the meeting. This included all information related to matters that have to be decided in voting at the meeting to the shareholders along with the annual report to everyone in Thai language and English published on the Company's website for not less than 30 days in advance. The meeting invitation letter was sent by post to the shareholders together with annual report in QR Code not less than 21 days in advance of the meeting date so that the shareholders can have enough time to study the information.

- The Company posted in the newspaper for 3 consecutive days for more than 7 days before the meeting date.

- The Company had not added agenda or changed any important information in the meeting appointment notice without prior notice to shareholders.

- Annual General Meeting of Shareholders

- In order to make the meeting proceed efficiently, the Company has used barcode technology in the registration process to attend the meeting, vote counting process, and voting result process to be quick and accurate. The Company allows the shareholders to vote no less than 2 hours before the meeting.

- The Boards, sub-committees, and the Chairman of the Board together with the top executives, auditors, and representatives from Law Shining Co., Ltd., who are legal advisors and inspectors to attend the Annual General Meeting of Shareholders in unison. The representatives from the Thai Investors Association, volunteer representatives for minority shareholders attend for observation to ensure that the meeting proceeds correctly and transparently in accordance with the laws and regulations of the Company.

- Before entering the meeting agenda, the Chairman of the Board assigned Mr. Sakchai Wirunchiwa, the Company's legal advisor, to inform the number and proportion of shareholders attending the meeting both in person and appointed a proxy to the meeting. This includes the clarification of meeting rules and procedures, voting and vote counting. The shareholders are given the opportunity to express their opinions and ask questions on various occasions independently before voting on each agenda. The voting results are announced for agreeing, disagreeing, abstaining and the number of invalid ballots in each agenda for the meeting to know.

- Since the Company has only one type of shares, namely ordinary shares, with 1 share having the right of 1 vote and hold the majority vote except where otherwise required by law, if any shareholder has a special interest in any agenda which the meeting will pass a resolution, such shareholder will not have the right to vote in such agenda. Apart from voting for the election of the directors, the nominated directors and the shareholders with voting rights will be able to vote according to the Company's regulations.

- The Company has provided video and audio recording throughout the meeting period and disseminate on the Company's website for shareholders and the general public can attend the meeting retrospectively for transparency.

- The Company has prepared a summary of the votes at the meeting along with the scores of each agenda for shareholders and the general public to know via the disclosure channel of the Stock Exchange of Thailand on 20th April, 2021, the same day after the meeting has been finished. This will be publicized on the Company's website the next day.

- The Company has prepared a report of the annual general meeting of shareholders in both Thai and English covering important details such as issues, questions and answers which the shareholders have asked in each agenda. The resolutions of the meeting together with the votes for approval, disapproval, abstention and the number of invalid cards. The minutes of the meeting were disseminated to shareholders and the general public through the disclosure channels of the Stock Exchange of Thailand and published on the website of Company within 14 days after the meeting is finished.

From the COVID-19 epidemic situation, the Company held a shareholders' meeting in accordance with the guidelines and recommendations of the Department of Disease Control, Ministry of Public Health and according to the Bangkok's Notification regarding the prevention and control of COVID-19 for organizing meetings or other similar activities. This is to prevent and reduce the risk of the spread of COVID-19, for example, screening people who have symptoms of fever and respiratory symptoms through a body temperature test (Body temperature does not exceed 37.5 degrees Celsius), check-in and check-out via scanning QR Code, Thaichana Application, and answering the COVID-19 screening form. The meeting venue was organized not to be crowded to keep a distance of at least 1.5 meters between people with limited seating in the meeting room for accommodating shareholders and/or proxies. The meeting time is kept tight and short for the safety and hygiene of all shareholders attending the event.

● Facilitating the shareholders on the date of the Annual General Meeting of shareholders.

The Company prepared the proxy form as

specified by the Ministry of Commerce and there is a description of the procedure for granting proxy and the required documents clearly attached to the meeting notice for use in the event that the shareholder wishes to grant a proxy to another person to attend the meeting on their behalf.

In addition, the Company has used barcode technology in the registration process to attend the meeting, vote counting process, and voting result process to be quick and accurate. The Company has prepared stamp duty at the document checkpoint for shareholders who appointed the attorney for free of charge.

Prevention of Insider Trading

The Company has set policies, ethics and penalties for the use of inside information and trading of securities, selling the Company's securities to prevent the directors, executives, and employees including their spouses and underage children of the said person from using inside information that has not been disclosed to the public improperly for their benefits or others. The policy requires that the Company's directors, managements, and employees to be forbidden from trading the Company's shares during the blackout period which the Company has specified for a period of 45 days.

In the year 2021, the Company did not find the case that directors, executives and employees traded securities by using inside information or trading during the Blackout period.

Prevention on Conflict of Interest

1. Prevention on the transactions that may cause conflict of interest

- The Company has set policies that prohibit directors, executives, and employees including those related to such persons from seeking personal benefits in conflict with the interests of the Company. The actions that cause conflicts of interest should be avoided and those involved or have interest or related to the considered matters have the duty to notify the Company about the relationship or their involvement in the said transaction. Such persons are not involved in making any decision in the mentioned transaction.

- The Company requires that the Company's directors and management have the duty in reporting the securities held by the Company, spouse and underage children including reporting changes in securities holding to the Office of the Securities and Exchange Commission in accordance with Section 59 and penalties under the Securities and Exchange Act B.E. 2535, Disclosure Report on 56-1 One Report 2021.

- In the year 2021, the Company did not find any transaction with conflicts of interest which were in violation of the policy to prevent transactions possibly causing conflicts of interest.

2. Related Party Transactions

- In the year 2021, the Audit Committee has considered the appropriateness of the connected transactions carefully that the connected transaction was done fairly. The conditions of the connected transactions are subject to market prices, contract prices, and agreed prices which are reasonable and in accordance with the general business operation according to the market price and in accordance with fair and at Arm's Length Basis. This agrees with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand strictly regarding to transfer pricing policy and other conditions with persons who may have conflicts of interest as if transactions with outside parties in which the directors and executives with vested interests do not participate in the consideration and voting on matters relating to connected transactions.

- The Company has disclosed the Related Party transaction in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand in the 56-1 One Report 2021.

- In the year 2021, the Audit Committee reported the audit results of connected transactions that occurred during the year to the Board of Directors together with the quarterly financial statements and annual financial statements.

3. Stakeholders of the Company and/or senior management

- The Company requires directors and senior management to report their own interests and related persons who have interests in connection with the management of the business of the Company or subsidiary when holding the position of director or senior management. Whenever there is a change in stakeholder information as well as a regular report at the end of every year, the report must be made. The Company secretary must send a copy of the said interest report to the Chairman of the Board and the Chairman of the Audit Committee in order to comply with the Securities and Exchange Act B.E.2535 and to use such information to investigate and prevent conflicts of interest.

- The Company requires that the stakeholders of the Company have a duty to report to the Board of Directors about trading of the Company's shares at least 1 day in advance before trading.

- In the Board meeting, the directors with interests in any matter will not participate in the consideration process and have no voting rights in that matter which has to be recorded in the minutes of the meeting.

Responsibilities to Stakeholders

The Company realizes that stakeholders in

the Company's interests should be taken care of by the Company in accordance with the rights established by law or by mutual agreement, taking into account the relationship and cooperation among them. As this can build financial stability and the sustainability of the business, the Company attaches importance to fair treatment and the rights of all stakeholders both stakeholders who are directly affected by the Company's business operations and indirectly affected groups or has not been affected by the business of the Company at all. Since the year 2018, the company has divided the stakeholders into 7 groups. The Board of Directors has considered increasing the supervision department to be another group of stakeholders because almost all of the Company's business is affected by the laws and supervision of the Bank of Thailand. In addition, the Company is obliged to report to the Bank of Thailand and other relevant regulatory agencies.

However, the responsibilities, issues of impacts, and the tools used to communicate with the stakeholders may vary from year to year due to changes in the environment and the changing risk which will be updated by the Company periodically. For the sustainable development of the Company, the roles of stakeholders in the Company's Code of Conduct can be summarized as follows.

● Policy and guidelines for the practices towards employees, executives, and directors

The Company realizes the importance of all employees, executives and committees who play the role in driving the Company to continue the business operation in the future. Thus, the Committee established human rights policies and practices in accordance with the United Nations framework for the protection, respect and remedy by respecting the principles of rights and humanity at all levels. This includes striving to prevent human right violations by treating everyone equally to be free from discrimination, support and promote human rights. The actions that violate human rights are avoided. In addition, the Company realizes the importance of labor by treating employees, executives and committees fairly in accordance with labor laws and regulations related to labor.

The Company has strictly set a policy to report complaints and measures for protecting the employees who make complaints or whistleblowers to demonstrate transparency and compliance with the corporate governance principles. The whistleblowing process will be carried out to achieve independence. The Internal Audit Department and the Audit Committee are responsible for investigating complaints as disclosed in the whistleblowing policy on the Company's website. The employees can whistleblow via electronic mail channel (whistleblower@muangthaicap.com) and by post to

Muangthai Capital Public Company Limited No. 332/1 Charansanitwong Road, Bangplad Subdistrict, Bangplad District, Bangkok 10700 or Tel 02-483-8888.

In addition, the Company has established guidelines for evaluating performance and determining remuneration for employees, executives and the Board of Directors fairly, appropriately, and in accordance with the short and long term performance of the Company. This can be compared with the same industry as well as giving importance to the development of personnel to be knowledgeable and competent to perform work in order to drive the Company's operations towards the direction placed by the Board of Directors effectively. This includes the setting of safety policy and sanitary in the workplace as well.

However, the Company has also set a code of conduct for the use of internal information and trading in the Company's securities in order to prevent the directors, management and employees from using the internal information for their own benefits or of someone wrongfully. The guidelines and policies are communicated to everyone in the organization and follow up on a regular basis. Therefore, the Board of Directors and executives have the duty to report the holding of securities and the changes in securities holding in accordance with the criteria of the Office of the Securities and Exchange Commission. It is reported to the Board of Directors every time there is trade on securities and in the board meeting. The secretary must report a summary of the directors' securities holding to the meeting for acknowledgment every time.

- Policy and guidelines for the practices towards customers

The Company performs the business operation with honesty and fairness to provide accurate information to customers and free competition according to market mechanism taking into account the highest customer needs and satisfaction. The Company has the business approach of Customer Centric under the slogan "Intimate services like closed family members". We are responsible for the customers and maintain the confidentiality of customers including the creation of new innovations for the convenience and fast service to customers. We established the policies and guidelines for dealing with customers focusing on the responsibility to customers covering the customer needs, customer satisfaction, and the essential rights of customers as follows.

- The Company arranges for a thorough evaluation of customer debt service ability by focusing

on customers not to create excessive debt and have enough net money left to live.

- The Company develops, designs and offers credit products that meet customer needs taking into account the long-term financial stability.

- The Company conducts marketing promotion appropriately and does not encourage unnecessary debt.

- The Company believes that listening to the needs and satisfaction of customers is an important ladder in the Company's sustainable development. The goal in improving the loan products and services in accordance with the real needs of customers can develop communication channels with customers so that customers can comment and complain through other channels such as hotline, email, social media, Facebook and LINE apps, Whistleblower Channel, customer experience enhancements such as AI Chatbot service in Facebook Messenger.

- The Company operates the business with responsibility on the customers' rights and has a policy not to act in violation of the customer's entitled rights. For example, the right to make appropriate financial decisions means the right that customers will be able to decide to apply for a loan in their satisfied amount.

- As the Company is aware of the customer's personal information rights, the Company has set up a personal information protection policy and the security of information systems published on the Company's website as a guideline for the protection of personal information of customers, employees and business partners of the Company in accordance with the Personal Information Act announced as well.

- Policy and guidelines for the practices towards shareholders / investors / creditors

- The Company respects the rights of shareholders, investors and creditors equally by attaching great importance to the disclosure of financial information and general information correctly, sufficiently, transparently, and in a timely manner for shareholders, investors, and creditors to make decisions and fully participate in the expression of opinions according to their rights. The Company provides the dissemination of news and information via the investor relations channels, various media and investor relations activities by establishing the investor relations department to be responsible for communication, answering questions to shareholders, investors, creditors and other stakeholders.

- The Company has a policy to strictly adhere to the terms of contracts and obligations agreed with creditors.

- The Company has never had any dispute in regards to the default on debt settlement. The Company

pays the money to the creditors in accordance with the payment terms agreed in advance.

- Policy and guidelines for the practices towards business partners

The Company attaches great importance to the selection of suitable partners by ensuring that the selection process and treatment of business partners are fair and equitable. The Company places great importance on having a reputable partner with good ethics and professionalism who can comply with the specified conditions. In the year 2021, the Company improved the supply chain management policy by specifying the effects and economic risks, society and environment of business partners in evaluating key business partners of the Company such as the management on corporate governance, the risk of violating environmental and labor laws, etc., in order to contribute to sustainable business development.

- Policy and guidelines for the practices towards competitors

The Company realizes the importance of treating competitors with fairness under the trading competition rules, regulations and related laws. There shall be no attempts to destroy competitor's name/image; no attempts to seek for others' trade secrets dishonestly and inappropriately; and no attempts to infringe others' copyrights or their intellectual properties as well as supporting collaboration with trade competitors which will benefit consumers that is not a monopoly of market share.

- Policy and guidelines for the practices towards communities and society

The Company is committed to being "Responsible microfinance loan provider" covering sustainability in 3 dimensions; economic dimension, social dimension, and environmental dimension.

Economic dimension: The Company sets the main goals of economic sustainability development in developing the access to funding sources and reducing the economic disparities of people. This reflects the business philosophy of the Company in the loan products, interest rates and fees, service standards and performance indicators of the Company and Community Investment.

Social dimension: The Company has established a social sustainability development strategy focusing on the development of the community and society to be stronger and become part of the

community. This starts with the development of direct stakeholders, namely personnel and customers of the Company through the Company's related policies and communities at the Company's branches located through the Company's various CSR projects.

Environmental dimension: Although the Company's business which is the financial service business does not have a direct negative impact on the environment, the Company cannot deny that the existence of the Company does not cause any impact to the environment because the company still uses natural resources. There is a consumption of energy, fuel and electric power, and so on. Thus, the Company has established a policy to use resources efficiently.

- Policy and guidelines for the practices towards regulatory agencies

The Company performs the business operation under a personal loan business license and a micro loan business license under the supervision of the Bank of Thailand. Therefore, the Company is obliged to operate the business in accordance with the supervision guidelines for business operators under the license. This includes fair Market Conduct and reporting of information to relevant regulators in a correct, transparent and timely manner.

- Non-infringement of Intellectual Property

The Company operates the business in compliance with intellectual property laws with a policy not to support any action that infringes intellectual property, such as the use of any software. The Company's work system must be licensed and legally copyrighted only and employees are prohibited from installing pirated software on the Company's computer systems.

- Compliance with human rights principles

The Company attaches importance to equality and fairness of people without doing anything which is a violation of human rights, unfairly discriminate against individuals on the grounds of differences in origin, race, sex, age, education, disability, economic, social or political opinion.

- Health and safety at work.

The Company adheres to and attaches great importance to the safety and hygiene of its employees in its operations and the community in which it is located.

- Compliance with human rights principles

The Company attaches importance to equality

and fairness of people without doing anything which is a violation of human rights, unfairly discriminate against individuals on the grounds of differences in origin, race, sex, age, education, disability, economic, social or political opinion.

Such policies and measures are published on the Company’s website ([www.muangthaicap.com/Investor Relations/human rights policy](http://www.muangthaicap.com/Investor%20Relations/human%20rights%20policy)).

Anti-Corruption

Anti-Corruption Policy

The Company recognizes that corruption has a detrimental effect and hinders the social and economic development of the country. It is an illegal business act causing business injustice. This will adversely affect the reputation of the company in terms of business ethics, competitiveness and is not accepted internationally as well as enabling shareholders, investors and all stakeholders lack of confidence in the organization. The Company therefore considers it an important principle in its business operations that will not support businesses, groups of people, or individuals who are involved in undesirable benefits whether directly or indirectly from the abuse of powers and duties and ready to cooperate with the government, the private sector, the media and international organizations. To show commitment to anti-corruption in all forms of the Board of Directors, it was resolved to approve the Company’s anti-corruption policies and measures. By using the guidelines of the official agencies, including the Collective Action Coalition to be considered as a clear business practice which all directors, executives and employees must strictly adhere to.

Such policies and measures are published on the Company’s website ([www.muangthaicap.com/Investor Relations/anti-corruption policy](http://www.muangthaicap.com/Investor%20Relations/anti-corruption%20policy)).

The Company has been officially certified as a member of the Collective Action Coalition (CAC). This is part of the business practice guidelines in accordance with the principles of good corporate governance on May 21, 2018. In 2021, the Company is in the process of submitting a self-assessment on anti-corruption measures according to the Collective Action Coalition (Re-Certification).

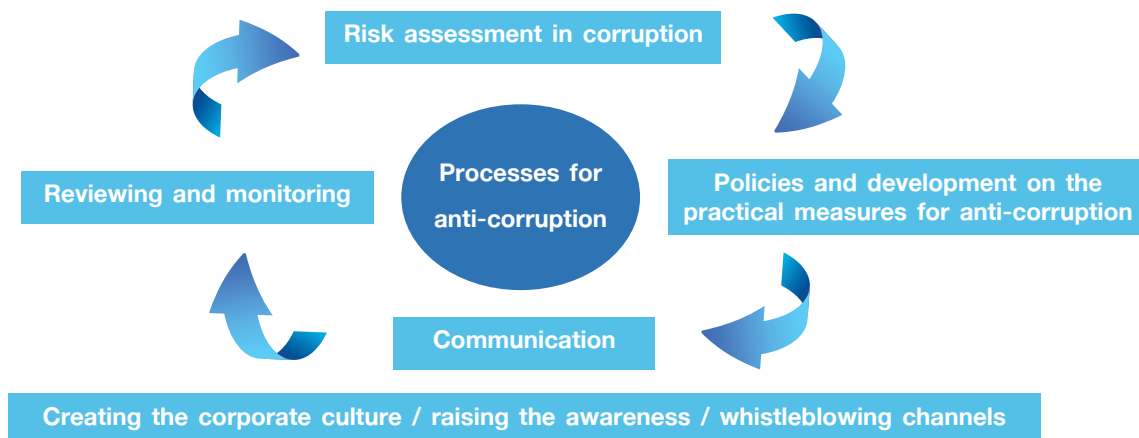
- Corruption Risk Assessment Process

All directors and executives of the Company recognize and understand that in the Company’s business processes, there may be a risk of corruption and bribery. In order to eliminate the risks, directors and executives are required to regularly assess the risks of corruption and bribery that may occur in the Company at least once a year and reviewing existing risk management measures appropriately to prevent risks to an acceptable level. In addition, the Company’s management must communicate to all employees at various levels to understand and cooperate continuously to manage such risks effectively.

The Company has established procedures for assessing corruption risks to be used as guidelines in accordance with the Anti-Corruption Policy with the purpose of enhancing ethics and measures to combat corruption throughout the organization and implement them into the corporate culture.

- Complaint and whistleblowing measures

The Company has provided channels for



complaints and whistleblowing. This covers from receiving complaints to investigation of facts and summarizing, including the protection of the whistleblower and the person concerned. This is to receive complaints or opinions or suggestions from stakeholders who are affected or are at risk of being affected by the Company's business or from the performance of the Executive Directors and employees of the Company regarding illegal or unethical acts, including behaviors that may imply corruption.

- Scope of whistleblowing or complaints

If anyone has a clue about the wrongdoing which meets the conditions in the following matters:

- 1) Illegal acts against Policy/Principles of Corporate Governance or business ethics
- 2) Behavior that may lead to corruption or misconduct to seek unlawful benefits for oneself and or others such as corruption, embezzlement, fraud, etc.
- 3) Violation of rules, regulations, Company's regulations
- 4) Exposure to unfairness in the performance of work or found a defective internal control system of the Company until it is suspected that it may be a channel for corruption or cause to suspect that it may be a channel for corruption or make the Company lose benefit.

- Channels for complaint and whistleblowing

1. Email : whistleblower@muangthaicap.com
2. Send the letter by post to the following address:

Mrs. Kongkaew Piamduaytham
 Chairman of Audit Committee
 Muangthai Capital Public Company Limited
 332/1 Jaransanitwong Road, Bangplad,
 Bangplad, Bangkok 10700

3. Telephone to the whistleblowing receiving department: 081-751-1587

- Consideration of whistleblowing or complaints

1. Information received will be treated as confidential and the name of the whistleblower was not disclosed or public complaints without consent.
2. Details of the whistleblowing or complaints must be true, clear, or sufficient to investigate the facts for further proceedings.

3. The response time to the whistleblowers should not exceed 3 days after receiving the whistleblowing.

4. Timeline for processing complaints depends on the complexity of the matter, document adequacy, evidence received from the whistleblowers including documentary evidence and explanation of the whistleblowers but not later than 30 business days.

5. Whistleblower or complaints will be entitled to protection whether they are employees or outsiders.

6. Complaint receiver and those involved in the investigation process must keep relevant information confidential and will be disclosed as necessary taking into account safety and damage of the whistleblowers or those who cooperate in the investigation of facts or source of information or related persons.

- Measures to protect whistleblowers or complainants and confidentiality

1. The Company will collect information and identity of the whistleblower or the complainant confidential.

2. The Company will disclose information as necessary taking into account safety and the damage of the reporting person. The source of the information or the person involved in the damage will be mitigated through appropriate and fair procedures.

3. The Company will not treat unfairly to the whistleblower who complains whether by changing job position, job description, workplace, suspending work, intimidating, interfering with work, laying off employment, or doing any other act that is unfair to the whistleblower or those who cooperate in the investigation of facts.

4. In case of complaints or those who cooperate in the investigation of facts can request the Company to determine appropriate protection measures or the Company may impose protection measures by the complainant or the person who cooperates in the investigation of facts without request if it is prone to damage or insecurity.

- Process and procedures for complaints and whistleblowing

When witnessing an incident that has violated or does not comply with the laws and regulations, principles, guidelines for anti-corruption policies including

actions that may imply corruption of directors, executives and employees of the Company, the whistleblowers can report the matter through channels for complaints and whistleblowing. If the employees see such incidents, they should inquire or consult with the supervisor first. If not sure or uncomfortable doing so, they can report the matters through complaint channels and whistleblowing. When the recipient receives the complaint, they can consider taking appropriate action or refer the matter to the relevant parties, considering their independence to act on the subject matter or issues raised to conduct an investigation and follow up on the progress to ensure action is taken appropriate to the complaints received.

- Complaints or whistleblowers in bad faith.

If found that complaints or whistleblowers is an act of dishonesty or reporting that information is false due to intentional misrepresentation of facts or defamation of others and in case of being an employee, the Company will consider a violation of the Company's code of conduct to receive the penalties. If such actions cause damage to the Company, the Company will consider taking legal action.

Measures to take action against those who do not comply with the said policies and guidelines

The Company takes measures against violators of compliance if the violations are factual. After the investigation measures were carried out to the end including direct supervisors who ignored wrongdoing or acknowledged wrongdoing but did not take correct action, persons who violate laws, rules, policies, and other practices of the Company will be subject to disciplinary action by considering the intention, environment, result of the offense cooperation in the investigation. The actions are taken against the infringer to correct or prevent the same from happening again. The violators may be subject to disciplinary action from warning to disciplinary punishment. The most seriousness is termination of employment. Disciplinary punishment shall be in accordance with the Company's regulations and the decision according to the resolution of that committee meeting is final.

6.2 Business ethics

The Company is determined to manage and operate business with due regard to social responsibility and stakeholders such as shareholders, customers, business partners, employees, communities and surrounding society. This is to create sustainability in business and able to manage the business to grow steadily and be accepted in society, as well as to be able to generate returns to shareholders efficiently by taking into account the benefits and impacts of business operations on stakeholders related to the Company focusing on social responsibility.

The details of the Code of Business Conduct are published on the Company's website (www.muangthaicap.com/InvestorRelations/CodeofBusiness) and appear in Attachment No. 5.

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

6.3.1 Significant changes and developments related to policy reviews

The Board of Directors, executives and all employees attach great importance to and has always adhered to the principles of good corporate governance and business ethics for the Company have effective management, be transparent and aware of the impact on all direct and indirect stakeholders. It is in accordance with such policy. The Board of Directors therefore appoints and assigns the Corporate Governance Committee to be responsible for overseeing, monitoring and supporting the Company's operations in accordance with the policies and guidelines on corporate governance and business ethics including the Company's sustainable development policy.

In 2021, the Board of Directors has reviewed various policies such as reviewing the implementation of corporate governance policies and guidelines in accordance with the Good Corporate Governance Principles for Listed Companies (CG Code), Corporate Governance (CG Rating) Consideration of the election of directors who must retire by rotation, Consideration of the performance appraisal form of directors and the results of the assessment, Consideration of the structure of the board and sub-committees, Consideration of appointment of new directors to replace the existing directors, etc.

6.3.2 In the event that the Company has not yet applied the Good Corporate Governance Principles for Listed Companies 2017 (CG Code) into practice

In 2021, the Company has complied with the principles of good corporate governance. The Board of Directors has reviewed the implementation of corporate governance policies and guidelines in accordance with the Good Corporate Governance Principles for Listed Companies 2017 or the Corporate Governance Code (CG Code) in order to create sustainable business values and principles that cannot be applied, for example, setting a policy to limit the number of years in office of independent directors to no more than 9 years. Unless someone has knowledge, expertise and work experience that is very useful for the company's business operations. and express their opinions independently. The Board sees that each director working with the Company will be considered as a person with potential, knowledge, ability, and judgment in making decisions and experience in working with the Company. The directors will have better understanding of the Company's business as well as being able to formulate business strategies. In order to continue the Company's operations to grow continuously, all the independent directors of the Company have qualifications completely in accordance with the requirements of qualifications of independent directors as specified by the Office of the Securities and Exchange Commission.

6.3.3 Disclosure of other practices in accordance with good corporate governance principles

Apart from complying with corporate governance guidelines in accordance with good corporate governance principles for listed companies in 2017 or the Corporate Governance Code (CG Code), the Company's operations also support assessments according to various domestic criteria, such as the Corporate Governance Report of Thai Institute of Directors survey project, Thai Investors Association's Meeting Quality Assessment Program internationally.

For the operation in 2021, the Company received awards and rankings for compliance with good corporate governance and sustainability both domestic and international as follows:

1. The Company was announced for the Corporate Governance of Listed Companies for the year

2021 as "Excellent" (5 stars) for the fourth consecutive year which was assessed by Thai Institute of Directors (IOD).

2. The Thai Investors Association assessed the quality of the Annual General Meeting of Shareholders for the year 2021 of the Company and the score was in the criterion of "very good" or equivalent to 99%.

3. The Company was rated in the list of Thailand Sustainability Investment (THSI) 2021 index by the Stock Exchange of Thailand for the third consecutive year.

4. The Company was rated "A" for the third consecutive year in the ESG MSCI Index on the environmental, social and corporate governance performance by MSCI in the business group of Consumer Finance.

5. The Company was selected to be a member and ranked in the FTSE4Good Index Series Sustainability Index in the FTSE4Good Emerging Index group from FTSE Russell, with a score of 3.5 out of 5 or 1.4 times the industry average.

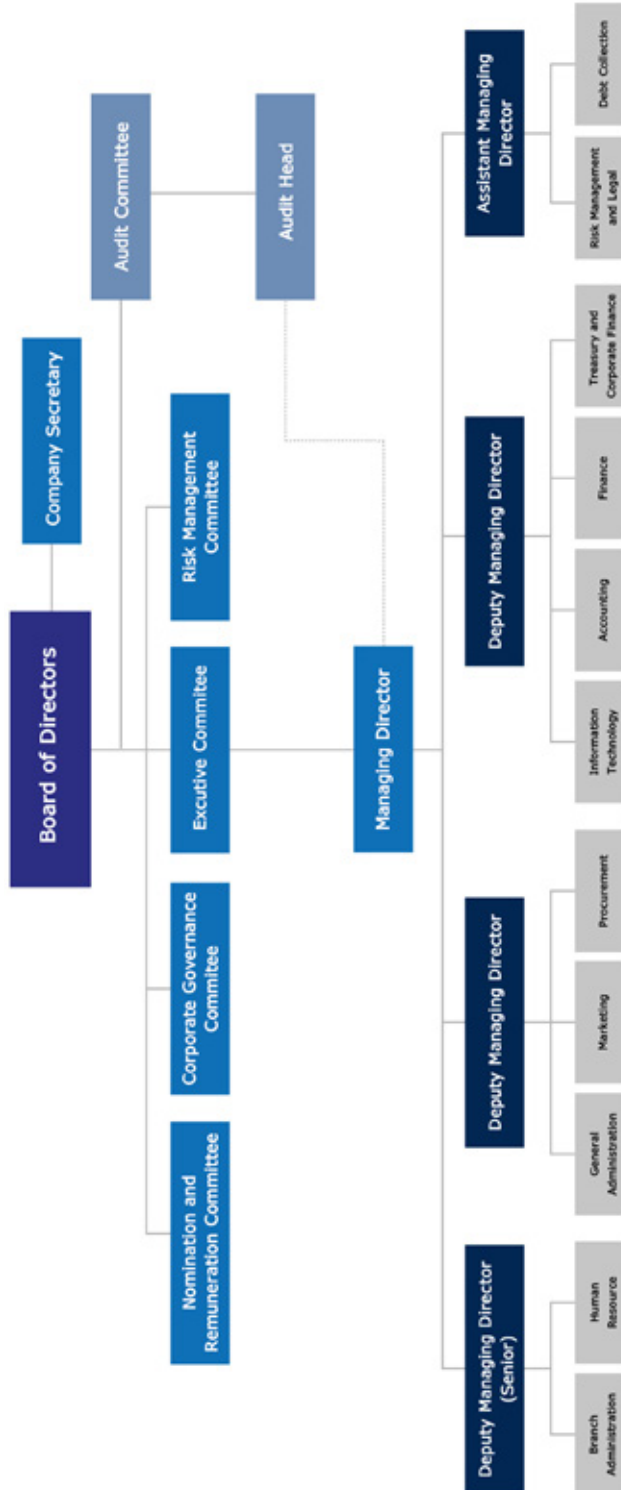
6. The Company was selected as a member of the FTSE Thailand USD Net Tax Index by FTSE Russell with profitable operating results, accurate and transparent tax management with the best interests of the country.

7. GLOBAL BANKING & FINANCE AWARDS
The Company received the honorary GLOBAL BANKING & FINANCE AWARDS ® 2021 organized by Global Banking & Finance Review, a leading magazine in finance and investment from England, in the category of "The Next 100 Global Awards 2021", a group of non-banking financial institutions. (NBF), where MTC is the only Thai company to receive the award in this category. This reflects the fact that MTC is an important force in driving capital to the small population thoroughly with a commitment to doing business that is fair and transparent.



Corporate Governance structure and important information about the Board, sub-committees, executives, employees and others

7.1 Corporate Governance Structure



7.2 Information on the Board of Directors

7.2.1 Structure of the Board of Directors

The Company requires the directors of the Company to comply with the code of best practices for directors of listed companies following the guidelines of the Stock Exchange of Thailand. The Board must understand and be aware of their roles, duties, and responsibilities and must perform their responsibilities under the law, objectives and regulations of the Company as well as the resolution of the shareholders' meeting with honesty considering the benefits of the Company and key stakeholders. The Board of Directors sets policies for business goals, business plans, and company budgets along with directing review and monitoring of management to follow the procedure and specified direction with efficiency and effectiveness for the most benefit of the Company.

Determination of the structure of the Board of directors for good corporate governance

1. The Chairman of the Board is an independent director and should not be the same person as the Chairman of the Executive Committee and the Managing Director who perform their duties independently with the obvious separation of duties and responsibilities between each other.

2. The Audit Committee consists of 3 independent directors and consists of 2 audit committees who has sufficient accounting knowledge and experience to be able to review the reliability of the Company's financial statements. The Audit Committee has the roles and responsibilities to inspect the internal control system of the Company through the internal audit department to perform their duties independently so that every stakeholder can be confident that the Company operates the business with transparency and have sufficient and useful internal control systems. In this regard, the Board of Directors requires the internal audit results to be monitored quarterly and reported to the Board of Directors.

3. Nomination and Remuneration Committee consists of 3 members including 2 independent directors and 1 non-executive director with the duties and responsibilities in selecting directors considering

qualifications, knowledge, and experience following the strategy and goals of the organization. It must be not against the law and related requirements with transparency and ensures that those who are nominated will be able to perform their duties following the two crucial fiduciary duty principles, namely the Duty of Care and Duty of Loyalty. Nomination and Remuneration Committee prepares and reviews the Skill Matrix annually to be used as the guideline in selecting an appropriate committee able to create board diversity in terms of knowledge, experience, skills, expertise, gender, and age necessary for the management and creating maximum benefits for the Company. Apart from nominating by the Nomination and Remuneration Committee, the Company provides an opportunity for individual shareholders to propose a list of suitable candidates for a position of director. The nomination form to be appointed as a director can be submitted via the Company secretary's email: monton.o@muangthaicap.com or send the original to the Company's Head Office by 31st January of every year. The Nomination and Remuneration Committee will consider the qualifications and suitability of the applicants by specifying the period for nomination to allow sufficient time for screening according to the process set by the Board of Directors before the shareholders' meeting. The Company will include the names of the persons approved by the Board of Directors on the agenda of the shareholders' meeting.

4. Risk Management Committee consists of 3 directors including 2 independent directors and 1 non-executive director responsible for determining the risk management policy and assessing external and internal risk factors that affect the goals and business operations of the Company. It is also responsible for determining the persons who responsible for risks in various departments along with assigning risk management, responsible of every executive to specify the risk appetite and to monitor the risk management of multiple departments quarterly. The results must be reported to the Board of Directors including giving knowledge and instilling risk management as an organizational culture for employees at all levels.

5. Corporate Governance Committee consists of 3 members including 2 independent directors and 1 non-executive director responsible for supporting the Board of Directors in establishing policies and directions in accordance with the good governance and sustainability, as well as to develop the governance and business conduct continuously and cultivated as a corporate culture.

6. The Executive Committee consists of a total of 13 executive directors. The Executive Committee will determine the business approaches and strategies to meet the goals set by the Board of Directors.

Independence and Diversity Policy of the Board of directors

The Company strives to maintain the independence of the corporate governance structure to be a model of corporate governance for the Company and to create the utmost confidence to all stakeholders of the Company

for being assured that the management and business operations of the company will be transparent and auditable. The emphasis is put on the maximum efficiency. The Board of Directors consists of independent directors for more than half of the total number of directors having the chairman of the board as an independent director.

Moreover, the Company's human right policy covers all stakeholders of the Company and the Board. The value and respect are paid on human rights by treating people or any group of people with equality in which ever gender, race, religion, social status, and political attitude. Thus, the directors are not selected or discriminated on human right policy (following the Remark) and consist of an appropriate number of female directors as reported in the following Independent and Diversity Assessment Report of Directors.

Statement on the Independence Assessing of the Board of Directors

Independent director as Chairman	Yes
The Chairman of the Board is not the same person as the Chairman of the Executive Committee.	Yes
Independent director as committee	4 persons (57.14%)
Non-Executive Board of Directors	5 persons (71.42%)
Female directors	3 persons (42.85%)

Remark: Human rights policy

<http://investor.muangthaicap.com/storage/sustainability/corporate-governance/20190509-mtc-human-right-policy-th.pdf>

Report of the Board of Directors

The Board of Directors is responsible for the consolidated financial statements of the Company and the subsidiaries and financial information as appeared in section 3 of the financial statements. The Company has established an effective internal control system to ensure that the financial statements have been prepared accurately and adequately under the appropriate accounting policy according to the accounting standard. The sufficient information is disclosed to the public and is consistent with the objectives, main goals, strategies and policies of the Company.

The Board of Directors has appointed an independent audit committee to be responsible for the quality of financial reports and internal control systems. The opinion of the Audit Committee appears in the Audit Committee Report as shown in Attachment No. 6.

Board of Directors' Securities Holding

The Company has established policies, codes of conduct and penalties regarding the use of inside information and main trading on the assets for sale of the Company's securities to prevent directors, executives and employees, including their spouses and children who are under the majority age, from using inside information that has not been disclosed to the public for wrongful gains for themselves or others. It is stipulated that directors, executives and employees of the Company is prohibited to trade in the Company's shares during the period when important financial information will be disclosed or during the Blackout period which the Company has set for a period of 45 days.

In the year 2021, the Company did not find any case of directors, executives and employees trading securities using inside information or trading during the Blackout period.

Report on the change in the Company's shareholding of directors and executives in 2021

No.	Name	Position	Numbers of shares as of 31 st December, 2021	Numbers of shares as of 31 st December, 2020	Numbers of shares (Increased/ decreased)	Ratio of shareholdings
1	Adm. Apichart Pengsritong	Chairman of the Board/ Chairman of the Recruitment and Remuneration Committee/ Independent Director	500,000	500,000	-	0.024
	Spouse and minor child		-	-	-	-
2	Mrs. Kongkeaw Piamduaytham	Director / Chairman of the Audit Committee / Member of Corporate Governance Committee / Independent Director	800,000	800,000	-	0.038
	Spouse and minor child		-	-	-	-

No.	Name	Position	Numbers of shares as of 31 st December, 2021	Numbers of shares as of 31 st December, 2020	Numbers of shares (increased/decreased)	Ratio of shareholdings
3	Mrs. Nongnooch Dawasuwan	Director / Member of Audit Committee / Member of Risk Management Committee / Member of Corporate Governance Committee / Independent Director	-	-	-	-
	Spouse and minor child		-	-	-	-
4	Mr. Suchat Suphayak	Director / Chairman of Risk Management Committee / Member of Audit Committee / Member of the Recruitment and Remuneration Committee / Independent Director	-	-	-	-
	Spouse and minor child		-	-	-	-
5*	Mr. Chuchat Petaumpai	Director / Chairman of the Executive Committee / Member of Risk Management Committee	710,056,400	710,056,400	-	33.493
	Spouse and minor child	-	-	-	-	-
6*	Mrs. Daonapa Petumpai	Director / Managing Director	720,000,000	720,000,000	-	33.962
	Spouse and minor child	-	-	-	-	-

No.	Name	Position	Numbers of shares as of 31 st December, 2021	Numbers of shares as of 31 st December, 2020	Numbers of shares (Increased/decreased)	Ratio of shareholdings
7	Dr. Suksit Petampai	Director / Member of Corporate Governance Committee / Member of Recruitment and Remuneration Committee	902,100	902,100	-	0.043
	Spouse and minor child		-	-	-	-
8	Mr. Surapong Pechaumpai	Deputy Managing Director (Senior)	980,100	925,100	55,000	0.046
	Spouse and minor child		-	-	-	-
9	Mr. Parithad Petampai	Deputy Managing Director	3,093,100	2,690,500	402,600	0.146
	Spouse and minor child		50,000	-	-	0.002
10	Mr. Surat Chayavoradech	Deputy Managing Director	-	-	-	-
	Spouse and minor child		-	-	-	-
11	Ms. Duangkhae Songnuy	Assistant Managing Director	1,145,000	1,145,000	-	0.054
	Spouse and minor child		-	-	-	-
12	Ms. Vimornat Nujul	Account Manager	504,000	504,000	-	0.024
	Spouse and minor child			-		

No.	Name	Position	Numbers of shares as of 31 st December, 2021	Numbers of shares as of 31 st December, 2020	Numbers of shares (increased/decreased)	Ratio of shareholdings
13	Mr. Somkiat Ratsamee	Branch Affairs Manager	219,000	219,000	-	0.010
	Spouse and minor child		-	-	-	-
14	Mr. Amnat Niamsee	Debt Manager	300,000	300,000	-	0.014
	Spouse and minor child		-	-	-	-
15	Mr. Banyat Ninsiri	Branch Affairs Deputy Manager	131,000	200,000	(69,000)	0.006
	Spouse and minor child		-	-	-	-
16	Mr. Niyom Rodnoi	Branch Affairs Assistant Manager	438,000	438,000	-	0.021
	Spouse and minor child		-	-	-	-
17	Mr. Pradit Thongkham	Branch Affairs Assistant Manager	200,000	200,000	-	0.009
	Spouse and minor child		37,000	37,000	-	0.002
18	Mr. Songkran lamkai	Branch Affairs Assistant Manager	8,900	14,000	(5,100)	0.0004
	Spouse and minor child		37,000	37,000	-	0.002

Remark: * Mr. Chuchat Petaumpai and Mrs. Daonapa Petampai are spouses.

7.2.2 Information of the Board of Directors and the Company's individual controller

Qualifications of Directors

The persons as the directors of the Company must be qualified as a director of a financial institution as specified by law and must go through the specified recruitment process. The persons must have skill, knowledge and specified experience. They should understand the roles, duties and responsibilities of the directors and business type and be able to devote time to perform their duties as directors with full efficiency. At least 1 independent director must have knowledge and experience in financial accounting. The Company had had 2 independent directors qualified with knowledge and experience in financial accounting (Mrs. Kongkeaw Piamduaytham and Mrs. Nongnooch Davasuwan).

	Name - surname	Position
1.	Adm. Apichart Pengsritong	Chairman of the Board/ Chairman of the Recruitment and Remuneration Committee/ Independent Director
2.	Mr. Chuchat Petaumpai	Director / Chairman of the Executive Committee / Member of Risk Management Committee
3.	Mrs. Daonapa Petampai	Director / Managing Director
4.	Dr. Yothin Anavil (died during the year*)	Independent Director / Chairman of the Corporate Governance Committee * / Member of Recruitment and Remuneration Committee
5.	Mrs. Kongkeaw Piamduaytham	Independent Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee
6.	Mrs. Nongnooch Dawasuwan	Independent Director / Member of Audit Committee / Member of Corporate Governance Committee / Member of Risk Management Committee
7.	Dr. Suksit Petampai	Director / Member of Corporate Governance Committee / Member of Recruitment and Remuneration Committee
8.	Mr. Suchat Suphayak	Independent Director / Chairman of the Risk Management Committee / Member of Audit Committee / Member of Recruitment and Remuneration Committee

Authorized signatory directors to bind the Company

In the year 2021, the Company did not change the names of the authorized signatory directors to bind the Company from last year (as the authorized signatory director died) in which two of these four directors jointly sign and affixed with the Company's seal.

1. Adm. Apichart Pengsritong or
2. Mr. Chuchat Petaumpai or
3. Mrs. Daonapa Petampai or
4. Mr. Suksit Petampai

7.2.3 Information of the roles, duties and responsibilities of the directors

Scope of duties and responsibilities of the Board of Directors

1) The Board of Directors has the powers, duties, and responsibilities in managing and operating the Company's business as prescribed by law, objectives, regulations of the Company as well as the resolutions of the shareholders' meeting with honesty carefully protecting the Company's interests.

2) Prepare the balance sheet and the income statements of the Company at the end of the accounting period with the auditor to audit before presenting to the shareholders' meeting for consideration and approval.

3) All directors must be qualified with knowledge and work experience from many fields. The Board of Directors is responsible for setting the vision of Company's mission, consider and approve the business directions, policies, strategies, and goals of the Company for the management to use as a framework for making business plans, support plans and budgets annually.

4) Consider, review, and approve policies, visions, directions, strategies, and business plans of the Company proposed by the management on an annual basis.

5) Provide a discussion and express opinions of the management independently, to set the organization direction and be prepared to handle situations that may change the economy and other environments.

6) Follow up the operations to be following the plan and budget continuously.

7) Proceed for the Company and subsidiaries to have appropriate and effective accounting systems and provide reliable financial report and audit including establishing adequate and proper internal control and internal audit system.

8) Prepare the annual report of the committee and responsible for the preparation and disclosure of financial statements to show the financial status and operational performance of the past year and present to propose to the shareholders' meeting for consideration and approval.

9) Consider and stipulate risk management policies to cover the entire organization and supervise to have a system or process for 60 risk management with supporting measures and control methods to reduce the Company's business impact appropriately.

10) Consider and determine the management structure. Have the power to appoint the Executive

Committee, Managing Director, and other sub-committees as appropriate. Determine the scope of duties and responsibilities of the Executive Committee, Managing Director, and various appointed sub-committees. In this regard, the authorization within the specified range of authority must not be the power to authorize the Executive Committee, Managing Director, and various sub-committees to be able to consider approving the transactions possibly having any conflict of interest or stakes with the Company or the subsidiaries as defined in the Notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand and / or any other notices of relevant agencies except for the approval of transactions following the policies and criteria approved by the Board.

11) The Board of Directors may authorize one or more directors or other persons to take any action on behalf of the Board under the control of the Board or may approve such person to have the power as deemed appropriate by the Board within the period as deemed appropriate by the Board. In addition, the Board of Directors may cancel, revoke, change or amend such authorization as necessary.

12) Supervise and oversee the management and operations of the Company and the subsidiaries to comply with regulations and rules set by the Stock Exchange of Thailand and Notification of the Capital Market Supervisory Board such as related transactions and the acquisition or distribution of essential assets to the extent that it is not contrary to or inconsistent with other laws.

13) Prepare the report of the Board of Directors' responsibility for financial statements in the annual report.

14) Assess the yearly performance of the Chief Executive (CEO). **The details and instructions are on the Company's website.

Authority of the Company's Board of Directors in the approval and operation

1) Appoint, remove, authorize the subcommittees, executive committee, and Managing Director.

2) Appoint the consultant or external experts in case of necessity with the Company's expenses.

3) Approve the loans for use as working capital of the Company in the amount exceeding the authority of the Executive Committee.

4) Approve the receipt or cancellation of credit limits in excess of the authority of the Executive Committee.

5) Approve for establishment, merger or dissolution of subsidiaries.

6) Approve for investment, selling investment capital in ordinary shares and / or any other securities in the amount exceeding the authority of the Executive Committee.

7) Propose to increase or decrease capital or change of par value, amendment of memorandum of association, articles of association and/or objectives of the Company to shareholders.

8) Authorize the management or employees at the Company's executive-level substitution.

9) Authorize to invite management or relevant employees of the Company to clarify, give opinions, attend meetings as well as submitting the documents as deemed appropriate and/or necessary.

10) Appoint and dismiss the Company's secretary Authority of the committee mentioned above if related to the acquisition or disposition of assets and related transaction must comply with the Notification of the Capital Market Supervisory Board.

Scope of duties and responsibilities of the Chairman of the Board

1) Convene a meeting of the Board of Directors, act as the Chairman of the board meeting and the shareholders meeting as well as having a role in setting the meeting agendas with the Managing Director.

2) Support and encourage the Board of Directors to perform their duties to the best of their ability according to the scope of duties and responsibilities and according to the principles of good corporate governance.

3) Oversee and monitor the administration of the Board of Directors and other sub-committees to achieve the set objectives. Oversee and monitor the administration of the Board of Directors and other sub-committees to achieve the set objectives.

4) Have a role in controlling the meeting to be effective in compliance with Company's regulations supporting and allowing the directors to express opinions freely.

5) Cast the vote if the Board of Directors has a casting vote and the votes on both sides are equal.

Scope of duties and responsibilities of the Managing Director

The Managing Director plays a role in various aspects of management to be in accordance with the policies, strategies and goals set by the Board, such as setting operating regulations, loan approval according to the authorized limit level, recruiting, and appointing procurement personnel including general management of the Company, etc.

Board of Director's meeting

1. The Company has a policy that the Board's meeting shall be held regularly at minimum once every 3 months and might has special meeting as needed, to follow up the business performance. In each meeting, there will be clear agenda which will be sent together with the meeting notice at least 7 day in advance. This will allow the Board member to have enough time to study in details prior to the meeting. Minutes of meeting will be prepared and achieved after it is granted by the Board of Directors, ready for the Board members or related persons to review.

2. The Company has set up a meeting to discuss among non-executive directors without any directors who are non-executive directors joining the Executive Committee at least once a year to provide an opportunity for non-executive directors to debate and consider the Company's strategy and operations independently from the management. In 2021, one meeting was held on 21st September, 2021.

3. The Chairman of the Board of Directors and the Chairman of the Executive Committee have the duty to jointly set agendas for the Board of Directors' meetings by giving opportunities for other directors and independent directors to consider and give opinions before filling in the agenda and sending the meeting invitation letter to the board of directors. If a director wishes to propose an agenda to the meeting, they can notify the chairman of the Chairman of the Board of Directors, the Chairman of the Executive Committee or the Company's Secretary.

4. The invitation to the meeting agenda and supporting documents for the Board of Directors meeting will be sent to each director at least 7 days prior to the meeting date so that the directors have time to study the information before the meeting.

5. The directors are responsible for attending board meetings in which there must be a proportion of attending the Board of Directors' meeting at least 75% of all meetings throughout the year. The quorum must be not less than two-thirds of the total number of directors. The decision of the meeting shall be made by a majority of votes. For the year 2021, the proportion of attendance attend the meeting of the board of directors as a percentage of 100%.

6. The minutes of the meeting stating the date and time the meeting started and finished, list of directors participating and not participating, summary and the conclusion of the agenda story presented, discussed issues and suggestions of the Board including the management's explanation, the board's resolutions in detail, sufficient and clear, together with the signature of the Chairman of the meeting and Company's

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secretary who takes minutes of the meeting. In the event that a director is a stakeholder in any agenda, they will not participate in the consideration and will abstain from voting on that resolution which the company secretary will inform all directors before starting the meeting

7. Minutes of the meeting will be copied and delivered to internal departments and related external agencies within the specified time and is kept as reference and verifiable. The minutes of the meeting cannot be edited without approval from the meeting.

8. Board of Directors has set a schedule of meetings in advance each year and inform the Board of Directors to know this. In 2021, the schedule for the Board of Directors' meeting had been set in advance (This meeting schedule is subject to change) excluding special meeting agendas as follows:

Meeting	1 st time	2 nd time	3 rd time	4 th time	5 th time
Board of Directors	16/02/21	11/05/21	10/08/21	21/09/21	09/11/21
Audit Committee	16/02/21	11/05/21	10/08/21	09/11/21	
Risk Management Committee	09/02/21	06/08/21			
Corporate Governance Committee	11/02/21				
Recruitment and Remuneration Committee	11/02/21	14/12/21			
Independent Director	21/09/21				

Report on the Board meeting attendance of 2021

Board of Directors

Directors	Position	Proportion of meeting attendance
1. Adm. Apichart Pengsritong	Chairman of the Board and independent director	100%
2. Mr. Chuchat Petaumpai	Director	100%
3. Mrs. Daonapa Petumpai	Director	100%
4. Dr. Yothin Anavil (died during the year*)	Independent director	100%
5. Mrs. Kongkaew Piamduaytham	Independent director	100%
6. Mrs. Nongnuch Dawasuwan	Independent director	100%
7. Dr. Suksit Petumpai	Director	100%
8. Mr. Suchart Suphayak	Independent director	100%

Note: Miss Monthon Onphan is the Company's Secretary and Secretary of the Board of Directors

- 8 Board meetings were held at the end of 31st December, 2021. The proportion of attendance of the Board of Directors was 100%.

- Dr. Yothin Anavil expired as a director of the Company on 21st July, 2021 due to his death (attending the Board of Directors' meeting 2 of 2 times)

Audit Committee

Directors	Position	Proportion of meeting attendance
1. Mrs. Kongkaew Piamduaytham	Chairman of the Audit Committee / Independent director	100%
2. Mrs. Nongnuch Dawasuwan	Audit Committee / Independent director	100%
3. Mr. Suchart Suphayak	Audit Committee / Independent director	100%

Note: Mr. Chaleom Inhoum is the Secretary of the Audit Committee and the Assistant Manager of Audit Department

- 4 Audit Committee's meetings were held at the end of 31st December, 2021. The proportion of attendance of the committee was 100%.

- Mrs. Kongkaew Piamduaytham and Mrs. Nongnuch Davasuwan were knowledgeable persons with sufficient accounting experience to be able to review the reliability of the Company's financial statements.

Nomination and Remuneration Committee

Directors	Position	Proportion of meeting attendance
1. Adm. Apichart Pengsritong	Chairman of the Nomination and Remuneration Committee / Independent director	100%
2. Dr. Yothin Anavil (died during the year)	Nomination and Remuneration Committee / Independent director	50%
3. Mr. Suchart Suphayak** (being in office during the year)	Nomination and Remuneration Committee / Independent director	50%
4. Dr. Suksit Petampai	Nomination and Remuneration Committee / Director	100%

Note: Miss Monthon Onphan is the Secretary of the Nomination and Remuneration Committee.

- 3 Nomination and Remuneration Committee's meetings were held at the end of 31st December, 2021. The proportion of attendance of the committee was 100%.

**On 27th July, 2021, the Committee's Meeting No. 4/21 had the resolution to appoint Mr. Suchart Suphayak as the Nomination and Remuneration Committee in replacement of the vacant position.

Corporate Governance Committee

Directors	Position	Proportion of meeting attendance
1. Dr. Yothin Anavil (died during the year)	Chairman of the Corporate Governance Committee / Independent director	100%
2. Mrs. Kongkaew Piamduaytham* (appointed during the year)	Chairman of the Corporate Governance Committee / Independent director	100%
3. Dr. Suksit Petampai	Corporate Governance Committee / Director	100%
4. Mrs. Nongnuch Dawasuwan** (being in office during the year)	Corporate Governance Committee / Independent director	-

Note: Miss Monthon Onphan is the Secretary of the Corporate Governance Committee.

- 1 Corporate Governance Committee's meeting was held at the end of 31st December, 2021. The proportion of attendance of the committee was 100%.

*On 27th July, 2021, the Committee's Meeting No. 4/21 had the resolution to appoint Mrs. Kongkaew Piamduaytham as the Chairman of the Corporate Governance Committee in replacement of the vacant position.

**On 27th July, 2021, the Committee's Meeting No. 4/21 had the resolution to appoint Mrs. Nongnuch Dawasuwan as the Chairman of the Corporate Governance Committee in replacement of the vacant position.

Risk Management Committee

Directors	Position	Proportion of meeting attendance
1. Mr. Suchart Suphayak	Chairman of the Risk Management Committee / Independent director	100%
2. Mr. Chuchat Petaumpai	Risk Management Committee / Director	100%
3. Mrs. Nongnuch Dawasuwan	Risk Management Committee / Independent director	100%

Note: Miss Duangkhae Songnuy is the Secretary of the Risk Management Committee.

- 2 Risk Management Committee's meetings were held at the end of 31st December, 2021. The proportion of attendance of the committee was 100%.

Company Secretary

The Board of Director had the resolution to appoint Miss Monthon Onphaen as the Company Secretary in order to align with section 89/15 of Securities and Exchange Act B.E.2535 as amended by Securities and Exchange Act (No. 4) B.E. 2551. The following are responsibilities of the Company Secretary.

Duties and responsibilities

Duties

1) To supervise and make recommendations to the Board about legal compliances rules and regulations of regulatory bodies and of the Company itself as well as monitor the Company's operations on a regular basis to ensure all activities are conducted in accordance with relevant laws.

2) To arrange the Board's meetings and shareholders' meetings and coordinate with related parties to ensure that the resolutions from the Board's meetings and shareholders' meeting are carried out.

3) To supervise the disclosure of the Company's information and information technology report to be complied with the Stock Exchange of Thailand, the Securities and Exchange Commission and other related regulations.

4) Support the management of the Company in accordance with the principles of good corporate governance.

5) Perform other actions as specified by the Capital Market Supervisory Board

6) Send a copy of the report of stakeholding under Section 89/14 to the CEO and the Chairman of the Audit Committee to acknowledge within 7 business days from the date of receiving the report.

7) To make a report and keep the following documents:

- Directors register
- Notices of meetings and meeting minute reports of the Board
- Notices of meetings and meeting minute reports of shareholders
- Annual reports
- The Board's conflict of interest reports

Responsibilities

The Company Secretary must perform duties responsibly with caution and honesty as well as having to perform duties in accordance with the law, objectives, regulations of the Company, Board's resolution, and the resolution of the shareholders' meeting using the criteria for corporate directors Section 89/23 of the Securities and Exchange Act (No. 4) B.E. 2551.

In the event that the Company Secretary vacates office or is unable to perform duties, the Board of Directors shall appoint a new secretary within 90 days from the time the former secretary vacates office or is unable to perform duties. Besides, the Board of Directors has the power to delegate the Company's directors to perform their duties for the said period.

The Company Secretary has to prepare the written minutes of the meeting and keep the minutes of the meeting certified by the Board of Directors. Each director receives a meeting report at least 7 days prior to approval.

Additionally, as the Company is well-aware of and committed to good corporate governance, the Company Secretary has passed the training programs organized by Thai Institute of Directors (IOD) which are:

- Company Secretary Program (CSP), Batch 50/2013
- Effective Minute Taking (EMT), Batch 26/2013
- Anti-Corruption: The Practical Guide (ACPG), Batch 43/2018
- ASEAN CG Scorecard Coaching 2020, Batch 4/2020
- CGR Workshop 2021

7.3 Information of the sub-committees

7.3.1 Information of each designated sub-committee

The structure of the Company's Board of Directors consists of the Board of Directors and 4 sub-committees being fully qualified according to Section 68 of the Public Company Limited Act B.E.2535 and related Capital Market Commission Notifications. 4 sub-committees include 1. Audit Committee, 2. Nomination and Remuneration Committee, 3. Corporate Governance Committee, 4. and Risk Management Committee.

1. Audit Committee

Scope of duties and responsibilities of the Audit Committee

1) Review for the Company to have the financial report accurately, sufficiently, and timely following the legal framework.

2) Review for the Company to have internal control and internal audit systems that are appropriate, sufficient and effective as well as considering the independence of the internal audit department or any other department responsible for internal audit, as well as consideration on assigning, transferring and terminating the head of internal audit or other related unit performing the internal audit.

3) Review for the Company to comply with the Securities and Exchange Act, SET requirements and laws related to the Company's business.

4) Consider, select, propose, appoint and terminate the employment of independent persons to be the auditor of the Company and propose the remuneration of such person as well as attending a meeting with the auditor without the management attending the meeting at least once a year.

5) Consider the related transaction or the transaction that may have a conflict of interest to follow the law and the regulations of the Stock Exchange of Thailand to ensure that such transaction is reasonable and is the most benefit to the Company.

6) Prepare the report of the Audit Committee and disclose in the annual report of the Company. The mentioned report must be signed by the Chairman of the Audit Committee and must contain the following information:

- An opinion on the accuracy, completeness, and credibility of the Company's financial reports

- Comments about the sufficiency of the internal control system of the Company

- Comments on the compliance with the Securities and Exchange Act, SET requirements or laws related to the Company's business including the supervision on the compliance with rules, regulations, and policies.

- Explanation regarding the suitability of the auditor. Comment on transactions that may have conflicts of interest.

- The number of the audit committee meetings and attendance of each member of the audit committee

- Overall opinion or observation that the Audit Committee has received from performing duties under the Charter.

- Other transactions which the shareholders and general investors should know within the scope of duties and responsibilities assigned by the Board of Directors.

- Conclusion / opinion of the Audit Committee on various aspects of the overall operation

- Consideration of proposing to appoint an auditor

Perform any other duties as assigned by the Board of Directors with the approval of the audit committee.

2. Nomination and Remuneration Committee

Scope of duties and responsibilities of the Nomination and Remuneration Committee

Recruiting

1) Specify criteria and policies for nominating directors and sub-committee by considering the suitability of the number of structures and the composition of the Board of Director's qualifications. Propose to the Board of Directors and / or propose for approval to the shareholders' meeting as the case may be.

2) Consider, select, and propose a suitable person for the position to replace the directors who completed their terms and / or have a vacancy and / or appoint more.

3) Arrange for an election of directors.

4) Perform any other duties regarding the nomination as assigned by the Board of Directors.

5) Evaluate the performance of the top management of the Company to be proposed to the meeting of the Board of Directors for acknowledgment and approval.

Determination of remuneration

1) Prepare rules and policies for determining the remuneration of the Board of Directors and sub-committee to propose to the Board of Directors and / or propose for approval at the shareholder's meeting as the case may be.

2) Set necessary and appropriate remuneration both in and not in the monetary terms of the Board of Directors individually by determining the remuneration of the Board of Directors considering the appropriateness with the duties responsibility, portfolio, and compare with companies in similar businesses and the benefits expected from the directors to be proposed to the Board of Directors to consider and propose to the shareholders' meeting for approval.

3) Responsible for the Board of Directors and responsible for providing clarification, answering the questions about remuneration for directors at the shareholders' meeting.

4) Report the policy, principles, and rationale for the remuneration of directors and executives according to the regulations of the SET by disclosing in the 56-1 One Report of the Company

5) Perform any other duties related to the remuneration as assigned by the Board of Directors, the management and various departments. The relevant information and documents must be reported or presented to the Nomination and Remuneration Committee to support the performance of the Nomination and Remuneration Committee to achieve the assigned duties.

6) Propose the evaluation results of every sub-committee to the Board of Directors and ways to improve the efficiency of every sub-committee.

7) Consider the salary of the Chief Executive Officer (CEO) based on the Company's operating results as a criterion for consideration.

3. Corporate Governance Committee

Scope of duties and responsibilities of the Corporate Governance Committee

1) Propose guidelines for corporate governance to the Board of Directors.

2) Supervise the operations of the Company following the principles of corporate governance of the regulatory institutions such as the Stock Exchange

of Thailand, the Securities and Exchange Commission.

3) Consider and review the corporate governance policy regularly. Comply with the international practices and recommendations of relevant institutions or agencies.

4) Consider and propose best practices regarding corporate governance for the committee or affirm the determination of the committee's regulations regarding such matters.

5) Suggest the requirements regarding the business ethics of the Company and code of conduct for the Company's executives and employees.

6) Promote the dissemination of culture in good corporate governance and participate in social activities.

7) Other matters assigned by the Board of Directors.

4. Risk Management Committee

Scope of duties and responsibilities of the Risk Management Committee

1) Establish and review policies and the organization's risk management framework.

2) Supervise and support the organization's risk management operations following the business strategy, goals, and changing circumstances.

3) Provide guidelines for monitoring and evaluation of risk management to the working group/risk management for implementation.

4) Consider the risk management report of the organization and make comments on possible risks as well as providing guidelines for establishing control measures and developing the organization risk management system to the working group/risk management department for implementation.

5) Report risk management of the organization to the Board of Directors for acknowledgment and in the case of significant factors or events that may affect the Company significantly and must report to the Board to acknowledge and consider as soon as possible.

6) Perform other duties as assigned by the Board of Directors.

7.3.2 List of each sub-committee

Audit Committee

Directors		Position
1.	Mrs. Kongkaew Piamduaytham	Chairman of the Audit Committee / Independent director
2.	Mrs. Nongnuch Dawasuwan	Audit Committee / Independent director
3.	Mr. Suchart Suphayak	Audit Committee / Independent director

- Mrs. Kongkaew Piamduaytham and Mrs. Nongnuch Dawasuwan were knowledgeable persons with sufficient accounting experience to be able to review the reliability of the Company's financial statements.

Nomination and Remuneration Committee

Directors		Position
1.	Adm. Apichart Pengsritong	Chairman of the Nomination and Remuneration Committee / Independent director
2.	Dr. Yothin Anavil (died during the year)	Nomination and Remuneration Committee / Independent director
3.	Mr. Suchart Suphayak** (being in office during the year)	Nomination and Remuneration Committee / Independent director
4.	Dr. Suksit Petampai	Nomination and Remuneration Committee / Director

**On 27th July, 2021, the Committee's Meeting No. 4/21 had the resolution to appoint Mr. Suchart Suphayak as the Nomination and Remuneration Committee in replacement of the vacant position.

Corporate Governance Committee

Directors		Position
1.	Dr. Yothin Anavil (died during the year)	Chairman of the Corporate Governance Committee / Independent director
2.	Mrs. Kongkaew Piamduaytham * (appointed during the year)	Chairman of the Corporate Governance Committee / Independent director
3.	Dr. Suksit Petampai	Corporate Governance Committee / Director
4.	Mrs. Nongnuch Dawasuwan ** (being in office during the year)	Corporate Governance Committee / Independent director

*On 27th July, 2021, the Committee's Meeting No. 4/21 had the resolution to appoint Mrs. Kongkaew Piamduaytham as the Chairman of the Corporate Governance Committee in replacement of the vacant position.

**On 27th July, 2021, the Committee's Meeting No. 4/21 had the resolution to appoint Mrs. Nongnuch Dawasuwan as the Chairman of the Corporate Governance Committee.

Risk Management Committee

Directors		Position
1.	Mr. Suchart Suphayak	Chairman of the Risk Management Committee / Independent director
2.	Mr. Chuchat Petaumpai	Risk Management Committee / Director
3.	Mrs. Nongnuch Dawasuwan	Risk Management Committee / Independent director

7.4 Information of the executives

7.4.1 Specify the names and positions of the executives.

As of 31st December, 2021, the Company has 13 Executive Committees including:

Executive Committees	Position
1. Mr. Chuchat Petaumpai	Chief Executive Officer (CEO)
2. Mrs. Daonapa Petumpai	Executive Committee / Managing Director
3. Mr. Surapong Pechaumpai	Executive Committee / Senior Deputy Managing Director
4. Mr. Parithad Petumpai	Executive Committee / Deputy Managing Director
5. Mr. Surat Chayavoradech	Executive Committee / Deputy Managing Director
6. Ms. Duangkhae Songnuy	Executive Committee / Assistant Managing Director
7. Ms. Vimonrat Nujul	Executive Committee / Accounting Manager
8. Mr. Somkiat Ratsamee	Executive Committee / Branch Affairs Manager
9. Mr. Amnat Niamsee	Executive Committee / Debt Manager
10. Mr. Banyat Ninsiri	Executive Committee / Branch Affairs Assistant Manager
11. Mr. Niyom Rodnoi	Executive Committee / Branch Affairs Assistant Manager
12. Mr. Pradit Thongkhum	Executive Committee / Branch Affairs Assistant Manager
13. Mr. Songkran Iamkai	Executive Committee / Branch Affairs Assistant Manager

Chief Financial Officer (CFO): Mr. Surat Chayavoradech

Accounting Supervisor: Ms. Vimonrat Nujul

Scope of authorities, duties and responsibilities of the Executive Committee

1) To propose goal, policy, business plan and yearly budget of the Company to the Board of Directors for approval.

2) To control the Company's business operation to follow the set policy, plan and budget approved by the Board.

3) To consider and approve the transactions incurred from the normal business operation i.e. investments which are within the capital expenditure budget or in accordance with the budget approved by the Board. Also the amount of each transaction must in line with the approval authorities matrix approved by the Board.

4) To consider and approve the definition and any amendments in the rule and criteria of loan approval, credit determining table, as well as the definition and any amendments of penalty fee and discounts.

5) To propose the organization structure which suits the Company's business operation for the Board's approval and to consider and approve the additional hiring of employee which is not in the approved annual budget.

6) To consider the Company's profit and loss, the proposal to pay the interim dividend or the annual dividend in order to propose to the Board.

7) The Executive Committee may appoint or hire consultant for the Company's internal administration and management in order to maximize results.

8) The Executive Committee may authorize one or more individuals to act on behalf of the committee under the supervision of the Executive Committee, or authorize the person to have authorities as the committee deems appropriate and within the approved timeframe. Such authorization may be cancelled, revoked or amended as deemed appropriate by the committee.

9) To perform any other duties assigned by the Board of Directors.

Designated Approval Authority

The Company has designated approval authority for business operations with details below.

	Assistant Managing Director	Deputy Managing Director	Managing Director	Executive Committee
1. Payment which is over the approved capital expenditure	-	-	Not over 15%	Not over 20%
2. Non-budgeted investments	-	-	Not over 20 million baht	Not over 40 million baht
3. Opening of new branches which is over the number stated in the board approved business plan	-	-	-	Not over 20%
4. Approval of petty cash disbursement over the set criteria ¹⁾	Not over 15,000 baht per time	Not over 15,000 baht per time	Approved	-
5. Cash advance per time ²⁾				
● Branch/Auction centre	-	Not over 70,000 baht per time	Approved	-
● Head Office	Not over 70,000 baht per time	Not over 100,000 baht per time	Approved	-
6. Disposal of damaged fix assets ³⁾	Not over 50,000 baht per time	Not over 50,000 baht per time	Approved	-
7. Account write-off bad debts	-	-	-	Not over 10 million baht

Remarks: 1) In the past, the Company's maximum petty cash disbursement did not exceed 15,000 baht per time.

2) In the past, branches and auction centers' maximum cash advance did not exceed 50,000 baht per time and Head office's maximum cash advance did not exceed 75,000 baht per time.

3) In the past, the Company's maximum disposal of damaged fix assets did not exceed 50,000 baht per time.

7.4.2 Policy of director and management remuneration

The Company has set remuneration for directors and executives at an appropriate level at a rate sufficient for keeping quality directors and executives without paying excessive remuneration. It is at a level that is comparable to the companies in the same industry. The factors to be considered for the remuneration consist of experience, duties, scope of roles and responsibilities. However, the remuneration of directors must be approved by the shareholders' meeting of the Company. For the management's remuneration, it will be in accordance with the principles and policies determined by the Board of Directors which will be considered from the duties, responsibilities, and the performance of each executive together with the consideration of the Company's performance.

7.4.3 Total remuneration of executive directors and executives

The objective of payment of remuneration for the Company's executives is to reward the success of the Company's strategies. The remuneration of the executives will be directly proportional to the achievement of the management team. The performance appraisal is based on the success indicators in various fields of operation.

In 2021, the Company paid remuneration to management (13 persons) in the amount of 47.36 million baht (in 2020 : 47.98 million baht). Such remunerations include salary, position allowance, bonuses, allowances, contributions to the Social Security Fund and contributions to the provident fund.

Executives	2021	2020
13 executive directors (million baht)	47.59	47.98
Average remuneration for female directors (million baht)	1.56	1.78
Average remuneration for male directors (million baht)	2.43	2.91

7.5 Information about employees

As of 31st December, 2021, the Company and its subsidiaries have a total of 11,447 employees (excluding 13 executives) which can be divided into main divisions as follows waiting for year-end numbers.

Department	Number of employees (persons)		
	Head Office	Branch	Total
1. Branch Affair Department	14	287	301
2. Credit Analysis Department	-	9,513	9,513
3. Debt Collection Department	-	220	220
4. Accounting Department	26	765	791
5. Financial Department	13	165	178
6. IT Department	20	-	20

Department	Number of employees (persons)		
	Head Office	Branch	Total
7. Legal Affair Department and Compliance	6	-	6
8. Administrative Department	32	-	32
9. Human Resource Department	9	-	9
10. Internal Audit Department	70	-	70
11. Purchase Department	9	-	9
12. Secretary Department	3	-	3
13. Car auction center	-	18	18
14. Maid	3	272	275
Total	207	11,240	11,447

Remark: The employees of the Company and of the subsidiary are the same employees.

In 2021, the Company has employee expenses which consist of salary, commission, annual bonus and other benefits totaling 4,272 million baht compared to the amount of 3,676 million baht in the year 2020.

Provident Fund: In 2021, the Company has paid contributions to the provident fund in the amount of 48 million baht.

Employee Development Policy

The Company focuses on human resource development by providing skill training, skill development and continuous learning at all levels of employees. The Company focuses on promotion internally and the performance is evaluated so that the employees can be developed effectively. This is an important factor for stable and strong business growth. Such training development policy is consistent with the nature of business and departments in the organization that are directly responsible and consistent with the consultation from external consultants.

7.6 Other important information

7.6.1 Name list of persons who are directly responsible for accounting and financial supervision, Company Secretary, Head of Internal Audit, Head of Compliance

Name list of persons who are directly responsible for accounting and financial supervision

Mr. Surat Chayavoradech Deputy Managing Director (Chief Financial Officer)

Ms. Vimornrat Nujul Accounting Manager (Accounting Supervisor)

(Profile and qualifications appear in Attachment No. 1)

- Company Secretary

Ms. Monthon Onphan (Profile and qualifications appear in Attachment No. 1)

- Head of Internal Audit

Mr. Chaleom Inhoum Audit Assistant Manager
(Profile and qualifications appear in Attachment No. 3)

- Head of Compliance

Mr. Eakawit Srila Legal and Regulatory Compliance Specialist
(Profile and qualifications appear in Attachment No. 3)

7.6.2 Head of Investor Relations and contact information

Mr. Kraitsada Kurujitkosol

E-mail: ir@muangthaicap.com

Website: investor.muangthaicap.com

7.6.3 Remuneration of Auditor

The annual general shareholders' meeting year 2021 has approved the remuneration of auditor for 2021 at 4,360,000 baht (excluding other costs) which included the audit fee and the review for the Company's and its subsidiary's interim financial statements and their consolidated statements as follows:



8

Report on key performance in corporate governance**8.1 Summary of the performance of the Board of Directors in the past year****8.1.1 Nomination, development and assessment of the Board's performance of duties**

8.1.1 (1) Independent Director

The Company strives to maintain the independence of the corporate governance structure to be a model of corporate governance for the Company and to create the utmost confidence to all stakeholders of the Company for being assured that the management and business operations of the company will be transparent and auditable. The emphasis is put on the maximum efficiency. The Board of Directors consists of independent directors for more than half of the total number of directors having the chairman of the board as an independent director.

Definition and qualifications of Independent Director were defined by the Securities and Exchange Commission as follows:

1) Holding not exceeding 1 per cent of the total number of voting rights of the Company, its parent company, subsidiaries, 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 person of the Company, its parent company, subsidiaries, associated companies or juristic person who may have conflicts of interest unless the foregoing status has ended at least 2 years prior to the date of submitting the request to SEC.

3) Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and son/daughter, including spouse of the son/daughter, to management, major shareholders, controlling persons, or persons to be nominated as management or controlling person of the Company or its subsidiaries.



4) Not having any business relationship with the Company, its parent company, subsidiaries, associated companies or juristic person who may have conflicts of interest that could be barrier to independent judgment. And not being or having been major shareholder, director other than independent director or management of the stakeholders of the Company, subsidiaries, associated companies or any juristic person who may have conflicts of interest unless the foregoing status has ended at least 2 years prior to the date of submitting the request to SEC.

5) Not being or not having been an auditor of the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company and not being a significant shareholder, the controlling person or partner of the auditing firm which is affiliated with the auditors of the Company, parent company, subsidiaries, associated companies, major shareholder or controlling person of the Company unless they have been discharged from such characteristics for at least 2 years before the date of appointment as independent director.

6) Not being or not having been a professional service provider of any kind. This includes legal advisory or financial advisory services receiving a service fee of more than 2 million baht per year from the Company, parent company, subsidiaries, associated companies, major shareholder, or the controlling person of the Company and not being a significant shareholder, the controller or partner of such professional service provider unless they have been discharged from such characteristics for at least 2 years before the date of appointment as independent director.

7) Not operating the business that has the same nature and is in significant competition with the business of the Company or its subsidiaries. Or not being a significant partner in a partnership or being a director who takes part in managing work, workers, employees, advisors who receive regular salary or holding more than 1% of the total number of voting shares of other companies operating businesses in the same nature and in significant competition with the business of the Company or subsidiaries.

8) Not having any other characteristics that make him incapable of expressing independent opinions with regard to the Company's operations.

9) Being independent from managements and major shareholders of the Company and 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.

8.1.1 (2) Selection of directors and top executives

The Board of Directors will consider the qualifications, working knowledge, necessary skills that are still lacking to be in line with the Company's business strategy. This is to determine the qualifications of the directors to be nominated including the use of director databases such as the Thai Institute of Directors Association or a consulting company as the case may be. It is a source for recruiting new directors. Nomination and Remuneration Committee will consider the person who are qualified as specified in the charter of the Company's directors in accordance with the law and according to the Skill Matrix that the Company has set in accordance with the Company's business strategy.

Each year, the Nomination and Remuneration Committee selects a person to be elected as a director from the expiration of the term of the director position. The consideration on the nomination of persons to be considered for election as directors by the shareholders is done by nominating the names to the board of directors. This will depend on the qualifications of the nominated persons which must be in accordance with the Company's good corporate governance guidelines, Public Company Limited Act and the Securities and Exchange Act. The appointment of each director must be approved by more than one-half of the total number of votes of shareholders who attended the meeting and voted.

According to the criteria for considering the position of a person to be nominated as a director in the Company, they must not hold a directorship position in more than 5 companies. The independent directors must have independent director qualifications as required by law. When the Nomination and Remuneration Committee have considered thoroughly and carefully, the name of such person will be presented to the Board of Directors' meeting for consideration. The Board of Directors will consider carefully and screen to ensure that the persons nominated as directors have qualifications suitable for the Company's business to approve the appointment of a director and then propose to the shareholders' meeting for further approval.

Succession Plan of the top management

The Board of Directors has adopted the succession plan for the position of Chairman of the Executive Committee and Managing Director in order to maintain the confidence among stakeholders, namely shareholders, customers and employees that the Company operations shall continue to grow firmly and sustainably under the good governance and ethical management. The Company has recognized

the importance of the continuity of effective business operation by senior management so to ensure that the Company shall continually have capable and knowledgeable management, succession planning program has been implemented with following details.

1) The Board of Directors has prepared the succession plan program by identifying successors for the position of managing director, senior executives and heads of core functions/department, based on the performance, potential and readiness of each individual.

2) Designing the training and development programs for the selected successors to enhance their knowledge, ability and skills required for the position so that they are prepared to take over the work of the managing director or other key position in case some executive cannot perform his/her duty.

3) The Successors who are assigned to succeed the positions must not only be the persons with the qualifications and experience of working in the appropriate fields but they must also be transferred of knowledge and experience by Job Rotation and must attend training courses as necessary to ensure smooth and continuous work.

Chairman of the Executive Committee shall arrange job rotation for the qualified executives and shall assign managers in next level to join the executive committee meeting to educate them, to expand their experiences and to prepare them for the higher management positions in the future.

8.1.2 Meeting attendance and remuneration of individual director

Financial remuneration

The shareholder's meeting of 2021 on 20th April, 2021, had the resolution to determine the director remuneration for the year 2021 as follows:

Director remuneration	2021
Board of Directors (monthly remuneration)	
- CEO	40,000. -
- Director	35,000. -
Remuneration of sub-committee	
Audit committee (Meeting allowance/time)	
- Chairman of the Committee	27,500. -
- Director	20,000. -
Nomination and Remuneration Committee (Meeting allowance/time)	
- Chairman of the Committee	25,000. -
- Director	20,000. -

Director remuneration	2021
Nomination and Remuneration Committee (Meeting allowance/time)	
- Chairman of the Committee	25,000. -
- Director	20,000. -
Corporate Governance Committee (Meeting allowance/time)	
- Chairman of the Committee	25,000. -
- Director	20,000. -
** Annual bonus For the operational performance of 2020 to be paid in 2021	
- Chairman of the Committee	810,000.-
- Director	580,000 Baht per person
Other benefits	Not any

Note: **Monthly remuneration and meeting allowance were paid equaling to the previous year.

In 2021 and 2020, the Company paid the monthly remuneration and meeting allowance to the Board of Directors for 8 members as detailed below:

Directors	2021	2020
1. Adm. Apichart Pengsritong	585,000	710,000
2. Dr. Yothin Anavil *	290,000	575,000
3. Mrs. Kongkaew Piamduaytham	575,000	682,500
4. Mrs. Nongnuch Dawasuwan	565,000	675,000
5. Mr. Chuchat Petaumpai	460,000	525,000
6. Mrs. Daonapa Petampai	420,000	425,000
7. Dr. Suksit Petampai	500,000	465,000
8. Mr. Suchart Suphayak **	595,000	245,000

* Dr. Yothin Anavil (died during the year)

8.1.3 Subsidiary supervision

The Company manages and controls the operations of its subsidiaries in the preparation of strategic plans, policies and goals by appointing persons to be directors or executives of the subsidiary. This is for maintaining the benefits in the Company's investments. The Company also requires its subsidiaries to comply with the Company's requirements and policies such as financial reporting, connected transaction compliance with the good corporate governance policy, etc. The Company arranges for annual reviews and audits of the subsidiary's operations in order to ensure that the subsidiary has an adequate and concise internal control system.

8.1.4 Monitoring to ensure compliance with corporate governance policies and guidelines

8.1.4 (1) Prevention on Conflict of Interest

- The Company has set policies that prohibit directors, executives, and employees including those related to such persons from seeking personal benefits in conflict with the interests of the Company. The actions that cause conflicts of interest should be avoided and those involved or have interest or related to the considered matters have the duty to notify the Company about the relationship or their involvement in the said transaction. Such persons are not involved in making any decision in the mentioned transaction.

- The Company requires that the Company's directors and management have the duty in reporting the securities held by the Company, spouse and underage children including reporting changes in securities holding to the Office of the Securities and Exchange Commission in accordance with Section 59 and penalties under the Securities and Exchange Act B.E. 2535, Disclosure Report on Additional Information.

- In the year 2021, the Company did not find any transaction with conflicts of interest which were in violation of the policy to prevent transactions possibly causing conflicts of interest.

8.1.4 (2) Prevention of Insider Trading

The Company has set policies, ethics and penalties for the use of inside information and trading of securities, selling the Company's securities to prevent the directors, executives, and employees including their spouses and underage children of the said person from using inside information that has not been disclosed to the public improperly for their benefits or others. The policy requires that the Company's directors, managements, and employees to be forbidden from trading the Company's shares during the blackout period which the Company has specified for a period of 45 days.

In the year 2021, the Company did not find the case that directors, executives and employees traded securities by using inside information or trading during the Blackout period.

8.1.4 (3) Anti-corruption

The Company operates the business by adhering to anti-corruption in all forms. The fraud risk assessment process is provided with the risk management and monitoring to prevent and suppress corruption and misconduct as well as supporting the creation of an organizational culture that adheres to honesty and legitimacy.

Such policies and measures are published on the Company's website ([www.muangthaicap.com/Investor Relations/anti-corruption policy](http://www.muangthaicap.com/Investor%20Relations/anti-corruption%20policy)).

8.1.4 (4) Whistleblowing

In the event that an employee wishes to report a complaint of violation or non-compliance with regulations, whistleblowing of improper behavior, inappropriate, contrary to the law, the Company's rules and regulations, unethical, the Company provides channels for employees to submit the matters through various channels as follows:

- 1) Email : whistleblower@muangthaicap.com
- 2) Send the letter by post to the following address:
Mrs. Kongkaew Piamduaytham
Audit Committee
Muangthai Capital Public Company Limited
332/1 Jaransanitwong Road, Bangplad,
Bangplad, Bangkok 10700
- 3) Telephone to the whistleblowing receiving department: 081-751-1587

The whistleblowers will be protected and treated with utmost confidentiality. The whistleblowing will be investigated appropriately and confidentially through a systematic and observable method. This can ensure that the whistleblowers will not be harassed or malicious from their whistleblowing or clues. If the whistleblowing or clue is done with good intention without any malicious intent to destroy the Company or related persons, the Company will compensate reasonable damages if an improper incident occurs with the whistleblowers.

Such policies and measures are published on the Company's website ([www.muangthaicap.com/Investor Relations /complaint policy](http://www.muangthaicap.com/InvestorRelations/complaintpolicy)).

8.2 Report on the operational performance of the Audit Committee in the past year

8.2.1 Number of meetings and attendance of the individual audit committee members

Directors	Position	Proportion of meeting attendance
1. Mrs. Kongkaew Piamduaytham	Chairman of the Audit Committee / Independent director	100%
2. Mrs. Nongnuch Dawasuwan	Audit Committee / Independent director	100%
3. Mr. Suchart Suphayak	Audit Committee / Independent director	100%

Note: Mr. Chaleom Inhoum is the Secretary of the Audit Committee and the Assistant Manager of Audit Department.

- 4 Audit Committee's meetings were held at the end of 31st December, 2021. The proportion of attendance of the committee was 100%.

8.2.2 Operational performance of the Audit Committee

The details appear in Attachment No. 6.

8.3 Summary on the operational performance of other committees

8.3.1 Number of meetings and attendance of the individual committee members

Directors	Audit Committee	Recruitment and Remuneration Committee	Corporate Governance Committee	Risk Management Committee
Adm. Apichart Pengsritong		3/3		
Mr. Chuchat Petaumpai				2/2
Mrs. Daonapa Petumpai				
Mrs. Kongkaew Piamduaytham	4/4		1/1	
Mrs. Nongnuch Dawasuwan	4/4			2/2
Dr. Suksit Petumpai		3/3	1/1	
Mr. Suchart Suphayak**	4/4	1/3		2/2
Dr. Yothin Anavil*		1/3	1/1	

* Remark: Dr. Yothin Anavil died during the year.

** Mr. Suchart Suphayak take office Nomination and Remuneration Committee on 27 July 2021

8.3.2 Explain the performance of the sub-committees assigned by the Board of Directors. The details appear on the company's website, <https://investor.muangthaicap.com> (Titled : Company Information)



Internal Control and Related Transactions

Report on the conformity to the Corporate Governance Code of Conduct for the year 2021

To Shareholders

The Audit Committee of the Company was appointed by the Board of Directors consisting of 3 independent directors who are qualified persons in accordance with the criteria specified in the Notification of the Stock Exchange of Thailand and the Securities and Exchange Commission named as below:

- Mrs. Kongkaew Piamduaytham
Chairman of the Audit Committee/
independent director
- Mr. Suchart Suphayak
Audit Committee/independent director
- Mrs. Nongnuch Dawasuwan
Audit Committee/independent director

In 2021, the total of 4 Audit Committee's meetings was held to perform duties within the scope of responsibility as specified in the Audit Committee Charter. All members of the Audit Committee attended all meetings. There was one meeting agenda with the auditors without the management's attendance to acknowledge the problems found during the audit and the issues deemed important by the auditors. This could promote the good corporate governance and increase the transparency of financial reports for the Company. The meeting reports were summarized to the Board of Directors every quarter. The operational performance can be summarized as follows:

● Revision on financial reports

The Audit Committee reviewed the quarterly financial statements, annual financial statements, and consolidated financial statements for the transactions possibly having conflicts of interest. This is to ensure that the Company's financial reports are prepared in accordance with the Financial Reporting Standards. The preparation of the Company's financial statements is accurate and reliable with sufficient and timely disclosure of important information is made available to users of the financial statements. It complies with

laws, notices, and related regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

● Revision on internal control system and internal audit system

The Audit Committee has reviewed the Internal Audit Department's annual audit plan for the year 2022 and followed up on its performance on a quarterly basis by considering important risk issues and providing advice including useful comments to ensure that the internal control process can prevent or reduce errors in the work. This includes the consideration in the suitability and sufficiency of human resources, the independence of the internal audit department, and the assessment on the audit performance of the management of the audit department. The Audit Committee has the opinion that the internal control system and internal audit of the Company is appropriate, sufficient, effective, and has continual development. Besides, the internal audit department has performed the duties independently, transparently, and fairly.

● Revision on the compliance with law

The Audit Committee has reviewed the Company's operational performance and saw that the Company has complied with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand, and laws or other requirements related to the Company's business. This includes the Company's anti-corruption policy and changes in the rules that affect the Company's business operations.

● Consideration on the connected transactions or transactions possibly leading to the conflicts of interest

The Audit Committee has reviewed the connected transactions or transactions possibly having the conflicts of interest of the Company based

on justice, reasonability, transparency and taking into account the interests of all stakeholders. There is also adequate information disclosure. The Company has complied with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

● **Consideration on the selection to appoint the auditors and the auditor's remuneration**

The Audit Committee considers the selection of the auditors and their remuneration for the year 2021 to propose to the Board by considering the performance, independence, competence, experience and appropriateness of the auditor's remuneration for the past year. The Audit Committee has selected the auditors from KPMG Phoomchai Audit Company Limited as the Company's auditors with the list of auditors as follows:

1. Mr. Chanchai Sakulkersin, Certified Public Accountant, Registration No. 6827 and/or
2. Mr. Chokchai Ngamwutthikul, Certified Public Accountant, Registration No. 9728 and/or
3. Ms. Sureerat Thongarunsaeng, Certified Public Accountant, Registration No. 4409 and/or
4. Ms. Orawan Chunhakitpaisan, Certified Public Accountant, Registration No. 6105

● **Revision on the Audit Committee's Charter**

The Audit Committee has reviewed the Audit Committee's Charter to ensure that the Audit Committee's operations are efficient and up-to-date. The Audit Committee has performed the duties prudently and independently with good cooperation from the Company's management. This is for maximizing the benefits of the Company and fair to the shareholders and the stakeholders. The Audit Committee has performed their own performance assessment for the year 2021 to ensure that their performance is effective and achieves the assigned objectives.

9.1 Internal control policy

The Company realizes the importance of having a good internal control system by providing an internal audit department to perform the duties independently. They have to directly report to the Audit Committee and the management (Dual Reporting Approach) to ensure that the Company has an adequate internal control system. The Company has established an internal

control and risk management system in accordance with the internal control framework according to the COSO-ERM international standard which can be divided into the following 5 components:

1. Control Environment

The Company defines the organizational structure to be transparent and examinable with the establishment of the Audit Committee and the Internal Audit Department to work independently. Having independent directors in sufficient and appropriate proportions, the Company determines that all processes of operation of the Company must be transparent and systematic. The internal control must be suitable, sufficient, efficient, and effective under the supervision of corporate governance and code of ethics in business operation. The operational authorization must be determined clearly with the balance of power, mutual verification, and auditability. The Company has arranged an external auditor from the leading global organization which is reliable. This is in line with the practices for listed companies of the Securities and Exchange Commission in rotating the auditors who have signed on their duties for the past 7 fiscal years. There must be a spacing of 5 fiscal years which will be effective from 1st January, 2019, to maintain the independence of the auditors.

2. Risk Assessment

The Company pays attention to risk management and preparation for the situation under changes from internal and external factors possibly affecting the operations. There is a risk management unit responsible for continuous monitoring and evaluation.

The Company has established a risk management committee with the risk management department and law to make the Dual Reporting Approach quarterly. The Risk Management Department and the Legal Department provide an assessment on the risk factors, opportunities and the impact of the incidents possibly affecting the achievement of the objectives and the goals of the Company. This includes defining strategies and practices to manage, reduce, limit or eliminate risks as revealed in the "Risk management" topic.

3. Control Activities

The Company has established control activities at all levels and in all departments of the organization such as policies, regulations, procedures for approval, determination of power, verification and revision as well as allowing all executives to review and improve control activities for increasing the efficiency and effectiveness in the prevention or reduction of damage which may hinder the achievement following the Company's objectives and goals. The operational guidelines are established in consistence with and in accordance with the Company's policy framework, guidelines and strategic directions as follows:

1. The policies, procedures, and operation manual are established in writing.
2. The management, monitoring and supervision of operations are in accordance with the plans, rules, regulations and various operating manuals to perform the work according to laws and external regulations.
3. There is clearly segregation of duties and authorizing authority that can be traced effectively.
4. There is a policy to make Related Parties Transaction which takes into account the best interests of the Company as a matter of consideration on the transactions made at Arms' Length Basis.
5. There is a Key Performance Indicator (KPI) linked to the Company's goals.
6. The Company's assets are cared and protected from being used for personal gain.
7. There is an appropriate and effective information technology control system.
8. The employees are provided with knowledge and training on internal control continuously.

4. Information & Communication

In order to achieve appropriate, adequate, and effective internal control, the Company promotes, supports and invests in the development of information technology systems and information security as well as formulating an information and information security policy to provide various information unlimited to just financial information to be accurate, timely and reliable. Thus, the Company's information technology system is efficient and has adequate data security including the data collection process, data processing, data storage, and data recovery. The Board of Directors,

the Executive and the Operation Department can use the information in making decisions and can perform the operation.

The Company has provided the auditors on the information system and information security from the world's leading trusted organization along with reporting to the Audit Committee and the executives every quarter.

The Company pays attention to the information system security. It has been carried out in conjunction with a plan by an external agency to assess the risks of Cyber Security and to measure the level of readiness of the organization in response to new threats. The Corporate IT Policy is improved to strengthen and respond to changes adequately. Besides, the assessment on the acquisition and the development process are adjusted to be more flexible in order to apply potential digital technologies to keep pace with business needs. The technology that is highly flexible is applied in the operations.

The Company provides an intranet system and platform such as the MTC University platform and the MTC Forum platform to be used as a communication channel in the Company for disseminating policies, regulations, instructions and operational guidelines including various news efficiently, thoroughly, and in a timely manner. The safety control is regulated by assigning rights in accessing the information in different systems according to the principle of division on the functions and use. There are communication channels in the organization which are effective such as sending e-mails, public relations through various activities as well as having meetings together to create coordination and can work effectively.

Since 2021, the Company has established a policy to protect personal information(updated 2021) to ensure transparency and fairness to stakeholders with more concise information system.

5. Monitoring Activities

The Company has established a monitoring and evaluation process to ensure that the internal control is performed regularly and the internal control system is sufficient, appropriate and efficient in consistence with the changes of the environment. The monitoring process consists of:

● The evaluation by KPI is the evaluation on the operational performance by the executives, department heads and employees. This includes holding the meeting of the management to monitor the operational performance in accordance with the goals regularly. The internal audit department and legal compliance are comprised of:

1. Internal Audit Department is responsible for performing the audit duties and assessing the effectiveness, efficiency, sufficiency of the internal control system and the results of operations to comply with the rules and standards of the organization. The focus is Risk Based Audit. The suggestions are given for the improvement of processes and for monitoring to ensure that the problems are corrected appropriately and in a timely manner.

2. The Corporate Compliance Unit is responsible for inspecting the operational performance in accordance with the law and external requirements by reporting the results of the audit and monitoring to the management and the Audit Committee regularly.

Internal audit

1. Internal Audit Department

The Company's Internal Audit Department performs the duties independently having the person to be responsible for the internal audit to report directly to the Audit Committee and the executives (Dual Report). At present, Mr. Chalerm Inhom is the Assistant Manager of Audit Department and the Secretary of the Audit Committee having over 20 years of experience in internal audit related to the Company's business.

2. Performance of the Internal Audit Department

2.1 Annual internal audit plan

The Internal Audit Department conducts the annual internal audit plan based on the risk assessment results of the Risk Management Department and the law (Risk Based Basis) to be presented to the Board of Directors to check and approve the plan. The plan may be revised during the year if there are significant new risks.

2.2 Audit process

The Internal Audit Department performs the internal audit in accordance with internal audit standards and the ethics of the auditors. The scope of audit covers the performance of the Company's branch offices nationwide and the Company's subsidiaries.

2.3 Presentation of the audit reports and monitoring of results

The Internal Audit Department is responsible for reporting the internal audit and review of internal control systems to the responsible persons of the audited agencies and follow up the revision results and then reports to the management on a monthly basis and reports to the Audit Committee on a quarterly basis.

3. Personnel development of the Internal Audit Department

3.1 Training on the personnel development in knowledge and internal audit standards

In 2021, the Head of Internal Audit Department has ordered 3 internal audit staffs to be trained on the programs related to internal audit standards and ethics of the internal auditors.

3.2 Number of internal audit staffs

As the Company has the business growth and expansion of 915 branches in 2020, the Company has a total of 5,799 branches by the end of 2021 spread over the country. The Internal Audit Department is required to have the number of employees sufficient for performing the internal audit with the scope to cover the operations of the branch offices to ensure that the Company's internal control system is still appropriate, adequate and efficient. Therefore, at the end of 2021, the Internal Audit Department has a total of 70 staffs. This number is deemed appropriate and sufficient by the Audit Committee and the management.

4. Control and improvement of audit quality

In 2019, the Board of Directors had the resolution to appoint the outsource consultant, Dharmniti Public Company Limited, the leading professional body in law, accounting, taxation, auditing, and internal audit for assessing the quality of the Company's internal audit work. This should be performed in accordance with the guidelines for complying with the mandatory elements of the internal audit framework to practice international internal auditing. The objectives of the plan of this year are:

1) To enhance knowledge and understanding in planning the details of the revision of work flow chart preparation, control points and risk assessment important for the Audit Program, the audit performance, reporting, closing the audit, and system for monitoring the recommendations according to the internal audit standards.

2) To develop knowledge, skills, and competencies of the employees who are assigned by the Company with the mission to perform the duties of the internal audit through workshop training in planning the details, reviewing the preparation of work flow chart, control points, risk assessment, preparation of Audit Program, performance, audit, reporting, closing the audit and monitoring system.

3) The Company's internal auditors perform the operation in accordance with the International Professional Practices Framework (IPPF). However, as of 31st December, 2021, the Company is still in the fourth phase of the internal quality development work plan.

5. Adding value to the Company

In any operation or evaluation requiring the independence, fairness and honesty, the internal audit function will be entrusted by the Board and the management to be an intermediary in their performance. The Board and the management have confidence in the code of ethics of the persons performing the duties of internal audit. Such performance or evaluation may not be directly related to the responsibilities of the Internal Audit Department such as being an intermediary in the employee's satisfaction assessment or employee interviews before leaving, helping to investigate and find the facts in case of dishonest employees, etc.

9.2 Cross transaction

Regarding the details of connected transactions in 2021 and 2020, the Company has made some transactions with some persons possibly causing conflicts with the details of transaction as follows:

Persons possibly causing conflicts	Nature of relationship	Nature of transaction	Value of transactions as of 31 st December, 2021 (million baht)	Value of transactions as of 31 st December, 2020 (million baht)	Necessity and reasonableness of the transaction
Mr. Chuchat Petaumpai	Being in the position of President of the Board and being the major shareholder of the Company holding the share in the amount of 33.49% of the total issued shares as of 31 st December, 2021. ● Being the spouse of Mrs. Daonapa Petaumpai (combined with the shareholding of the spouse in the Company for 1,430,056,400 shares calculated as 67.45% of the total issued shares as of 31 st December, 2021).	Office rent	2.65	2.54	The Company rents a total of 8 commercial buildings and warehouses from Mr. Chuchat Petaumpai to be used as the Company's branches and car auction centers. The rental fee is based on the fair rent assessed by American Appraisal (Thailand) Company Limited, an independent appraiser approved by the Securities and Exchange Commission.

Persons possibly causing conflicts	Nature of relationship	Nature of transaction	Value of transactions as of 31 st December, 2021 (million baht)	Value of transactions as of 31 st December, 2020 (million baht)	Necessity and reasonableness of the transaction
Mrs. Daonapa Petampai	<p>Being in the position of Managing Director and being the major shareholder of the Company holding the share in the amount of 33.96% of the total issued shares as of 31st December, 2021.</p> <ul style="list-style-type: none"> ● Being the spouse of Mr. Chuchat Petaumpai (combined with the shareholding of the spouse in the Company for 1,430,056,400 shares calculated as 67.45% of the total issued shares as of 31st December, 2021). 	Office rent	1.68	4.05	The Company rents a total of 6 commercial buildings from Mrs. Daonapa Petaumpai to be used as the Head Office, branches, and places for storing the properties. The rental fee of the building used as the Head Office and branches is based on the fair rent assessed by American Appraisal (Thailand) Company Limited, an independent appraiser approved by the Securities and Exchange Commission. The rental fee of the building used as the places for storing the Company's documents is at the same rate of the Company renting the building in the neighboring area from the third parties.
Mr. Wasin Detchkitwikrom	Being the major shareholder of the Company holding the share in the amount of 0.21 of the total issued shares as of 11 November 2021 and being the brother of Mrs. Daonapa Petaumpai who is in the position of Managing Director	Agent's commission	2.25	2.22	The Company pays the Agent's commission to Mr. Wasin Detchkitwikrom by considering the number of contracts that grant credit each month at the rate as determined by the Company which is the normal business operation of the Company.

Persons possibly causing conflicts	Nature of relationship	Nature of transaction	Value of transactions as of 31 st December, 2021 (million baht)	Value of transactions as of 31 st December, 2020 (million baht)	Necessity and reasonableness of the transaction
Mr. Wasin Detchkitwikrom					This is to serve as a channel for providing services to the Company's customers. The commission rate paid to Mr. Wasin is appropriate since it is the same rate as the Company pays to other agents. The Company has no policy to accept additional agents in the future.
Management ● Mr. Banyat Ninsiri ● Mr. Niyom Rodnoi	● Mr. Banyat Ninsiri is the Board of Directors' member and the Deputy Manager ● Mr. Niyom Rodnoi is the Board of Directors' member and the Assistant Manager	● Loan receivables Balance brought at the beginning of the period Additional loan during the period Repayment during the period Balance at the end of the period ● Interest	(thousand baht) 38 150 148 40 2.82	(thousand baht) 18 200 180 38 3.2	It is the benefit provided by the Company to all employees with various conditions that the management receive as same as all employees. The Company charges the interest rate of 8.00% per year.

Comments of the Audit Committee

The Board's resolution No. 1/2022 dated 14 February, 2022, with the Audit Committee who are independent directors to attend the meeting commented that the inter-transaction is necessary in general business operation. The conditions of transactions are subject to market price, contract price, and agreed price which is reasonable and in accordance with the general business operation.

Anti-corruption

The Company pays attention to all forms of corruption by raising awareness among executives and employees of the Company at all levels to be aware of the impacts of corruption and create correct values for executives, employees and all stakeholders.

● Anti-Corruption Policy and Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)

Apart from the operation on corruption under the code of ethics and morality, Muangthai Capital still adheres to the policy and practices in anti-corruption. The Company is currently certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) from 21 May, 2019, this is a very important development in confirming the Company's commitment and intent to conduct business under good governance principles and pay attention to the prevention and anti-corruption of all kinds as a guideline for sustainable success. The anti-corruption policy of the Company has been disclosed on the Company's website to communicate to employees, business partners and all stakeholders for being aware of and act accordingly. If the policy and practice guidelines are violated, the Company will take disciplinary action according to the policy.

● Channels for complaint and whistleblowing

The Company has set the Whistleblower Policy and clearly disclosed including disclosing the Whistleblower Channels on the Company's website page in the section of "Contact Us" for the employees and stakeholders of the Company to generally know. Apart from setting a channel for complaint and whistleblowing, the mentioned policy also establishes the guidelines for the protection of whistleblowers.

The whistleblowers can report complaints or clues by clearly stating as confidential document through the following channels

Contact: Chairman of the Audit Committee
Address: Muangthai Capital Public Company Limited No. 332/1 Charansanitwong Road, Bang Plad, Bangkok 10700
Tel: 02-483-8888
Email: whistleblower@muangthaicap.com

● Training on the operations to be in accordance with the anti-corruption policy and practices

The Company has arranged for employees and executives to participate in training and understanding about the anti-corruption policy and practices which is a compulsory training in the employee orientation training.

**Muangthai Capital Public Company Limited and
its Subsidiaries**

Financial statements for the year ended 31 December 2021
and Independent Auditor's Report

Part 3 Financial Statement

Independent Auditor's Report

To the shareholders of Muangthai Capital Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Muangthai Capital Public Company Limited and its subsidiaries (the “Group”) and of Muangthai Capital Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 our professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Measurement of expected credit loss on loan receivables	
Refer to Note 3 (j), 7, and 23 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2021, the Group and the Company have loan receivables amounted to Baht 87,602.33 million against which allowances for expected credit losses (“ECL”) are Baht 1,787.68 million and represent 87.22% of total assets in the consolidated financial statements and 87.10% of total assets in the separate financial statements.</p> <p>Management’s estimation of the expected credit loss on loan receivables measured at amortised cost is based on credit models which are dependent on significant management judgements and estimates including establishment of the criteria for determining whether credit risk has increased significantly since initial recognition, development of models used to measure ECL, determination of the forward-looking macroeconomic variables and probability-weighted scenarios into the measurement of ECL and consideration for management overlay / underlay.</p> <p>The loans receivables balance is material and the measurement of expected credit loss involved complex calculation as well as management judgment, I therefore considered this to be key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - understanding the loans granting and repayment and monitoring processes including the policies and consideration of allowance for ECL; - considering whether the Group’s and the Company’s accounting policies and model documentation have been set up in accordance with the requirements of TFRS 9; - evaluating the design and implementation and operating effectiveness of key controls surrounding the credit and allowance for ECL process; - involving KPMG credit risk specialists to inspect model documentation and methodologies in order to evaluate the appropriateness of criteria in determination of significant increase in credit risk, staging, determination of the forward-looking macroeconomic variables and probability-weighted scenarios into the measurement of ECL; - testing the use of a significant increase in credit risk and staging and evaluating the appropriateness of the key management methodology in identification and estimation of management overlay / underlay; - testing the mathematical accuracy of the ECL calculation on loan receivables; and - considering the adequacy of disclosures of the financial statements.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

(Orawan Chunhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2022

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	6	1,306,299,870	1,378,094,187	1,017,776,731	1,083,708,557
Current portion of loan receivables	7	46,917,363,727	39,345,736,617	46,917,363,727	39,345,736,617
Current portion of hire purchase receivables	8	1,263,488,384	126,428,691	-	-
Other receivables - related parties	5	-	-	3,152,454,939	167,497,144
Short-term loans		88,337,353	84,998,574	88,337,353	84,998,574
Short-term loans - related parties	5	40,000	37,500	40,000	37,500
Current portion of long-term loan - related party	5	-	-	150,000,000	-
Other current assets		308,604,900	139,715,825	155,616,289	123,176,820
Total current assets		49,884,134,234	41,075,011,394	51,481,589,039	40,805,155,212
Non-current assets					
Restricted bank deposits	6	11,000,000	11,000,000	-	-
Loan receivables	7	38,897,288,684	29,935,649,480	38,897,288,684	29,935,649,480
Hire purchase receivables	8	2,902,438,740	232,410,293	-	-
Investments in subsidiaries	9	-	-	1,052,000,000	502,000,000
Long-term loan - related party	5	-	-	412,500,000	-
Land, buildings and equipment	10	2,053,819,836	1,928,494,906	2,053,784,991	1,928,477,824
Right-of-use assets	5, 11	3,987,979,837	3,564,068,899	3,987,979,837	3,564,068,899
Intangible assets		50,521,256	24,817,264	50,465,117	24,784,992
Deferred tax assets	20	423,475,896	296,736,949	414,640,907	296,370,104
Other non-current assets		179,178,929	153,688,688	179,178,929	153,688,688
Total non-current assets		48,505,703,178	36,146,866,479	47,047,838,465	36,405,039,987
Total assets		98,389,837,412	77,221,877,873	98,529,427,504	77,210,195,199

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Current liabilities					
Short-term borrowings from financial institutions	12	4,235,074,947	2,396,526,081	4,235,074,947	2,396,526,081
Derivative liabilities		-	6,473,534	-	6,473,534
Other payables	13	1,236,699,237	1,074,552,902	1,221,199,888	1,051,066,613
Current portion of long-term borrowings from financial institutions	14	10,121,419,353	3,959,328,592	10,121,419,353	3,959,328,592
Current portion of debentures	15	14,436,989,117	12,886,771,659	14,436,989,117	12,886,771,659
Current portion of lease liabilities	5, 11	867,718,916	838,091,289	867,718,916	838,091,289
Income tax payable		672,639,615	699,762,410	635,483,340	695,868,518
Other current liabilities	5	131,278,880	88,560,003	555,101,522	135,089,360
Total current liabilities		31,701,820,065	21,950,066,470	32,072,987,083	21,969,215,646
Non-current liabilities					
Long-term borrowings from financial institutions	14	5,929,745,603	6,166,052,804	5,929,745,603	6,166,052,804
Debentures	15	32,591,198,544	25,566,069,462	32,591,198,544	25,566,069,462
Lease liabilities	5, 11	3,142,589,273	2,724,457,114	3,142,589,273	2,724,457,114
Provisions for employee benefits	16	155,983,372	133,098,358	155,983,372	133,098,358
Total non-current liabilities		41,819,516,792	34,589,677,738	41,819,516,792	34,589,677,738
Total liabilities		73,521,336,857	56,539,744,208	73,892,503,875	56,558,893,384
Equity					
Share capital:					
Authorised share capital					
<i>(2,120,000,000 ordinary shares, par value at Baht 1 per share)</i>					
		2,120,000,000	2,120,000,000	2,120,000,000	2,120,000,000
Issued and paid-up share capital					
<i>(2,120,000,000 ordinary shares, par value at Baht 1 per share)</i>					
		2,120,000,000	2,120,000,000	2,120,000,000	2,120,000,000
Share premium on ordinary shares		2,379,843,362	2,379,843,362	2,379,843,362	2,379,843,362
Retained earnings					
Appropriated					
Legal reserve	17	212,000,000	212,000,000	212,000,000	212,000,000
Unappropriated		20,156,657,193	15,975,469,131	19,925,080,267	15,944,637,281
Other components of equity		-	(5,178,828)	-	(5,178,828)
Total equity		24,868,500,555	20,682,133,665	24,636,923,629	20,651,301,815
Total liabilities and equity		98,389,837,412	77,221,877,873	98,529,427,504	77,210,195,199

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
		(in Baht)			
Revenue					
Interest income from loans receivables and hire purchase receivables		15,195,208,995	13,961,509,138	14,723,826,225	13,915,500,568
Fees and service income	5	768,781,300	726,427,794	702,215,605	677,438,908
Dividend income	5	-	-	-	35,000,000
Other income	5	54,751,195	44,652,536	278,364,115	105,872,968
Total revenue	18	16,018,741,490	14,732,589,468	15,704,405,945	14,733,812,444
Expenses					
Services and administrative expenses	5, 19	6,961,411,289	6,144,148,514	6,958,776,026	6,142,666,499
Total expenses		6,961,411,289	6,144,148,514	6,958,776,026	6,142,666,499
Profit from operating activities		9,057,330,201	8,588,440,954	8,745,629,919	8,591,145,945
Gain arising from derecognition of financial assets measured at amortised cost		19,506,160	36,140,399	19,506,160	36,140,399
Finance costs	5	(2,127,366,229)	(1,816,964,173)	(2,127,366,229)	(1,816,964,173)
Expected credit loss		(747,987,948)	(291,117,490)	(687,250,233)	(290,134,412)
Profit before income tax		6,201,482,184	6,516,499,690	5,950,519,617	6,520,187,759
Income tax	20	(-1,256,935,106)	(-1,302,575,881)	(-1,206,717,615)	(-1,295,840,173)
Profit for the year		4,944,547,078	5,213,923,809	4,743,802,002	5,224,347,586
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Gain on cash flow hedges		6,473,534	7,930,423	6,473,534	7,930,423
Income tax relating to items that will be reclassified subsequently to profit or loss	20	(1,294,706)	(1,586,085)	(1,294,706)	(1,586,085)
Total items that will be reclassified subsequently to profit or loss		5,178,828	6,344,338	5,178,828	6,344,338
Items that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans	16	26,301,231	(4,734,702)	26,301,231	(4,734,702)
Income tax relating to items that will not be reclassified to profit or loss	20	(5,260,247)	946,941	(5,260,247)	946,941
Total items that will not be reclassified to profit or loss		21,040,984	(3,787,761)	21,040,984	(3,787,761)
Other comprehensive income (expense) for the year, net of tax		26,219,812	2,556,577	26,219,812	2,556,577
Total comprehensive income for the year		4,970,766,890	5,216,480,386	4,770,021,814	5,226,904,163
Profit (loss) attributable to:					
Owners of parent		4,944,547,078	5,213,923,809	4,743,802,002	5,224,347,586
Non-controlling interests		-	-	-	-
		4,944,547,078	5,213,923,809	4,743,802,002	5,224,347,586
Total comprehensive income (expense) attributable to:					
Owners of parent		4,970,766,890	5,216,480,386	4,770,021,814	5,226,904,163
Non-controlling interests		-	-	-	-
		4,970,766,890	5,216,480,386	4,770,021,814	5,226,904,163
Earnings per share					
Basic earnings per share	21	2.33	2.46	2.24	2.46

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Consolidated financial statements					Total equity
		Issued and paid-up share capital	Share premium	Legal reserve	Retained earnings	Other components of equity	
Year ended 31 December 2020							
Balance at 31 December 2019 - as reported		2,120,000,000	2,379,843,362	212,000,000	11,271,393,612	(11,523,166)	15,971,713,808
Impact of changes in accounting policies		-	-	-	129,939,471	-	129,939,471
Balance at 1 January 2020 - restated		2,120,000,000	2,379,843,362	212,000,000	11,401,333,083	(11,523,166)	16,101,653,279
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends	22	-	-	-	(636,000,000)	-	(636,000,000)
<i>Total distributions to owners of the parent</i>		-	-	-	(636,000,000)	-	(636,000,000)
Total transactions with owners, recorded directly in equity		-	-	-	(636,000,000)	-	(636,000,000)
Comprehensive income for the year							
Profit for the year		-	-	-	5,213,923,809	-	5,213,923,809
Other comprehensive income for the year		-	-	-	(3,787,761)	6,344,338	2,556,577
Total comprehensive income (expense) for the year		-	-	-	5,210,136,048	6,344,338	5,216,480,386
Balance at 31 December 2020		2,120,000,000	2,379,843,362	212,000,000	15,975,469,131	(5,178,828)	20,682,133,665

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements						Total equity
	Retained earnings			Other components of equity			
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (in Baht)	Hedging reserve		
Year ended 31 December 2021							
Balance at 1 January 2021	2,120,000,000	2,379,843,362	212,000,000	15,975,469,131	(5,178,828)	20,682,133,665	
Transactions with owners, recorded directly in equity							
<i>Dividends</i>	-	-	-	(784,400,000)	-	(784,400,000)	
<i>Total distributions to owners of the parent</i>	-	-	-	(784,400,000)	-	(784,400,000)	
Total transactions with owners, recorded directly in equity	-	-	-	(784,400,000)	-	(784,400,000)	
Comprehensive income for the year							
Profit for the year	-	-	-	4,944,547,078	-	4,944,547,078	
Other comprehensive income for year	-	-	-	21,040,984	5,178,828	26,219,812	
Total comprehensive income (expense) for the year	-	-	-	4,965,588,062	5,178,828	4,970,766,890	
Balance at 31 December 2021	2,120,000,000	2,379,843,362	212,000,000	20,156,657,193	-	24,868,500,555	

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of changes in equity

	Separate financial statements						Total equity	
	Note	Issued and paid-up share capital	Share premium	Retained earnings				Other components of equity
				Legal reserve	Unappropriated reserve (in Baht)	Hedging reserve		
Year ended 31 December 2020								
Balance at 31 December 2019 - as reported		2,120,000,000	2,379,843,362	212,000,000	11,230,137,985	(11,523,166)	15,930,458,181	
Impact of changes in accounting policies		-	-	-	129,939,471	-	129,939,471	
Balance at 1 January 2020 - restated		2,120,000,000	2,379,843,362	212,000,000	11,360,077,456	(11,523,166)	16,060,397,652	
Transactions with owners, recorded directly in equity								
<i>Distributions to owners</i>								
Dividends	22	-	-	-	(636,000,000)	-	(636,000,000)	
<i>Total distributions to owners</i>		-	-	-	(636,000,000)	-	(636,000,000)	
Total transactions with owners, recorded directly in equity		-	-	-	(636,000,000)	-	(636,000,000)	
Comprehensive income for the year								
Profit for the year		-	-	-	5,224,347,586	-	5,224,347,586	
Other comprehensive income for the year		-	-	-	(3,787,761)	6,344,338	2,556,577	
Total comprehensive income (expense) for the year		-	-	-	5,220,559,825	6,344,338	5,226,904,163	
Balance at 31 December 2020		2,120,000,000	2,379,843,362	212,000,000	15,944,637,281	(5,178,828)	20,651,301,815	

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of changes in equity

	Separate financial statements						Total equity
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Hedging reserve	
				Legal reserve	Unappropriated (in Baht)		
Year ended 31 December 2021							
Balance at 1 January 2021		2,120,000,000	2,379,843,362	212,000,000	15,944,637,281	(5,178,828)	20,651,301,815
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends	22	-	-	-	(784,400,000)	-	(784,400,000)
Total distributions to owners		-	-	-	(784,400,000)	-	(784,400,000)
Total transactions with owners, recorded directly in equity		-	-	-	(784,400,000)	-	(784,400,000)
Comprehensive income for the year							
Profit for the year		-	-	-	4,743,802,002	-	4,743,802,002
Other comprehensive income for the year		-	-	-	21,040,984	5,178,828	26,219,812
Total comprehensive income (expense) for the year		-	-	-	4,764,842,986	5,178,828	4,770,021,814
Balance at 31 December 2021		2,120,000,000	2,379,843,362	212,000,000	19,925,080,267	-	24,636,923,629

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	<i>(in Baht)</i>			
Cash flows from operating activities				
Profit before income tax	6,201,482,184	6,516,499,690	5,950,519,617	6,520,187,759
<i>Adjustments to reconcile profit before income tax to cash received (paid)</i>				
Depreciation and amortisation	1,258,283,589	1,169,326,364	1,258,267,618	1,169,311,093
Gain arising from derecognition of financial assets measured at amortised cost	(19,506,160)	(36,140,399)	(19,506,160)	(36,140,399)
Expected credit loss	747,987,948	291,117,490	687,250,233	290,134,412
Losses on impairment of assets held for sales	-	300,000	-	300,000
Losses on sales of land, building and equipment	3,644,002	4,319,583	3,644,002	4,319,583
Losses on sales of assets held for sales	953,798	-	-	-
Provisions for employee benefit	49,280,745	34,721,138	49,280,745	34,721,138
Gains on exchange rate	-	(82,527)	-	(82,527)
Gains on lease modification	(16,706,836)	(2,737,425)	(16,706,836)	(2,737,425)
Dividend income	-	-	-	(35,000,000)
Interest income from loan receivables and hire purchase receivables	(15,195,208,995)	(13,961,509,138)	(14,723,826,225)	(13,915,500,568)
Interest income received from loan receivables and hire purchase receivables	14,867,081,465	13,912,786,444	14,486,887,025	13,871,133,821
Other interest income	(7,605,979)	(7,136,024)	(15,489,841)	(7,039,267)
Finance costs	2,127,366,229	1,816,964,173	2,127,366,229	1,816,964,173
	<u>10,017,051,990</u>	<u>9,738,429,369</u>	<u>9,787,686,407</u>	<u>9,710,571,793</u>
<i>Changes in operating assets and liabilities</i>				
Loan receivables	(16,932,309,431)	(10,815,249,789)	(16,932,309,431)	(10,815,249,789)
Hire purchase receivables	(3,776,589,262)	(271,395,205)	-	-
Other receivables - related parties	-	-	(2,984,771,117)	(120,837,814)
Short-term loans	(3,338,779)	(10,450,893)	(3,338,779)	(10,450,893)
Short-term loans - related parties	(2,500)	(19,500)	(2,500)	39,980,500
Other current assets	(194,046,913)	(13,565,300)	(56,633,029)	(3,372,191)
Other non-current assets	(25,618,834)	(12,033,510)	(25,618,833)	(12,033,510)
Other payables	171,525,173	226,586,587	179,512,112	215,561,758
Other current liabilities	42,718,877	(22,560,903)	420,012,162	(845,010)
Provisions for employee benefits paid	(94,500)	(251,340)	(94,500)	(251,340)
Net cash used in operating	(10,700,704,179)	(1,180,510,484)	(9,615,557,508)	(996,926,496)
Income taxes paid	(1,417,351,802)	(1,207,074,550)	(1,391,928,548)	(1,202,662,629)
Net cash used in operating activities	(12,118,055,981)	(2,387,585,034)	(11,007,486,056)	(2,199,589,125)
Cash flows from investing activities				
Increase in restricted bank deposits	-	(1,000,000)	-	-
Investments in subsidiaries	-	-	(550,000,000)	(480,000,000)
Long-term loan to related party	-	-	(600,000,000)	-
Proceeds from repayment of long-term loan to related party	-	-	37,500,000	-
Dividend income	-	-	-	35,000,000
Interest income	-	-	7,734,966	-
Acquisition of land, building and equipment	(536,298,641)	(633,243,481)	(536,280,041)	(633,243,481)
Acquisition of intangible assets	(35,104,430)	(5,727,710)	(35,065,430)	(5,727,710)
Proceeds from sales of land, buildings and equipment	9,305,892	6,088,065	9,305,892	6,088,065
Proceeds from sales of intangible assets	536	-	536	-
Net cash used in investing activities	(562,096,643)	(633,883,126)	(1,666,804,077)	(1,077,883,126)

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

Muangthai Capital Public Company Limited and its Subsidiaries
Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2021	2020	2021	2020
<i>(in Baht)</i>					
Cash flows from financing activities					
Net proceed of short-term borrowings from financial institutions		1,826,458,431	483,219,326	1,826,458,431	483,219,326
Proceed from long-term borrowings from financial institutions		10,500,000,000	7,258,000,000	10,500,000,000	7,258,000,000
Repayment of long-term borrowings from financial institutions		(4,570,833,333)	(4,166,666,667)	(4,570,833,333)	(4,166,666,667)
Proceed from debenture issuance		21,500,000,000	12,000,000,000	21,500,000,000	12,000,000,000
Repayment of debenture redemption		(12,907,100,000)	(8,737,200,000)	(12,907,100,000)	(8,737,200,000)
Dividends paid to shareholders of the Company	22	(784,400,000)	(636,000,000)	(784,400,000)	(636,000,000)
Payment of lease liabilities		(951,915,878)	(838,249,082)	(951,915,878)	(838,249,082)
Interest paid		(2,003,850,913)	(1,746,713,308)	(2,003,850,913)	(1,745,108,924)
Net cash from financing activities		12,608,358,307	3,616,390,269	12,608,358,307	3,617,994,653
Net (decrease) increase in cash and cash equivalents		(71,794,317)	594,922,109	(65,931,826)	340,522,402
Cash and cash equivalents at 1 January		1,378,094,187	783,172,078	1,083,708,557	743,186,155
Cash and cash equivalents at 31 December	6	1,306,299,870	1,378,094,187	1,017,776,731	1,083,708,557
Non-cash transactions					
Accounts payable on purchase of assets		15,977,277	6,743,445	15,977,277	6,743,445

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

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 14 February 2022.

1 General information

Muangthai Capital Public Company Limited (the “Company”) was incorporated as a public company limited and domiciled in Thailand. The Company was listed on the Stock Exchange of Thailand in November 2014. Its registered address is 332/1 Charansanitwong Road, Bangplad, Bangkok.

The Company’s major shareholders during the financial year was the Petaumpai family group.

The Group is principally engaged in providing loans secured against vehicle registrations, land title deeds loans, personal loans without collateral and nano finance under supervision as well as providing hire purchase service, installment loans and insurance broker. Details of the Company’s subsidiaries as at 31 December 2021 are given in note 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRSs”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Group’s and the Company’s functional currency. All financial information has been rounded to thousand unless otherwise stated.

The Group and the Company have initially applied revised TFRSs that are effective for annual periods beginning on or after 1 January 2021. The application has no material impact on the financial statements.

In addition, the Group and the Company have not early adopted a number of new and revised TFRSs, which are not yet effective for the current year in preparing these financial statements. The Group and the Company have assessed the potential initial impact in the financial statements of these new and revised TFRSs and expect that there will be no material impact on the financial statements in the year of initial application.

The preparation of financial statements in conformity with TFRSs requires management to make judgements, estimates and assumptions that affect the application of the Group and the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 4	Impact of Covid-19 outbreak;
Note 11	Leases: <ul style="list-style-type: none">- whether an arrangement contains a lease;- whether the Group and the Company are reasonably certain to exercise extension options or not to exercise termination options;- whether the Group and the Company have transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees; and
Note 23	Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (“ECL”) and selection and approval of models used to measure ECL.

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 16	Provisions for employee benefits
Note 23	Allowance for expected credit loss

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated.

(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's and the Company's right to receive payment is established.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss for the period.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances and call deposits which not include restricted bank deposits.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

(e) *Financial instruments*

(1) *Recognition and initial measurement*

The Group and the Company initially recognise financial assets or financial liabilities (including regular way purchase and sales of financial assets) in its statement of financial position on the transaction date, which is the date on which the Group and the Company become the party to the provisions of the instrument.

Financial assets or financial liabilities (except other receivables) is initially measured at its fair value plus transaction costs that are directly attributable to its acquisition or issue of the financial assets or financial liabilities; except for financial assets and financial liabilities measured at FVTPL, which are initially measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the financial assets or financial liabilities are recognised in profit or loss.

(2) *Classification and subsequent measurement*

Classification of financial assets

On initial recognition, a financial asset is classified as subsequent measurement at: amortised cost; fair value through other comprehensive income (“FVOCI”); or fair value through profit or loss (“FVTPL”). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed.

A financial assets which is not designated as at FVTPL is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The Group and the Company make an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets outflow or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group and the Company management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and the way in which those risks are managed;
- how managers of business are compensated (e.g. whether compensation is based on the fair value of the asset managed or on contractual cash flows collected); and
- frequency, volume and timing of sales in prior year, the reasons for such sales and expectations about future sales activity. However, information about sales is not considered in isolation, but as part of an overall assessment of how the Group and the Company stated objective for managing the financial assets is achieved and how cash flows are realised.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Assessment whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding

For the purposes of this assessment, 'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, credit risk, other basic lending risks (e.g. liquidity risk) and costs (e.g. administrative costs), as well as a profit margin associated with holding the financial assets for a particular period of time.

In assessing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Group and the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and the Company consider:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- terms that limit the Group's and the Company's claim to cash flows from specified assets (e.g. non-recourse loans; and
- features that modify consideration of the time value of money (e.g. periodical reset of the interest rates).

Subsequent measurement and gains or losses of financial assets

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

Modifications of financial assets

If the terms of a financial asset are modified, then the Group and the Company evaluate whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received from the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group and the Company plan to modify a financial asset in a way that would result in forgiveness of cash flows, then they first consider whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group and the Company first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognise the resulting adjustment as a modification gain or loss in profit or loss. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with expected credit loss. In other cases, it is presented as interest income calculated using the effective interest rate method.

Classification, subsequent measurement and gains or losses of financial liabilities

On initial recognition, the Group and the Company classify and subsequently measure all financial liabilities, except derivative liabilities, at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

(3) *Derecognition and offsetting*

Derecognition of financial assets

The Group and the Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or they transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and they do not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in OCI is recognised in profit or loss.

The Group and the Company enter into transactions whereby they transfer assets recognised on its statement of financial position but retain either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

Derecognition of financial liabilities

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expired.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when the Group and the Company have a legally enforceable right to set off the recognised amounts and the Group and the Company intend either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(4) *Derivatives and hedging*

The derivatives held for risk management purposes are measured at fair value in the statement of financial position.

At inception of designated hedging relationships, the Group and the Company document the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

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Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

(f) Assets foreclosed

Assets foreclosed are stated at the lower of cost or net realisable value.

Gain or loss on disposal of assets foreclosed are recognised as revenue in profit or loss upon disposal.

Loss on impairment is recognised as expense in profit or loss.

(g) Land, buildings and equipment

Land, buildings and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of land, buildings and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of land, buildings and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group and the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of land, buildings and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction.

The estimated useful lives are as follows:

Buildings	20 and 50	years
Building improvements - Head office building	20 - 35	years
Building improvements	Not more than 6	years
Furniture, fixtures, equipment and computers	5 and 10	years

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(h) Leases

At inception of a contract, the Group and the Company assess that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement of a contract, the Group and the Company allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property which their non-lease components could not be separated, the Group and the Company have accounted for the lease and non-lease components wholly as a single lease component.

The Group and the Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets or short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group and the Company use the Group and the Company's incremental borrowing rate to discount the lease payments to the present value. The Group and the Company determine their incremental borrowing rate by obtaining interest rates from external financing source and make certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At lease inception, the Group and the Company consider to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group and the Company are an intermediate lessor, the Group and the Company classify the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease.

The Group and the Company recognise finance lease receivables at the net investment in the lease, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's and the Company's net investment outstanding in respect of the leases.

The Group and the Company recognise lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of 'other income.' Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

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The Group and the Company derecognise and determine impairment on the lease receivables as disclosed in note 3 (e) (3) and 3 (j), respectively.

(i) ***Intangible assets***

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits.

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	5 and 10 years
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(j) ***Impairment of financial assets and lease receivables***

(1) ***The impairment of loan receivables and hire purchase receivables***

Significant estimates and judgements

The Group's and the Company's expected credit loss ("ECL") calculations are based on complex models with a series of underlying assumptions. The significant judgements and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables. The calculation of expected credit loss also involves management judgement to be applied based upon counterparty information they receive from various internal and external. Management judgement is also applied to determine whether any post-model adjustments are required for credit risk elements which are not captured by the model under a "management overlay" framework, such as identified model deficiencies, debtors' risk concentration and other factors.

Measurement of ECL

Expected credit losses are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward-looking information.

ECL are a probability-weighted estimated of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at reporting date: as the present value of all cash shortfalls (i.e. the difference between the contractual cash flows and the cash flows that the Group and the Company expect to receive);
- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Estimate of expected cash shortfalls is determined by multiplying the probability of default ("PD") with the percentage of loss given default ("LGD") with the expected exposure at the time of default ("EAD").

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

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The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

Cash shortfalls are discounted using the original effective interest rate on financial instrument.

Staging

For ECL recognition, financial assets are classified in any of the below 3 stages at each reporting date by being assessed on individual basis. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

Stage 1 Financial assets that have not had a significant increase in credit risk (Performing)

Financial assets that have not had a significant increase in credit risk ("SICR") since initial recognition (i.e. no stage 2 or 3 triggers apply) at each reporting date. The allowance for ECL is 12-month ECL. 12-month ECL is the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Stage 2 Financial assets have a SICR (Under-performing)

When financial assets have a SICR since initial recognition, expected credit losses are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. Financial assets that are more than 30 days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Financial assets can be transferred to stage 1 in case they have been proven ability to repay are back to normal.

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

Financial assets that are credit-impaired or in default represent those that are more than 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets. Evidence that financial assets are credit impaired includes observable data about the events such as in process of litigation.

Expected credit losses of credit impaired financial assets are determined based on the difference between the present value of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, discounted with the financial assets' original effective interest rate, and the gross carrying value of the financial assets prior to any credit impairments.

Financial assets that are credit-impaired require a lifetime provision.

Modifications of financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised within expected credit loss in profit or loss with a corresponding decrease in the gross carrying amount of the asset.

Expected credit losses for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

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Financial assets renegotiated or modified of contractual cash flows, the Group and the Company might consider them as financial assets that have a SICR except there is an evidence that the risk of not receiving contractual cash flows significantly reduces and there is no indicator of the impairment. The Group and the Company then consider the aforementioned financial assets as the ones which do not have a SICR.

Write-offs of credit impaired instruments and reversal of expected credit loss

To the extent a financial instrument is considered irrecoverable, the applicable portion of the gross carrying amount is written off against the related allowance for expected credit loss. Such financial instruments are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of expected credit loss in the profit or loss.

If, in a subsequent period, the amount of the allowance for expected credit loss decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, the previously recognised expected credit loss is reversed by adjusting the allowance for expected credit loss. The amount of the reversal is recognised in the profit or loss.

Improvement in credit risk

A period may elapse from the point at which instruments enter stage 2 or stage 3 and are reclassified back to stage 1.

For financial assets that are credit-impaired (stage 3) and no debt restructured will be transferred to stage 2 or stage 1 if it is considered that there is no more qualification as a financial asset with credit-impaired.

For financial assets in stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

For receivables that have SICR in stage 2 which have never been classified as asset credit-impaired, these can be transferred to stage 1 when the customers execute new contract requirements by repaying 3 consecutive months or 3 consecutive dues, whichever is longer.

For receivables that are credit-impaired in stage 3, these can be transferred to stage 2 when the customers execute new contract requirements by repaying 3 consecutive months or 3 consecutive dues, whichever is longer. They can be transferred to stage 1 after repayment of 9 consecutive months or 9 consecutive dues, whichever is longer and there must be no overdue outstanding in account with expectation that the customers will pay off all remaining debts.

(2) *The impairment of collection fee receivables*

The Group and the Company estimate lifetime ECL, using a provision matrix to find ECL rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

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(k) *Impairment of non-financial assets*

The carrying amounts of the Group's and the Company'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 are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) *Employee benefits*

Defined contribution plan

Obligations for contributions to the Group's and the Company's provident funds are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Group's and the Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior years. The defined benefit obligations are discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group and the Company determine the interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group and the Company recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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(m) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(n) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group and the Company have access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3:* inputs for the asset or liability that are based on unobservable input.

The Group and the Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group and the Company measure assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group and the Company determine that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(o) Interest

Effective interest rate ("EIR")

Interest income or interest expense are recognised in profit or loss using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group and the Company estimate future cash flows considering all contractual terms of the financial instrument, but not allowance for expected credit loss.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any allowance for expected credit loss.

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The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any allowance for expected credit loss.

Calculation of interest income and interest expense

The effective interest rate of a financial asset or a financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and interest expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the financial asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis of assets.

(p) Revenue

Insurance commission income

For the contracts that the Group and the Company is arranging for the provision of the goods or services on behalf of their customers and do not control the goods or services before the primary sellers or service providers will provide the goods or services to the customers. The Group and the Company act in the capacity of an agent and recognise the net amount of consideration as commission revenue.

Fee and service income

Fee and service income are recognised when a customer obtains control of the service in an amount that reflects the consideration to which the Group and the Company expect to be entitled, excluding those amounts collected on behalf of third parties and value added tax.

(q) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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(r) **Earnings per share**

Earnings per share ("EPS") is calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the year.

(s) **Related parties**

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group and the Company; a person or entity that are under common control or under the same significant influence as the Group and the Company; or the Group and the Company has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(t) **Segment reporting**

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Impact of Covid-19 outbreak

Covid-19 outbreak is still on-going, while vaccines for the Covid-19 are being rolled out during 2021. On 12 January 2021, the Bank of Thailand ("BOT") issued the circular no. Thor Por Tor. Gor Por Nor. Wor. 20/2564 regarding "*Relief measures to debtors for new wave of Covid-19 outbreak*" in order to extend the period of providing relief measure until 30 June 2021.

Subsequent to 14 May 2021, the BOT issued the circular no. Thor Por Tor. Gor Por Nor. Wor. 480/2564 regarding "*Relief measures to retail debtors during the Covid-19 outbreak situation in phase 3*" in order to provide relief measures to retail debtors who have adversely been affected. The debtors can request the relief measure during 17 May to 31 December 2021. In addition, this circular superseded the previous 4 circulars relevant to relief measures to retail debtors during the Covid-19 situation which were issued in 2020 and 2021.

During July 2021, the government has strengthened a control measure on Covid-19 in risky areas to prevent the transmission. The restriction on travels and activities has been implemented which broadly affects to people. The BOT has collaborated with financial institutions or finance businesses to provide relief measures for affected retail debtors. The Group and the Company have provided the relief measure in a form of principal and interest repayment holiday for a period of 2 months for qualified customers. The customers can register from 19 July to 31 August 2021.

Apart from the aforementioned relief measures, from 1 January to 31 December 2021, the Group and the Company have provided relief measure in a form of repayment term extension by contract refinancing in order to reduce installment amount.

5 Related parties

Relationships with subsidiaries is described in note 9. Other related parties that the Group and the Company had significant transactions with during the year were as follows:

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries
Muangthai Leasing Co., Ltd.	Thailand	Subsidiary, 100% shareholding
Muangthai Leasing Insurance Broker Co., Ltd.	Thailand	Subsidiary, 100% shareholding
Muangthai Pay Later Co., Ltd.	Thailand	Subsidiary, 100% shareholding

Significant transactions for the years ended 31 December with related parties were as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Dividend income	-	-	-	35,000
Fee income on support services	-	-	214,824	59,077
Rental income	-	-	1,136	935
Other interest income	-	-	7,922	1,306
Key management personnel				
Other interest income	3	3	3	3
Finance cost - Interest expenses on lease liabilities	931	738	931	738
Key management personnel compensation				
Short-term employee benefits	36,983	45,865	36,983	45,865
Post-employment benefits	898	2,114	898	2,114
Total key management personnel compensation	<u>37,881</u>	<u>47,979</u>	<u>37,881</u>	<u>47,979</u>
Other related parties				
Commission expense	2,252	2,223	2,252	2,223

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Other receivables	-	-	3,152,455	167,497
Long-term loan	-	-	562,500	-
Other current liabilities	-	-	423,835	46,987
Key management personnel				
Short-term loan	40	38	40	38
Right-of-use assets	18,746	20,433	18,746	20,433
Lease liabilities	19,204	21,249	19,204	21,249
Other related parties				
Other current liabilities	180	179	180	179

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Significant agreements with related parties

As at 31 December 2021, interest rates on short-term loans to key management personal were 8% per annum (2020: 4 - 8% per annum).

As at 31 December 2021, long-term loan to a subsidiary was Baht 562.5 million where the principal is repayable quarterly and the interest is repayable monthly until August 2025. The interest rate is as specified in the contract.

As at 31 December 2021, the Company had the service agreement with subsidiaries. The scope of services comprises of providing insurance broker, authorisation on hire purchase contract, repayment, debt collection, collateral seizure, collateral auction, accounting including information technology and information service. The agreement is effective until termination. The Company receives the service fee as specified in the agreement.

As at 31 December 2021, the Company had the several office space rental agreements with subsidiaries for periods of 3 years starting from 1 March 2021 to 28 February 2024 (2020: 3 years commencing from 1 January 2019 and ending on 30 April 2022). The subsidiaries have the right to renew the lease at the end of lease period. The Company receives rental fees as specified in the agreements. Rental fees will be revisited every time the contract is due.

As at 31 December 2021, the Company had the several office building lease agreements with related parties. The lease period was 3 years commencing from October 2019 and ending in December 2023 (2020: 3 years commencing from January 2018 and ending in September 2022). The Company pays rental fees as specified in the agreements.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	59,249	61,611	59,232	61,599
Cash at banks - current accounts	192,125	87,583	107,540	87,552
Cash at banks - savings accounts	1,054,926	1,228,900	851,005	934,558
Total	1,306,300	1,378,094	1,017,777	1,083,709

All cash and cash equivalents of the Group and the Company was in Baht.

As at 31 December 2021, the Group had restricted deposits pledged as collateral with a commercial bank for Baht 11 million (2020: Baht 11 million).

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7 Loan receivables

Consolidated and Separate financial statements			
2021			
	Portion due within one year ⁽¹⁾	Portion due over one year <i>(in thousand Baht)</i>	Total
Loan receivables	46,695,147	39,707,592	86,402,739
Add accrued interest receivables and undue interest income	1,199,594	-	1,199,594
Gross carrying amount	47,894,741	39,707,592	87,602,333
Less allowance for expected credit loss	(977,377)	(810,304)	(1,787,681)
Net carrying amount	46,917,364	38,897,288	85,814,652

Consolidated and Separate financial statements			
2020			
	Portion due within one year ⁽¹⁾	Portion due over one year <i>(in thousand Baht)</i>	Total
Loan receivables	39,143,637	30,508,550	69,652,187
Add accrued interest receivables and undue interest income	955,087	-	955,087
Gross carrying amount	40,098,724	30,508,550	70,607,274
Less allowance for doubtful accounts	(752,988)	(572,900)	(1,325,888)
Net carrying amount	39,345,736	29,935,650	69,281,386

⁽¹⁾ The balance of loan receivables due within 1 year includes loan receivables that are credit-impaired.

The following tables set out information about the credit quality as at 31 December 2021 and 2020 of loan receivables without taking into account collateral or other credit enhancement.

Consolidated and Separate financial statements				
2021				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
Loan receivables				
Current	69,294,997	-	-	69,294,997
Overdue 1 - 30 days	12,542,034	-	-	12,542,034
Overdue 31 - 60 days	-	3,487,925	-	3,487,925
Overdue 61 - 90 days	-	1,090,250	-	1,090,250
Overdue more than 90 days	-	-	1,005,724	1,005,724
Litigation receivables	-	-	181,403	181,403
Gross carrying amount	81,837,031	4,578,175	1,187,127	87,602,333
Less allowance for expected credit loss	(709,289)	(348,966)	(729,426)	(1,787,681)
Net carrying amount	81,127,742	4,229,209	457,701	85,814,652

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For the year ended 31 December 2021

Consolidated and Separate financial statements 2020

	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
Loan receivables				
Current	55,209,046	-	-	55,209,046
Overdue 1 - 30 days	10,162,640	-	-	10,162,640
Overdue 31 - 60 days	-	3,399,512	-	3,399,512
Overdue 61 - 90 days	-	1,089,099	-	1,089,099
Overdue more than 90 days	-	-	584,053	584,053
Litigation receivables	-	-	162,924	162,924
Gross carrying amount	65,371,686	4,488,611	746,977	70,607,274
Less allowance for expected credit loss	(538,039)	(306,921)	(480,928)	(1,325,888)
Net carrying amount	64,833,647	4,181,690	266,049	69,281,386

Amortised cost before modification of loan receivables that were modified under the relief measures in a form of principal and interest repayment holiday as explained in note 4 during the year ended 31 December 2021 amounting to Baht 5,416.76 million (2020: Baht 4,454.93 million).

The normal credit term granted by the Group and the Company is 3 to 80 months.

Expected credit loss <i>For the year ended 31 December</i>	Consolidated and Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Recognised in profit and loss	(663,057)	(290,134)

Information relevant to credit risk is disclosed in note 23 (a.1).

8 Hire purchase receivables

Consolidated financial statements 2021

	Portion due over one year	Portion due over two years	Portion due over three years	Portion due over four years	Portion due over five years	Portion due over five years	Total
	<i>(in thousand Baht)</i>						
Hire purchase receivables	2,084,557	1,668,326	1,148,634	651,800	330,388	66,899	5,950,604
Less unearned interest income	(808,932)	(492,049)	(269,030)	(127,260)	(38,381)	(4,850)	(1,740,502)
Total	1,275,625	1,176,277	879,604	524,540	292,007	62,049	4,210,102
Less allowance for expected credit loss	(12,137)	(11,512)	(9,418)	(6,500)	(3,699)	(909)	(44,175)
Net	1,263,488	1,164,765	870,186	518,040	288,308	61,140	4,165,927

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Consolidated financial statements							
2020							
	Portion due within one year	Portion due over one year but within two years	Portion due over two years but within three years	Portion due over three years but within four years	Portion due over four years but within five years	Portion due over five years	Total
<i>(in thousand Baht)</i>							
Hire purchase receivables	201,989	158,108	94,168	32,176	13,538	132	500,111
Less unearned interest income	(74,884)	(40,948)	(17,194)	(5,131)	(1,271)	(10)	(139,438)
Total	127,105	117,160	76,974	27,045	12,267	122	360,673
Less allowance for expected credit loss	(676)	(579)	(382)	(138)	(58)	(1)	(1,834)
Net	126,429	116,581	76,592	26,907	12,209	121	358,839

The following tables set out information about the credit quality as at 31 December 2021 and 2020 of hire purchase receivables without taking into account collateral or other credit enhancement.

Consolidated financial statements				
2021				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
<i>(in thousand Baht)</i>				
Hire purchase receivables *				
Current	3,390,042	-	-	3,390,042
Overdue 1 - 30 days	386,491	-	-	386,491
Overdue 31 - 60 days	-	216,603	-	216,603
Overdue 61 - 90 days	-	128,159	-	128,159
Overdue more than 90 days	-	-	88,807	88,807
Total	3,776,533	344,762	88,807	4,210,102
Less allowance for expected credit loss	(19,698)	(11,033)	(13,444)	(44,175)
Net	3,756,835	333,729	75,363	4,165,927

Consolidated financial statements				
2020				
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
<i>(in thousand Baht)</i>				
Hire purchase receivables *				
Current	345,552	-	-	345,552
Overdue 1 - 30 days	9,713	-	-	9,713
Overdue 31 - 60 days	-	3,642	-	3,642
Overdue 61 - 90 days	-	1,362	-	1,362
Overdue more than 90 days	-	-	404	404
Total	355,265	5,004	404	360,673
Less allowance for expected credit loss	(1,614)	(160)	(60)	(1,834)
Net	353,651	4,844	344	358,839

*Hire purchase receivables, net of unearned interest income

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Net carrying amount before modification of hire purchase receivables that were modified under the relief measures in a form of principal and interest repayment holiday as explained in note 4 during the year ended 31 December 2021 amounting to Baht 2,786.19 million (2020: Baht 125.52 million).

The normal credit term granted by the Group is 10 to 72 months.

<i>Expected credit loss</i>	Consolidated	
	financial statement	
<i>For the year ended 31 December</i>	2021	2020
	<i>(in thousand Baht)</i>	
Recognised in profit and loss	(60,738)	(983)

Information relevant to credit risk is disclosed in note 23 (a.1).

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9 Investments in subsidiaries

	Type of business	Country of operation	Ownership interest		Separate financial statements		
			2021	2020	2021	2020	
			(%)		(in thousand Baht)		
Direct subsidiaries							
Muangthai Leasing Insurance Broker Company Limited	Insurance brokerage	Thailand	100	100	2,000	2,000	
Muangthai Leasing Company Limited	Hire purchase	Thailand	100	100	1,000,000	500,000	
Muangthai Pay Later Company Limited	Installment loan	Thailand	100	100	50,000	-	
Total					1,052,000	502,000	

* As at 31 December 2021, the Company has not commenced its operation.

None of the investment in subsidiaries are publicly listed and consequently do not have published price quotations.

Details of the increase of investments in subsidiaries during the year ended 31 December 2021 and 2020 were as follows:

At the Company's Board of Directors' meeting held on 18 October 2021, the Board of Directors has a resolution to establish a new subsidiary, Muangthai Pay Later Co., Ltd. ("MTPL"), with 100% ownership interest which has its registered capital in amounting to Baht 100 million (1 million ordinary shares at Baht 100 per share), and was registered with the Ministry of Commerce on 27 October 2021. The Company paid for share subscription of Baht 50 million to MTPL in November 2021.

At the Annual General Meeting of the shareholder of Muangthai Leasing Company Limited ("MTLS"), a subsidiary, held on 30 April 2021, the shareholder had resolutions to increase the authorised share capital of MTLS from the amount of Baht 500 million (5 million ordinary shares at Baht 100 per share) to the amount of Baht 1,000 million (10 million ordinary shares at Baht 100 per share). The Company paid for share subscription of Baht 500 million to MTLS in May 2021.

At the Extraordinary General Meeting of the shareholders of MTLS, a subsidiary, held on 18 March 2020, the shareholders had resolutions to increase the authorised share capital of MTLS from the amount of Baht 20 million (0.2 million ordinary shares at Baht 100 per share) to the amount of Baht 500 million (5 million ordinary shares at Baht 100 per share). The Company paid share subscription to MTLS of Baht 480 million during the year 2020.

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10 Land, buildings and equipment

	Consolidated financial statement (in thousand Baht)					
	Land	Buildings	Building improvements	Furniture, fixtures, equipment, and computers	Construction in progress	Total
Cost						
At 1 January 2020	257,260	11,224	352,222	1,380,739	393,418	2,394,863
Additions	211	2,668	70,381	296,813	224,748	594,821
Transfer in (out)	-	314,908	262,419	2,078	(579,405)	-
Disposals / write-off	-	-	(4,512)	(23,324)	-	(27,836)
At 31 December 2020 and 1 January 2021	257,471	328,800	680,510	1,656,306	38,761	2,961,848
Additions	-	24,377	102,446	392,593	3,373	522,789
Transfer in (out)	-	17,174	5,246	1,039	(23,459)	-
Disposals / write-off	-	-	(4,152)	(40,990)	-	(45,142)
At 31 December 2021	257,471	370,351	784,050	2,008,948	18,675	3,439,495
Accumulated depreciation						
At 1 January 2020	-	2,286	36,314	653,962	-	692,562
Depreciation charge for the year	-	1,663	98,713	258,792	-	359,168
Disposals / write-off	-	-	(690)	(17,687)	-	(18,377)
At 31 December 2020 and 1 January 2021	-	3,949	134,337	895,067	-	1,033,353
Depreciation charge for the year	-	7,665	104,509	272,585	-	384,759
Disposals / write-off	-	-	(774)	(31,663)	-	(32,437)
At 31 December 2021	-	11,614	238,072	1,135,989	-	1,385,675
Net book value						
At 31 December 2020	257,471	324,851	546,173	761,239	38,761	1,928,495
At 31 December 2021	257,471	358,737	545,978	872,959	18,675	2,053,820

Muangthai Capital Public Company Limited and its Subsidiaries
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	Separate financial statement					
	Land	Buildings	Building improvements	Furniture, fixtures, equipment, and computers	Construction in progress	Total
	<i>(in thousand Baht)</i>					
Cost						
At 1 January 2020	257,260	11,224	352,222	1,380,626	393,418	2,394,750
Additions	211	2,668	70,381	296,813	224,748	594,821
Transfer in (out)	-	314,908	262,419	2,078	(579,405)	-
Disposals / write-off	-	-	(4,512)	(23,324)	-	(27,836)
At 31 December 2020 and 1 January 2021	257,471	328,800	680,510	1,656,193	38,761	2,961,735
Additions	-	24,377	102,446	392,566	3,373	522,762
Transfer in (out)	-	17,174	5,246	1,039	(23,459)	-
Disposals / write-off	-	-	(4,152)	(40,990)	-	(45,142)
At 31 December 2021	257,471	370,351	784,050	2,008,808	18,675	3,439,355
Accumulated depreciation						
At 1 January 2020	-	2,286	36,314	653,872	-	692,472
Depreciation charge for the year	-	1,663	98,713	258,786	-	359,162
Disposals / write-off	-	-	(690)	(17,687)	-	(18,377)
At 31 December 2020 and 1 January 2021	-	3,949	134,337	894,971	-	1,033,257
Depreciation charge for the year	-	7,665	104,509	272,576	-	384,750
Disposals / write-off	-	-	(774)	(31,663)	-	(32,437)
At 31 December 2021	-	11,614	238,072	1,135,884	-	1,385,570
Net book value						
At 31 December 2020	257,471	324,851	546,173	761,222	38,761	1,928,478
At 31 December 2021	257,471	358,737	545,978	872,924	18,675	2,053,785

The gross amount of the Group's and the Company's fully depreciated buildings and equipment that was still in use as at 31 December 2021 amounted to Baht 459 million (2020: Baht 271 million).

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11 Leases

As a lessee

As at 31 December 2021, the Group and the Company have building and office space and vehicles lease agreements with related parties and non-related parties for a period from 1 year to 6 years (2020: 1 year to 6 years). The Group and the Company have extension options at the end of the contract period. Lease payment is specified in the contract.

Extension options

The Group and the Company have extension options on property leases exercisable up to one year before the end of the contract period. The Group and the Company assess at lease commencement date whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options and will regularly reassess so.

Right-of-use

	Consolidated and Separate financial statements		
	Buildings and office space	Vehicles <i>(in thousand Baht)</i>	Total
At 1 January 2020	3,315,702	76,011	3,391,713
Addition	938,692	37,629	976,321
Depreciation charge for the year	(778,086)	(25,340)	(803,426)
Disposal / write-off	-	(539)	(539)
At 31 December 2020 and 1 January 2021	3,476,308	87,761	3,564,069
Addition	1,249,073	39,707	1,288,780
Depreciation charge for the year	(841,497)	(22,637)	(864,134)
Disposal / write-off	(568)	(167)	(735)
At 31 December 2021	3,883,316	104,664	3,987,980

Lease liabilities

	Consolidated and Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Maturity analysis - contractual undiscounted cash flows		
Within one year	1,005,571	893,049
Over one year but within five years	3,307,386	2,910,039
Over five years	188,906	156,905
Total undiscounted lease liabilities	4,501,863	3,959,993
Lease liabilities included in the statement of financial position	4,010,308	3,562,548

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Amount recognised in profit or loss

<i>For the year ended 31 December</i>	Consolidated and Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Depreciation of right-of-use assets		
- Buildings and office space	841,497	778,086
- Vehicles	22,637	25,340
Interest expense on lease liabilities	150,974	112,930

As a lessor

Operating lease

The Company has office space agreements to its subsidiaries as disclosed in note 5.

The following table sets out a maturity analysis of lease collection, showing undiscounted lease receipt as at 31 December 2021 and 2020.

	Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Portion due within one year	1,176	935
Portion due over one year but within five years	1,372	156
Total	2,548	1,091

Finance lease

Leases which are classified as finance leases are hire purchase contracts as disclosed in note 8.

12 Short-term borrowings from financial institutions

As at 31 December 2021 and 2020, the following are short-term borrowings in the form of promissory notes and bill of exchanges from local financial institutions.

Loan facility / Repayment schedule	Consolidated and Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
1 Promissory notes under credit facilities amounting to Baht 2,000 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	-	750,000
2 Promissory notes under credit facilities amounting to Baht 2,000 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	1,650,000	500,000
3 Promissory notes under credit facilities amounting to Baht 2,000 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	870,000	100,000
4 Promissory notes under credit facilities amounting to Baht 1,000 million, with principal repayment within the specific date of each promissory note, and interest charged at a fixed rate, payable monthly	500,000	-
5 Bill of exchange, with principal repayment at the date specified on each bill of exchange	1,215,075	1,046,526
Total	4,235,075	2,396,526

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These borrowings are unsecured.

The Group and the Company are required to comply with certain terms and conditions as specified in each borrowing agreement, such as to maintain ratios of loan receivables that are no more than 3 months overdue to total borrowings, non-performing loan receivables (overdue more than 3 months) to total loan receivables, total debt to equity, interest coverage ratio and the portion of the Company's shares held by the major shareholders, depending on the conditions in each agreement.

As at 31 December 2021, the bank overdrafts and short-term credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 3,160 million (2020: Baht 6,870 million).

13 Other payables

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Accrued employee expenses	767,413	623,905	767,413	623,905
Accrued interest expenses	281,024	299,637	281,024	299,637
Accrued special business tax expenses	84,145	77,038	84,145	77,038
Accrued expenses	38,568	5,714	38,308	5,614
Others	65,549	68,259	50,310	44,873
Total	1,236,699	1,074,553	1,221,200	1,051,067

14 Long-term borrowings from financial institutions

As at 31 December 2021 and 2020, the following are long-term borrowings from local financial institutions.

Loan facility / Repayment schedule	Consolidated and Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
1 Credit facility amounting to Baht 2,000 million, repayable principal equally every 3 months within November 2021 and December 2021, with interest at the rate of THBFIX plus a fixed percent per annum, payable monthly	-	500,000
2 Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within June 2021, and interest charged at a fixed rate, payable every 3 months	-	83,333
3 Credit facility amounting to Baht 600 million, repayable principal within October 2021, and interest charged at a fixed rate, payable monthly	-	600,000
4 Credit facility amounting to Baht 500 million, repayable principal within June 2021, and interest charged at a fixed rate, payable monthly	-	500,000
5 Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within July 2021, and interest charged at a fixed rate, payable monthly	-	187,500
6 Credit facility amounting to Baht 1,000 million, repayable principal within March 2021, and interest charged at a fixed rate, payable monthly	-	1,000,000
7 Credit facility amounting to Baht 250 million, repayable principal equally every 3 months within December 2021, and interest charged at a fixed rate, payable monthly	-	125,000
8 Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within February 2023, and interest charged at a fixed rate, payable every 3 months	208,333	375,000

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	Loan facility / Repayment schedule	Consolidated and Separate financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
9	Credit facility amounting to Baht 500 million, repayable principal within September 2021, and interest charged at a fixed rate, payable monthly	-	500,000
10	Credit facility amounting to Baht 1,000 million, repayable principal within April 2022, and interest charged at a fixed rate, payable every 3 months	1,000,000	1,000,000
11	Credit facility amounting to Baht 300 million, repayable principal within October 2021, and interest charged at a fixed rate, payable monthly	-	300,000
12	Credit facility amounting to Baht 4,958 million, repayable principal within July 2022, and interest charged at a fixed rate, payable monthly	4,958,000	4,958,000
13	Credit facility amounting to Baht 1,000 million, repayable principal within September 2022, and interest charged at a fixed rate, payable monthly	1,000,000	-
14	Credit facility amounting to Baht 500 million, repayable principal within April 2024, and interest charged at a fixed rate, payable monthly	500,000	-
15	Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within April 2024, and interest charged at a fixed rate, payable every 3 months	416,667	-
16	Credit facility amounting to Baht 500 million, repayable principal within May 2024, and interest charged at a fixed rate, payable monthly	500,000	-
17	Credit facility amounting to Baht 200 million, repayable principal equally every 3 months within June 2023, and interest charged at a fixed rate, payable monthly	150,000	-
18	Credit facility amounting to Baht 1,300 million, repayable principal equally every 3 months within July 2023, and interest charged at a fixed rate, payable monthly	1,137,500	-
19	Credit facility amounting to Baht 500 million, repayable principal equally every 3 months within August 2023, and interest charged at a fixed rate, payable monthly	437,500	-
20	Credit facility amounting to Baht 3,000 million, repayable principal equally every 3 months within August 2024, and interest charged at a fixed rate, payable monthly	2,750,000	-
21	Credit facility amounting to Baht 1,000 million, repayable principal equally every 3 months within October 2024, and interest charged at a fixed rate, payable monthly	1,000,000	-
22	Credit facility amounting to Baht 1,500 million, repayable principal equally every 3 months within December 2024, and interest charged at a fixed rate, payable monthly	1,500,000	-
23	Credit facility amounting to Baht 500 million, repayable principal within November 2024, and interest charged at a fixed rate, payable monthly	500,000	-
Total		16,058,000	10,128,833
	<i>Less deferred issuing costs</i>	<i>(6,835)</i>	<i>(3,452)</i>
	Net	16,051,165	10,125,381
	Current portion	10,121,419	3,959,328
	Non-current portion	5,929,746	6,166,053
	Total	16,051,165	10,125,381

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The Group and the Company are required to comply with certain terms and conditions as specified in each borrowing agreement, such as to maintain ratios of loan receivables that are no more than 3 months overdue to total borrowings, non-performing loan receivables (overdue more than 3 months) to total loan receivables, total debt to equity, interest coverage ratio and the portion of the Company's shares held by the major shareholders, depending on the conditions in each agreement.

As at 31 December 2021, the long-term credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 1,000 million (2020: Baht 2,000 million)

15 Debentures

As at 31 December 2021 and 2020, these debentures are registered, unsubordinated and unsecured debentures. Details are as follow:

	Facility / Repayment schedule	Consolidated and Separate financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
1	Debenture amounting to Baht 1,295.8 million with a tenor of 4 years, maturing in August 2021, bearing interest at a fixed rate, payable every 6 months	-	1,295,800
2	Debenture amounting to Baht 2,000 million with a tenor of 3 years, maturing in February 2021, bearing interest at a fixed rate, payable every 6 months	-	2,000,000
3	Debenture amounting to Baht 1,000 million with a tenor of 4 years, maturing in February 2022, bearing interest at a fixed rate, payable every 6 months	1,000,000	1,000,000
4	Debenture amounting to Baht 1,833 million with a tenor of 2 years 10 months, maturing in May 2021, bearing interest at a fixed rate, payable every 6 months	-	1,833,000
5	Debenture amounting to Baht 1,564 million with a tenor of 4 years, maturing in July 2022, bearing interest at a fixed rate, payable every 6 months	1,564,000	1,564,000
6	Debenture amounting to Baht 1,697.5 million with a tenor of 3 years, maturing in November 2021, bearing interest at a fixed rate, payable every 6 months	-	1,697,500
7	Debenture amounting to Baht 1,515.5 million with a tenor of 4 years, maturing in November 2022, bearing interest at a fixed rate, payable every 6 months	1,515,500	1,515,500
8	Debenture amounting to Baht 1,650.3 million with a tenor of 3 years 6 days, maturing in February 2022, bearing interest at a fixed rate, payable every 3 months	1,650,300	1,650,300
9	Debenture amounting to Baht 2,349.7 million with a tenor of 3 years 8 months 11 days, maturing in November 2022, bearing interest at a fixed rate, payable every 3 months	2,349,700	2,349,700
10	Debenture amounting to Baht 500 million with a tenor of 3 years 2 days, maturing in February 2022, bearing interest at a fixed rate, payable every 3 months	500,000	500,000
11	Debenture amounting to Baht 270 million with a tenor of 3 years 11 days, maturing in June 2022, bearing interest at a fixed rate, payable every 3 months	270,000	270,000
12	Debenture amounting to Baht 1,200 million with a tenor of 2 years, maturing in July 2021, bearing interest at a fixed rate, payable every 3 months	-	1,200,000

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	Facility / Repayment schedule	Consolidated and Separate financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
13	Debenture amounting to Baht 2,043.3 million with a tenor of 3 years, maturing in July 2022, bearing interest at a fixed rate, payable every 3 months	2,043,300	2,043,300
14	Debenture amounting to Baht 1,756.7 million with a tenor of 4 years, maturing in July 2023, bearing interest at a fixed rate, payable every 3 months	1,756,700	1,756,700
15	Debenture amounting to Baht 200 million with a tenor of 2 years 11 days, maturing in July 2021, bearing interest at a fixed rate, payable every 3 months	-	200,000
16	Debenture amounting to Baht 500 million with a tenor of 3 years 11 months 22 days, maturing in July 2023, bearing interest at a fixed rate, payable every 6 months	500,000	500,000
17	Debenture amounting to Baht 200 million with a tenor of 2 years 11 months 30 days, maturing in August 2022, bearing interest at a fixed rate, payable every 3 months	200,000	200,000
18	Debenture amounting to Baht 500 million with a tenor of 1 year 11 months 29 days, maturing in August 2021, bearing interest at a fixed rate, payable every 6 months	-	500,000
19	Debenture amounting to Baht 500 million with a tenor of 2 years, maturing in August 2021, bearing interest at a fixed rate, payable every 6 months	-	500,000
20	Debenture amounting to Baht 1,000 million with a tenor of 2 years, maturing in November 2021, bearing interest at a fixed rate, payable every 6 months	-	1,000,000
21	Debenture amounting to Baht 1,500 million with a tenor of 3 years 3 months, maturing in February 2023, bearing interest at a fixed rate, payable every 3 months	1,500,000	1,500,000
22	Debenture amounting to Baht 500 million with a tenor of 4 years, maturing in November 2023, bearing interest at a fixed rate, payable every 3 months	500,000	500,000
23	Debenture amounting to Baht 1,000 million with a tenor of 3 years 3 months, maturing in February 2023, bearing interest at a fixed rate, payable every 6 months	1,000,000	1,000,000
24	Debenture amounting to Baht 1,200 million with a tenor of 2 years 3 months, maturing in June 2022, bearing interest at a fixed rate, payable every 6 months	1,200,000	1,200,000
25	Debenture amounting to Baht 900 million with a tenor of 3 years 3 months, maturing in June 2023, bearing interest at a fixed rate, payable every 3 months	900,000	900,000
26	Debenture amounting to Baht 900 million with a tenor of 4 years, maturing in March 2024, bearing interest at a fixed rate, payable every 3 months	900,000	900,000
27	Debenture amounting to Baht 2,680.8 million with a tenor of 1 year 5 months, maturing in November 2021, bearing interest at a fixed rate, payable every 3 months	-	2,680,800
28	Debenture amounting to Baht 1,319.2 million with a tenor of 3 years 5 months 2 days, maturing in November 2023, bearing interest at a fixed rate, payable every 3 months	1,319,200	1,319,200
29	Debenture amounting to Baht 2,163.4 million with a tenor of 1 year 11 months 7 days, maturing in November 2022, bearing interest at a fixed rate, payable every 3 months	2,163,400	2,163,400

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Facility / Repayment schedule		Consolidated and Separate financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
30	Debenture amounting to Baht 2,836.6 million with a tenor of 2 years 11 months 19 days, maturing in November 2023, bearing interest at a fixed rate, payable every 3 months	2,836,600	2,836,600
31	Debenture amounting to Baht 1,514 million with a tenor of 2 years 2 days, maturing in February 2023, bearing interest at a fixed rate, payable every 3 months	1,514,000	-
32	Debenture amounting to Baht 2,486 million with a tenor of 3 years 19 days, maturing in March 2024, bearing interest at a fixed rate, payable every 3 months	2,486,000	-
33	Debenture amounting to Baht 500 million with a tenor of 1 year 11 months 27 days, maturing in March 2023, bearing interest at a fixed rate, payable every 3 months	500,000	-
34	Debenture amounting to Baht 500 million with a tenor of 3 years 3 days, maturing in March 2024, bearing interest at a fixed rate, payable every 3 months	500,000	-
35	Debenture amounting to Baht 1,100 million with a tenor of 2 years 3 days, maturing in May 2023, bearing interest at a fixed rate, payable every 3 months	1,100,000	-
36	Debenture amounting to Baht 1,600 million with a tenor of 3 years 1 day, maturing in May 2024, bearing interest at a fixed rate, payable every 3 months	1,600,000	-
37	Debenture amounting to Baht 800 million with a tenor of 4 years, maturing in May 2025, bearing interest at a fixed rate, payable every 3 months	800,000	-
38	Debenture amounting to Baht 500 million with a tenor of 4 years 11 months 29 days, maturing in May 2026, bearing interest at a fixed rate, payable every 3 months	500,000	-
39	Debenture amounting to Baht 2,000 million with a tenor of 1 year 11 months 30 days, maturing in August 2023, bearing interest at a fixed rate, payable every 6 months	2,000,000	-
40	Debenture amounting to Baht 1,641.80 million with a tenor of 3 years 1 day, maturing in August 2024, bearing interest at a fixed rate, payable every 3 months	1,641,800	-
41	Debenture amounting to Baht 1,361.80 million with a tenor of 4 years, maturing in August 2025, bearing interest at a fixed rate, payable every 3 months	1,361,800	-
42	Debenture amounting to Baht 996.40 million with a tenor of 4 years 11 months 30 days, maturing in August 2026, bearing interest at a fixed rate, payable every 3 months	996,400	-
43	Debenture amounting to Baht 2,000 million with a tenor of 1 year 11 months 22 days, maturing in October 2023, bearing interest at a fixed rate, payable every 6 months	2,000,000	-
44	Debenture amounting to Baht 1,902 million with a tenor of 2 years 11 months 27 days, maturing in November 2024, bearing interest at a fixed rate, payable every 3 months	1,902,000	-
45	Debenture amounting to Baht 1,598 million with a tenor of 3 years 11 months 26 days, maturing in November 2025, bearing interest at a fixed rate, payable every 3 months	1,598,000	-

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Facility / Repayment schedule	Consolidated and Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
46 Debenture amounting to Baht 1,000 million with a tenor of 4 years 11 months 25 days, maturing in November 2026, bearing interest at a fixed rate, payable every 3 months	1,000,000	-
Total	47,168,700	38,575,800
Less deferred issuing costs	(140,512)	(122,959)
Net	47,028,188	38,452,841
Current portion	14,436,989	12,886,772
Non-current portion	32,591,199	25,566,069
Total	47,028,188	38,452,841

The Company, as debentures issuer, has a condition to maintain a debt to equity ratio at end of each fiscal year.

16 Provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Statement of financial position				
Provisions for				
Post-employee benefits				
Defined benefit plan	155,983	133,098	155,983	133,098

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group and the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	133,098	93,894	133,098	93,894
Include in profit or loss:				
Current service cost	46,921	33,128	46,921	33,128
Interest on obligation	2,360	1,593	2,360	1,593
	49,281	34,721	49,281	34,721
Included in other comprehensive income				
Actuarial (gain) loss				
- Financial assumptions	(45,850)	(2,735)	(45,850)	(2,735)
- Demographic assumptions	18,787	-	18,787	-
- Experience adjustment	762	7,470	762	7,470
	(26,301)	4,735	(26,301)	4,735
Benefit paid	(95)	(252)	(95)	(252)
At 31 December	155,983	133,098	155,983	133,098

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
			(%)	
Discount rate	3.0	1.8	3.0	1.8
Future salary growth	6.0	6.0	6.0	6.0
Employee turnover rate	2.5 - 20.0	2.5 - 20.0	2.5 - 20.0	2.5 - 20.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 21 years (2020:20 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Consolidated and Separate financial statements				
2021				
	Percent increase in assumption	Effect to the defined benefit obligations	Percent decrease in assumption	Effect to the defined benefit obligations
		<i>(in thousand Baht)</i>		
Discount rate	0.5	(15,188)	0.5	17,331
Future salary growth	0.5	16,724	0.5	(14,851)
Employee turnover rate	10.0	(28,809)	10.0	20,473

Consolidated and Separate financial statements				
2020				
	Percent increase in assumption	Effect to the defined benefit obligations	Percent decrease in assumption	Effect to the defined benefit obligations
		<i>(in thousand Baht)</i>		
Discount rate	0.5	(12,664)	0.5	14,420
Future salary growth	0.5	13,806	0.5	(12,296)
Employee turnover rate	10.0	(14,822)	10.0	17,866

17 Legal reserves

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

18 Segment information and disaggregation of revenue

Segment information is consistent with internal report, which is used for making a decision on resource allocation and segment evaluation. The top decision maker on operation for the company is the Chairman of the Executive Committee.

The Company's principal operations involve a single operating segment in lending business, and each of its subsidiaries is principally engaged into a single operating segment in insurance brokerage and providing hire purchase business. The Group's and the Company's operations are carried on only in Thailand. During the year, the Group has no change in segment information.

The Group has no major customers with revenues equal to 10 percent or more of their revenues.

Revenue recognition of lending business and hire purchase is on effective interest rate method over contract period. Insurance commission income is recognised at a point in time when a customer obtains control of the services.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Financial information of the Group presented by segments for the year ended 31 December 2021 and 2020 are as follows:

	Consolidated financial statements									
	Lending business		Insurance broker		Hire purchase		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
For the year ended 31 December	<i>(in thousand Baht)</i>									
Interest income from loan receivables and hire purchase receivables	14,723,826	13,915,500	-	-	471,383	46,009	-	-	15,195,209	13,961,509
Fees and service income	702,216	677,439	63,596	48,932	2,969	57	-	-	768,781	726,428
Dividend income	-	35,000	-	-	-	-	-	(35,000)	-	-
Other income	278,364	105,873	43	97	225	-	(223,881)	(61,318)	54,751	44,652
Total revenues	15,704,406	14,733,812	63,639	49,029	474,577	46,066	(223,881)	(96,318)	16,018,741	14,732,589
Segment profit before income tax	5,950,520	6,520,188	11,810	13,433	239,152	17,879	-	(35,000)	6,201,482	6,516,500
Income tax	(1,206,718)	(1,295,840)	(2,362)	(3,160)	(47,855)	(3,576)	-	-	(1,256,935)	(1,302,576)
Segment profit	4,743,802	5,224,348	9,448	10,273	191,297	14,303	-	(35,000)	4,944,547	5,213,924
Significant non cash transactions										
Gain arising from derecognition of financial assets measured at amortised cost	19,506	36,140	-	-	-	-	-	-	19,506	36,140
Expected credit loss	(687,250)	(290,134)	-	-	(60,738)	(983)	-	-	(747,988)	(291,117)
Total assets	98,529,427	77,210,195	65,799	49,453	4,985,400	678,713	(5,190,789)	(716,483)	98,389,837	77,221,878
Total liabilities	73,892,504	56,558,893	39,621	32,722	3,728,001	162,612	(4,138,789)	(214,483)	73,521,337	56,539,744

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

19 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Salary, wages and other employee benefits	4,272,014	3,675,579	4,272,014	3,675,579
Depreciation and amortisation expenses	1,258,283	1,169,326	1,258,267	1,169,311
Special business tax	509,388	494,000	509,388	494,000
Utilities expenses	167,288	150,739	167,288	150,739
Travelling expenses	131,652	115,561	131,651	115,560
Telecommunication expenses	90,816	57,295	90,816	57,295
Rental and service expenses	18,312	12,623	17,176	12,623
Others	513,658	469,025	512,176	467,559
Total	6,961,411	6,144,148	6,958,776	6,142,666

Contribution plan

For the year ended 31 December 2021, the Group and the Company contributed provident funds for their employee amounting to Baht 48.22 million (2020: Baht 37.03 million).

20 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	1,382,615	1,338,455	1,323,929	1,331,935
Under (over) provided in prior years	7,614	(6,231)	7,614	(6,643)
	1,390,229	1,332,224	1,331,543	1,325,292
Deferred tax expense				
Movements in temporary differences	(133,294)	(29,648)	(124,825)	(29,452)
Total income tax	1,256,935	1,302,576	1,206,718	1,295,840

	Consolidated and Separated financial statements					
	2021			2020		
<i>Income tax recognised in other comprehensive income</i>	Before tax	Tax expense	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Cash flow hedges	6,474	(1,295)	5,179	7,930	(1,586)	6,344
Defined benefit plan actuarial gains (losses)	26,301	(5,260)	21,041	(4,735)	947	(3,788)
Total	32,775	(6,555)	26,220	3,195	(639)	2,556

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Reconciliation of effective tax rate

	Consolidated financial statements			
		2021		2020
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax expense		<u>6,201,482</u>		<u>6,516,500</u>
Income tax using the Thai corporation tax rate	20.00	1,240,296	20.00	1,303,300
Effects of non-taxable income and non-deductible expenses		19,822		17,231
Additional deductions allowed for expenses		(10,797)		(11,724)
Under (over) provided in prior years		<u>7,614</u>		<u>(6,231)</u>
Total	<u>20.27</u>	<u>1,256,935</u>	<u>19.99</u>	<u>1,302,576</u>
	Separate financial statements			
		2021		2020
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax expense		<u>5,950,520</u>		<u>6,520,188</u>
Income tax using the Thai corporation tax rate	20.00	1,190,104	20.00	1,304,038
Effects of non-taxable income and non-deductible expenses		19,797		10,169
Additional deductions allowed for expenses		(10,797)		(11,724)
Under (over) provided in prior years		<u>7,614</u>		<u>(6,643)</u>
Total	<u>20.28</u>	<u>1,206,718</u>	<u>19.87</u>	<u>1,295,840</u>

Muangthai Capital Public Company Limited and its Subsidiaries
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Movement in deferred tax assets and liabilities during the years ended 31 December 2021 and 2020 were as follows:

	Consolidated financial statements (Charged)/ Credited to			At 31 December
	At 1 January	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
2021				
<i>Deferred tax assets</i>				
Loan receivables	265,178	9238	-	357,536
Hire purchase receivables	366	849	-	8,835
Assets foreclosed	1,080		-	1,080
Derivatives liabilities	1,295		(1,295)	-
Lease liabilities	701,448	8857	-	789,975
Provisions for employee benefits	26,620	987	(5,260)	31,197
Others	21,507	2289	-	44,196
Total	1,017,494	22180	(6,555)	1,232,819
<i>Deferred tax liabilities</i>				
Loan receivables	1,681	(2,803)	-	(1,122)
Right-of-use assets	(694,941)	(81,962)	-	(776,903)
Others	(27,497)	(3,821)	-	(31,318)
Total	(720,757)	(88,586)	-	(809,343)
Net	296,737	133,294	(6,555)	423,476
2020				
<i>Deferred tax assets</i>				
Loan receivables	310,338	(45,160)	-	265,178
Hire purchase receivables	170	196	-	366
Assets foreclosed	1,020	60	-	1,080
Derivatives liabilities	2,881		(1,586)	1,295
Lease liabilities	-	701,448	-	701,448
Provisions for employee benefits	18,778	6,895	947	26,620
Others	6,375	15,132	-	21,507
Total	339,562	678,571	(639)	1,017,494
<i>Deferred tax liabilities</i>				
Loan receivables	(47,008)	48,689	-	1,681
Right-of-use assets	-	(694,941)	-	(694,941)
Others	(24,826)	(2,671)	-	(27,497)
Total	(71,834)	(648,923)	-	(720,757)
Net	267,728	29,648	(639)	296,737

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	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
2021				
<i>Deferred tax assets</i>				
Loan receivables	265,178	92,358	-	357,536
Assets foreclosed	1,080	-	-	1,080
Derivatives liabilities	1,295	-	(1,295)	-
Lease liabilities	701,448	88,527	-	789,975
Provisions for employee benefits	26,620	9,837	(5,260)	31,197
Others	21,507	22,689	-	44,196
Total	1,017,128	213,411	(6,555)	1,223,984
<i>Deferred tax liabilities</i>				
Loan receivables	1,681	(2,803)	-	(1,122)
Right-of-use assets	(694,941)	(81,962)	-	(776,903)
Others	(27,497)	(3,821)	-	(31,318)
Total	(720,757)	(88,586)	-	(809,343)
Net	296,371	124,825	(6,555)	414,641
2020				
<i>Deferred tax assets</i>				
Loan receivables	310,338	(45,160)	-	265,178
Assets foreclosed	1,020	60	-	1,080
Derivatives liabilities	2,881	-	(1,586)	1,295
Lease liabilities	-	701,448	-	701,448
Provisions for employee benefits	18,778	6,895	947	26,620
Others	6,375	15,132	-	21,507
Total	339,392	678,375	(639)	1,017,128
<i>Deferred tax liabilities</i>				
Loan receivables	(47,008)	48,689	-	1,681
Right-of-use assets	-	(694,941)	-	(694,941)
Others	(24,826)	(2,671)	-	(27,497)
Total	(71,834)	(648,923)	-	(720,757)
Net	267,558	29,452	(639)	296,371

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21 Earnings per share

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	4,944,547	5,213,924	4,743,802	5,224,348
Number of ordinary shares outstanding (basic) at 31 December	2,120,000	2,120,000	2,120,000	2,120,000
Earnings per share (basic) (in Baht)	2.33	2.46	2.24	2.46

22 Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in thousand Baht)</i>
2021				
Annual dividend 2020	20 April 2021	May 2021	0.37	784,400
2020				
Interim dividend 2019	8 April 2020	May 2020	0.30	636,000

23 Financial instruments

(a) Financial risk management policies

The Group's and the Company's board of directors have overall responsibility for the establishment and oversight of the Group's and the Company's risk management framework, which is responsible for developing and monitoring the Group's and Company's risk management policies.

The Group's and the Company's risk management policies are established to identify and analyse the risks faced by the Group and the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and the Company's activities. The Group and the Company, through its training and management standards and procedures, aim to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's and the Company's audit committee oversees how management monitors compliance with the Group's and the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and the Company. The Group's and the Company's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(a.1) Credit risk

The Group and the Company are exposed to credit risk primarily with respect to loan receivables consist of loans secured against vehicle registrations, land title deeds, condominium loans, personal loans without collateral and nano finance and hire purchase receivables. The Group and the Company manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group and the Company do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of loan receivables less allowance for expected credit loss as stated in the statements of financial position.

Information relevant to loan receivables and hire purchase receivables are disclosed in note 7 and 8, respectively.

Muangthai Capital Public Company Limited and its Subsidiaries
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Allowance for expected credit loss as at 31 December 2021 and 2020 are as follow

	Consolidated financial statements			
	2021			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
Loan receivables	709,289	348,966	729,426	1,787,681
Hire purchase receivables	19,698	11,033	13,444	44,175
Total	728,987	359,999	742,870	1,831,856
	Consolidated financial statements			
	2020			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
Loan receivables	538,039	306,921	480,928	1,325,888
Hire purchase receivables	1,614	160	60	1,834
Total	539,653	307,081	480,988	1,327,722
	Separate financial statements			
	2021			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
Loan receivables	709,289	348,966	729,426	1,787,681
Total	709,289	348,966	729,426	1,787,681
	Separate financial statements			
	2020			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
Loan receivables	538,039	306,921	480,928	1,325,888
Total	538,039	306,921	480,928	1,325,888

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The movements in allowance for expected credit loss of loan receivables and hire purchase receivables during the year were as follows:

<i>For the year ended 31 December</i>	and Separate financial statements Consolidated			
	2021			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
<i>Loan receivables</i>				
At 1 January	538,039	306,921	480,928	1,325,888
Change from stage reclassification	8,500	(27,291)	18,791	-
Change from remeasurement of ECL	(50,148)	41,196	215,812	206,860
Purchased or acquired	661,407	285,193	259,012	1,205,612
Derecognised	(448,509)	(257,053)	(245,117)	(950,679)
At 31 December	709,289	348,966	729,426	1,787,681

<i>For the year ended 31 December</i>	and Separate financial statements Consolidated			
	2020			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
<i>Loan receivables</i>				
At 1 January - restated	736,969	426,570	388,151	1,551,690
Change from stage reclassification	(6,044)	(9,430)	15,474	-
Change from remeasurement of ECL	(97,153)	6,802	180,581	90,230
Purchased or acquired	483,461	235,723	231,233	950,417
Derecognised	(579,194)	(352,744)	(334,511)	(1,266,449)
At 31 December	538,039	306,921	480,928	1,325,888

<i>For the year ended 31 December</i>	financial statements Consolidated			
	2021			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	Total
	<i>(in thousand Baht)</i>			
<i>Hire purchase receivables</i>				
At 1 January	1,614	160	60	1,834
Change from stage reclassification	(38)	(13)	51	-
Change from remeasurement of ECL	(19,038)	7,399	12,424	785
Purchased or acquired	37,325	3,494	911	41,730
Derecognised	(165)	(7)	(2)	(174)
At 31 December	19,698	11,033	13,444	44,175

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

<i>For the year ended 31 December</i>	Consolidated financial statements			Total
	2020			
	Assets that are not significant increase in credit risk	Assets that are significant increase in credit risk	Assets that are credit impaired	
	<i>(in thousand Baht)</i>			
<i>Hire purchase receivables</i>				
At 1 January - restated	845	6	-	851
Change from stage reclassification	(14)	10	4	-
Change from remeasurement of ECL	(679)	129	56	(494)
Purchased or acquired	1,521	17	-	1,538
Derecognised	(59)	(2)	-	(61)
At 31 December	1,614	160	60	1,834

Cash and cash equivalents

The Group's and the Company's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions, which the Group and the Company consider to have low credit risk.

Collateral held and other credit enhancements

In addition to determining counterparty credit quality through credit risk analysis, the Group and the Company also uses collateral as one type of credit risk mitigation to reduce potential credit losses to the Group and the Company. The Group and the Company considered the collateral value as at contractual effective date whether it is adequate to the Group's and the Company's acceptable risk. Collateral is comprised of vehicles, agricultural machinery and real estates and whose values are appraised on an initial recognition of loan receivables or hire purchase receivables.

For guarantee, the process for the analysis of guarantor's creditworthiness is aligned to credit assessment process for borrowers.

Concentrations of credit risk

The Group and the Company monitor concentrations of credit risk by type of financing which credit risk concentration of loan receivables more than 50% (2020: more than 50%) are in retail group comprising of agriculturer and day labour, and of hire purchase receivables more than 50% (2020: more than 40%) are in retail group comprising of private company employee and day labour.

Information related to ECL

Significant increase in credit risk (SICR)

When determining whether the probability of default on a financial instrument has increased significantly since initial recognition, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and including forward-looking information.

Definition of default

The Group and the Company consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company;
- the borrower is more than 90 days past due on any material credit obligation to the Group and the Company; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

In assessing whether a borrower is in default, the Group and the Company consider indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Group and the Company; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Probability of default

Credit risk grades are a primary input into the determination of the probability of default. The Group and the Company have collected repayment performance data of each receivable and input into statistical models to analyse the data collected and generate estimates of the lifetime PD based on contractual repayment. Then, the Group and the Company use the PD to estimate ECL.

Incorporation of forward-looking information

ECL has been estimated by the probability weighted of default over the expected life of the financial instrument. It is based on the present value of all expected cash shortfalls carried by historical loss experience data for the group of assets that the Group and the Company consider credit risk to be similar such as types of financing and adjusted by current observed data, along with supportable and reasonable future forecasts if statistically correlated can be proved. Appropriate judgements are also incorporated to estimate ECL using macroeconomic data. The Group and the Company assess both the current situation and the forecast of future economic conditions and probability weighted for each situation.

The Group and the Company use base scenario as weighted probability scenario to measure the ECL.

However, the Group and the Company review the assumptions and forecasts of the future economic situations on a regular basis. In addition, the Group and the Company also consider to provide the management overlay / underlay as a part of ECL.

(a.2) *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's and the Company's operations and its cash flows. The Group and the Company are primarily exposed to interest rate risk from its lending and borrowings. The Group and the Company mitigate this risk by ensuring that the majority of its lending and borrowings are at fixed interest rates and use derivatives (interest rate swaps) to manage exposure to fluctuations in interest rates on specific borrowings.

<i>Exposure to interest rate risk at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Financial instruments with fixed interest rates</i>				
Financial assets	91,404,726	71,156,686	90,654,231	70,659,959
Financial liabilities	(73,246,233)	(55,822,641)	(73,193,577)	(55,795,262)
Net Exposure	18,158,493	15,334,045	17,460,654	14,864,697
<i>Financial instruments with variable interest rates</i>				
Financial liabilities	-	(498,211)	-	(498,211)
Net Exposure	-	(498,211)	-	(498,211)

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

(a.3) Liquidity risk

Liquidity risk is the risk that the Group and the Company will be unable to liquidate their financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the incurrence of a financial loss.

Financial assets and liabilities of the Group and the Company classified by remaining contractual maturities (undiscounted) as at 31 December 2021 and 2020 were as follows:

<i>As at 31 December</i>	Consolidated financial statements				Total
	Remaining maturity periods				
	At call	Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	
2021					
Financial assets					
Cash and cash equivalents	1,306,300	-	-	-	1,306,300
Loan receivables ⁽¹⁾	-	46,917,364 ⁽²⁾	38,897,288	-	85,814,652
Hire purchase receivables ⁽¹⁾	-	1,263,488 ⁽²⁾	2,841,299	61,140	4,165,927
Short-term loans	-	88,337	-	-	88,337
Short-term loans - related parties	-	40	-	-	40
Restricted bank deposits	-	11,000	-	-	11,000
Other financial assets	-	18,470	-	-	18,470
Total financial assets	1,306,300	48,298,699	41,738,587	61,140	91,404,726
Financial liabilities					
Short-term borrowings from financial institutions	-	4,235,075	-	-	4,235,075
Other payables	-	1,236,699	-	-	1,236,699
Long-term borrowings from financial institutions	-	10,121,419	5,929,746	-	16,051,165
Debentures	-	14,436,989	32,591,199	-	47,028,188
Lease liabilities	-	867,719	3,142,589	-	4,010,308
Income tax payables	-	672,640	-	-	672,640
Other financial liabilities	-	9,604	-	-	9,604
Total financial liabilities	-	31,580,145	41,663,534	-	73,243,679

⁽¹⁾ Net of allowance for expected credit loss

⁽²⁾ The balance of loan receivables and hire purchase receivables due within 1 year including receivables that are credit-impaired.

Muangthai Capital Public Company Limited and its Subsidiaries
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For the year ended 31 December 2021

<i>As at 31 December</i>	Consolidated financial statements				
	Remaining maturity periods				
	At call	Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	Total
2020					
Financial assets					
Cash and cash equivalents	1,378,094	-	-	-	1,378,094
Loan receivables ⁽¹⁾	-	39,345,737 ⁽²⁾	29,935,649	-	69,281,386
Hire purchase receivables ⁽¹⁾	-	126,429 ⁽²⁾	232,289	121	358,839
Short-term loans	-	84,999	-	-	84,999
Short-term loans - related parties	-	38	-	-	38
Restricted bank deposits	-	-	11,000	-	11,000
Other financial assets	-	42,330	-	-	42,330
Total financial assets	1,378,094	39,599,533	30,178,938	121	71,156,686
Financial liabilities					
Short-term borrowings from financial institutions	-	2,396,526	-	-	2,396,526
Other payables	-	1,074,553	-	-	1,074,553
Long-term borrowings from financial institutions	-	3,959,328	6,166,053	-	10,125,381
Debentures	-	12,886,772	25,566,069	-	38,452,841
Lease liabilities	-	838,091	2,724,457	-	3,562,548
Income tax payables	-	699,762	-	-	699,762
Other financial liabilities	-	9,241	-	-	9,241
Total financial liabilities	-	21,864,273	34,456,579	-	56,320,852

⁽¹⁾ Net of allowance for expected credit loss

⁽²⁾ The balance of loan receivables and hire purchase receivables due within 1 year including receivables that are credit-impaired

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
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<i>As at 31 December</i>	Separate financial statements				Total
	Remaining maturity periods				
	At call	Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	
2021					
Financial assets					
Cash and cash equivalents	1,017,777	-	-	-	1,017,777
Loan receivables ⁽¹⁾	-	46,917,364 ⁽²⁾	38,897,288	-	85,814,652
Other receivables - related parties	-	3,152,455	-	-	3,152,455
Short-term loans	-	88,337	-	-	88,337
Short-term loans - related parties	-	40	-	-	40
Long-term loan -related party	-	150,000	412,500	-	562,500
Other financial assets	-	18,470	-	-	18,470
Total financial assets	1,017,777	50,326,666	39,309,788	-	90,654,231
Financial liabilities					
Short-term borrowings from financial institutions	-	4,235,075	-	-	4,235,075
Other payables	-	1,221,200	-	-	1,221,200
Long-term borrowings from financial institutions	-	10,121,419	5,929,746	-	16,051,165
Debentures	-	14,436,989	32,591,199	-	47,028,188
Lease liabilities	-	867,719	3,142,589	-	4,010,308
Income tax payables	-	635,483	-	-	635,483
Other financial liabilities	-	9,604	-	-	9,604
Total financial liabilities	-	31,527,489	41,663,534	-	73,191,023

⁽¹⁾ Net of allowance for expected credit loss

⁽²⁾ The balance of loan receivables and hire purchase receivables due within 1 year including receivables that are credit-impaired.

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

<i>As at 31 December</i>	Separate financial statements				Total
	Remaining maturity periods				
	At call	Within 1 year	After 1 year but within 5 years <i>(in thousand Baht)</i>	After 5 years	
2020					
Financial assets					
Cash and cash equivalents	1,083,709	-	-	-	1,083,709
Loan receivables ⁽¹⁾	-	39,345,737 ⁽²⁾	29,935,649	-	69,281,386
Other receivables - related parties	-	167,497	-	-	167,497
Short-term loans	-	84,999	-	-	84,999
Short-term loans - related parties	-	38	-	-	38
Other financial assets	-	42,330	-	-	42,330
Total financial assets	1,083,709	39,640,601	29,935,649	-	70,659,959
Financial liabilities					
Short-term borrowings from financial institutions	-	2,396,526	-	-	2,396,526
Other payables	-	1,051,067	-	-	1,051,067
Long-term borrowings from financial institutions	-	3,959,328	6,166,053	-	10,125,381
Debentures	-	12,886,772	25,566,069	-	38,452,841
Lease liabilities	-	838,091	2,724,457	-	3,562,548
Income tax payables	-	695,869	-	-	695,869
Other financial liabilities	-	9,241	-	-	9,241
Total financial liabilities	-	21,836,894	34,456,579	-	56,293,473

⁽¹⁾ Net of allowance for expected credit loss

⁽²⁾ The balance of loan receivables and hire purchase receivables due within 1 year including receivables that are credit-impaired.

Muangthai Capital Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

(b) *Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements					
	Carrying amount	Fair value				
	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
		<i>(in thousand Baht)</i>				
2021						
Financial assets						
Loan receivables	-	85,814,652	-	-	85,414,777	85,414,777
Financial liabilities						
Long-term borrowings from financial institutions	-	16,051,165	-	16,099,610	-	16,099,610
Debentures	-	47,028,188	-	47,411,648	-	47,411,648
2020						
Financial assets						
Loan receivables	-	69,281,386	-	-	69,241,805	69,241,805
Financial liabilities						
Derivative liabilities - interest rate swap	6,474	-	-	6,474	-	6,474
Long-term borrowings from financial institutions	-	10,125,381	-	10,102,333	-	10,102,333
Debentures	-	38,452,841	-	33,881,710	-	33,881,710

Muangthai Capital Public Company Limited and its Subsidiaries
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For the year ended 31 December 2021

	Carrying amount		Separate financial statements				Fair value
	Fair value - hedging instruments	Financial instruments measured at amortised cost	Total	(in thousand Baht)			
				Level 1	Level 2	Level 3	
2021							
Financial assets							
Loan receivables	-	85,814,652	85,814,652	-	-	85,414,777	85,414,777
Long-term loan - related party	-	562,500	562,500	-	601,487	-	601,487
Financial liabilities							
Long-term borrowings from financial institutions	-	16,051,165	16,051,165	-	16,099,610	-	16,099,610
Debentures	-	47,028,188	47,028,188	-	47,411,648	-	47,411,648
2020							
Financial assets							
Loan receivables	-	69,281,386	69,281,386	-	-	69,241,805	69,241,805
Financial liabilities							
Derivative liabilities - interest rate swap	6,474	-	6,474	-	6,474	-	6,474
Long-term borrowings from financial institutions	-	10,125,381	10,125,381	-	10,102,333	-	10,102,333
Debentures	-	38,452,841	38,452,841	-	33,881,710	-	33,881,710

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

Financial assets and financial liabilities which have short-term maturity, including cash and cash equivalents, other receivables, short-term loans and short-term borrowings from financial institutions, their carrying amounts in the statement of financial position approximate their fair value.

Fair value of loan receivables and long-term loans are estimated by discounting expected future cash flow by the current market interest rates of the loans with similar terms and conditions.

The fair value of derivative liabilities has been determined using a discounted future cash flow model, applying current market yield rates.

Long-term borrowings from financial institutions bearing interest at floating rates, their carrying amounts approximate their fair value.

Fixed rate long-term borrowings from financial institutions, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the instrument with similar terms and conditions.

Fair values of debentures are referenced by the price of debentures at the Thai Bond Market Association (“ThaiBMA”).

24 Capital management

The Board of Directors’ policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders’ equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

25 Commitments with non-related parties

	Consolidated and Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Buildings and other constructions	9,690	66,282
<i>Other commitments</i>		
Service agreements	4	46

As at 31 December 2021, the Group and the Company have a service agreement for office equipment. The service period was 4 years commencing from January 2018 and ending in January 2022 (2020: 4 years commencing from January 2018 and ending in January 2022).

26 Events after the reporting period

On 14 February 2022, a meeting of the Company’s Board of Directors passed resolutions to propose to the Annual General Meeting of Shareholders for approval of a cash dividend payment of Baht 0.37 per share to the shareholders from the net profit for the year 2021, in total of Baht 784.40 million, and for approval of a budget for debenture issuance.

Muangthai Capital Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

27 Thai Financial Reporting Standards (TFRSs) not yet adopted

Accounting guidance: Guideline for entities that provide support to Covid-19 affected debtors

This accounting guidance is optional for all entities that provide support to debtors under Bank of Thailand (BOT)'s minimum supporting measures, including credit card business, loans secured against vehicle registrations business, personal loan business both regulated and unregulated by BOT, e.g. leasing business, hire purchase business, and factoring business, etc. This accounting guidance is effective during 1 January 2022 to 31 December 2023 or as further updated by BOT and is relevant to financial assistance to the debtors who are affected by Covid-19. For debt restructuring under specified conditions from 1 January to 31 December 2021, the entities can apply the relevant staging and provisioning guideline under this accounting guidance to the debtors from 1 January 2022 to 31 December 2023.

Under this accounting guidance, the Group and the Company can apply staging and provisioning of debt restructuring from 1 January 2022 to 31 December 2023. The staging and provisioning guideline depends on debt restructuring method which can be categorised into 2 groups as below. The accounting guidance is in line with BOT Circular no. BOT.For Nor Sor. 2 Wor. 802/2564 dated 3 September 2021, “*Guidelines regarding the provision of financial assistance to the debtors affected by the Covid-19 (sustainable debt resolution)*”.

Debt restructuring method

1. Debt restructuring which aims to reduce the repayment burden other than term extension

2. Debt restructuring by term extension only

Staging and provisioning guideline

1. Non NPL modified loans (pre-emptive restructures) can be classified as stage 1 performing immediately once they are identified via well screening process for likely to repay borrowers, or else they remain at the stage before entering into relief programs;

2. NPL modified loans (troubled debt restructures) can be classified as stage 1 performing only if debtors can repay 3 consecutive months or 3 consecutive dues, whichever is longer;

3. Revision of effective interest rate (EIR) at the date of modification;

4. As a result of unprecedented circumstance, forward-looking information can be put less weight than historical information in ECL provisioning.

Apply in accordance with the relevant financial reporting standards.

In addition, the Group and the Company can remain staging to retail debtors until 31 March 2022 for those who were in process of debt restructuring on 31 December 2021.

Part 4 Certification on the Correctness of Information

The Company has reviewed the information in this annual registration statement with caution. The Company hereby certifies that such information is correct, complete, not false, and does not mislead others without the lack of information that should be disclosed in the material matters. The Company also hereby certifies that:

(1) The financial statements and financial information summarized in the annual registration statement have already shown accurate and complete information about the financial position, operational performance, and cash flow of the Company and the subsidiaries.

(2) The Company provides a good information revelation system to ensure that the Company has disclosed all material information of the Company and the subsidiaries correctly and completely including supervising the implementation of the mentioned system.

(3) The Company has established a good internal control system and supervise the implementation of the mentioned system. Besides, the Company has also informed the internal control system evaluation as of the latest available date to the Company's auditor and the audit committee. This covers deficiencies and significant changes to the internal control system including any wrongdoing possibly affecting the financial reporting of the Company and the subsidiaries.

In this regard, in order to prove that all documents are the same documents that verified to be correct by the Company, the Company has assigned Mrs. Daonapa Petaumpai or Mr. Surat Chayavoradech to sign this document on every page. If any document is not signed by Mrs. Daonapa Petaumpai or Mr. Surat Chayavoradech as mentioned above, the Company will consider it not the information that the Company has certified its accuracy.

Name	Position	Signature
1. Mr. Chuchat Petaumpai	Executive Committee and Chief of the Executive Committee	- Mr. Chuchat Petaumpai -
2. Mrs. Daonapa Petaumpai	Executive Committee and Managing Director	- Mrs. Daonapa Petaumpai -
Authorized persons		
1. Mrs. Daonapa Petaumpai	Managing Director	- Mrs. Daonapa Petaumpai -
2. Mr. Surat Chayavoradech	Deputy Managing Director	- Mr. Surat Chayavoradech -

Attachment

Attachment 1 : Details of Directors, Executives, Persons with Controlling Power, Person assigned the highest responsibility in accounting and finance, Persons assigned to be directly responsible for overseeing bookkeeping and company secretary, Directors of the Company

1. Detail of Directors of the Company

Adm. Apichart Pengsritong



- Age** ● 73 years old
- Type of Director** ● Independent Director
- Date of appointment** ● 12 September 2012
- Years in Director position** ● 9 years 3 months
- Current Position** ● Chairman of the Board of Directors /
Chairman of the Nomination and
Remuneration Committee
- Address** ● 294/10 Moo 5, Soi Nawamin 24 (Uthen 13)
Nawamin Road, Khlonggoom Sub-district, Buenggoom District, Bangkok
- Education**
- Naval Cadet program, class #66, Royal Thai Naval Academy
 - Naval Staff program, class #45, Royal Thai Naval Staff College
 - Naval War program, class #28, Naval War College, Royal Thai Navy-Australian Command & Staff College, Australian Defence College in 1986
 - National Defense College Program class 4515
- Director Training**
- Directors Accreditation Program (DAP) class 82/2010
 - Risk Management Program for Corporate Leaders (RCL 5/2016)
- Work Experience**
- Navigator, H.T.M.S. Tachin, Anti-submarine Squadron, Royal Thai Fleet
 - Weapon Officer, H.T.M.S. Tachin, Anti-submarine Squadron, Royal Thai Fleet
 - Executive Officer, H.T.M.S. Sarasin, Anti-submarine Squadron, Royal Thai Fleet
 - Anti-submarine Officer, H.T.M.S. Makutrajakumarn, Anti-submarine Squadron, Royal Thai Fleet
 - Junior Gunnery Officer, H.T.M.S. Makutrajakumarn, Anti-submarine Squadron, Royal Thai Fleet
 - Gunnery Officer, H.T.M.S. Makutrajakumarn, Anti-submarine Squadron, Royal Thai Fleet
 - Executive Officer, H.T.M.S. Makutrajakumarn, Anti-submarine Squadron, Royal Thai Fleet
 - Commanding Officer, H.T.M.S. Supirin, Patrol Squadron, Royal Thai Fleet
 - Aide to Assistant Commander-in-Chief, Royal Thai Navy
 - Deputy Chief of Staff, Bangkok Naval Station (presently Bangkok Naval Base)
 - Naval Attache to Jakarta

Work Experience

- Assistant Secretary, Naval Secretariat Department
- Assistant Director General, Naval Intelligence Department
- Deputy Director General, Naval Intelligence Department
- Director of Sattahip Depp Sea Port Sattahip Naval Base
- Commander, Submarine Squadron, Royal Thai Fleet
- Director of Joint Logistics, Supreme Command Headquarter
- Commandant, Royal Thai Naval Academy
- Senior Advisor, Royal Thai Navy
- Deputy Supreme Commander Admiral

Shareholding

- 500,000 shares Percentage 0.024 (As of 31 December 2021)

Current Position in other Listed Companies

- 2015 - Present Chairman of the Board and Chairman of the Audit Committee, JKN Global Media Plc.
- 2014 - Present Chairman of the Board, T.A.C. Consumer Plc.
- 2010 - Present Independent Director, S&J International Plc.

Current Position in other companies (not listed) -None-

Position in the Company which might be conflicts of interest -None-

The Legal Dispute -None-

Meeting attendance in 2021

- Board of Directors 8/8 times
- Board of Independent Directors 1/1 times
- Nomination and Remuneration Committee 3/3 times

Mr. Chuchat Petaumpai



- Age** ● 68 years old
- Type of Director** ● Director
- Date of appointment** ● 12 September 2012
- Years in Director position** ● 9 years 3 months
- Current Position** ● Director / Chairman of the Executive Committee / Member of Risk Management Committee
- Address** ● 13 Soi Charansanitwong 83/1, Bangaor Sub-district, Bangplad District, Bangkok

Education

- Master of Business Economics, Thammasat University, 2000
- Master of Business Administration, Naresuan University, 1998
- Master of Finance, Oklahoma City University, USA, 1990

Director Training

- Directors Accreditation Program (DAP) class SET/2012
- Risk Management Program for Corporate Leaders (RLC 5/2016)

Work Experience

- Industrial Finance Corporation of Thailand (IFCT)
- Kasikornbank Public Company Limited

Shareholding

- 710,056,400 shares Percentage 33.49 (As of 31 December 2021)

Current Position in other Listed Companies -None-

Current Position in other companies (not listed)

- 2017- Present Director and Vice President NYE Estate Co.,Ltd.

Position in the Company which might be conflicts of interest -None-

The Legal Dispute -None-

Meeting attendance in 2021

- Board of Directors 8/8 times
- Risk Management Committee 2/2 times

Mrs. Daonapa Petampai

Age	● 68 years old
Type of Director	Director
Date of appointment	● 12 September 2012
Years in Director position	● 9 years 3 months
Current Position	● Director / Managing Director
Address	● 13 Soi Charansanitwong 83/1, Bangaor Sub-district, Bangplad District, Bangkok



Education

- Master of Finance, Oklahoma City University, USA, 1989

Director Training

- Directors Accreditation Program (DAP) class SET/2012

Work Experience

- Assistant Unit Manager - Credit Card, Head Office, Kasikornbank Plc.
- Assistant Branch Manager, Kasikornbank Plc

Shareholding

- 720,000,000 shares Percentage 33.96 (As of 31 December 2021)

Current Position in other Listed Companies -None-

Current Position in other companies (not listed) -None-

Position in the Company which might be conflicts of interest -None-

The Legal Dispute -None-

Meeting attendance in 2021

- Board of Directors 8/8 times

Mrs. Kongkeaw Plamduaytham



- Age** ● 69 years old
- Type of Director** ● Independent Director
- Date of appointment** ● 12 September 2012
- Years in Director position** ● 9 years 3 months
- Current Position** ● Director / Chairman of the Audit Committee /
Chairman of the Corporate Governance Committee
- Address** ● 291 Soi Patanakarn 61, Patanakarn Road,
Praves Sub-district, Praves District, Bangkok
- Education** ● Master of Finance, Washington State University, USA
- Director Training**
- Directors Certification Program (DCP) class 157/2012
 - Advanced Audit Committee Program (AACP) class 13/2013
 - Role of Nomination and Governance Committee (RNG) class 7/2015
- Shareholding**
- 800,000 shares Percentage 0.038 (As of 31 December 2021)
- Current Position in other companies (not listed)** -None-
- 2010 - Present Director, Aira Capital Plc.
 - 2009 - Present Adviser, Aira Securities Plc.
- Current Position in other companies (not listed)** -None-
- Position in the Company which might be conflicts of interest** -None-
- The Legal Dispute** -None-
- Meeting attendance in 2021**
- Board of Directors 8/8 times
 - Audit Committee 4/4 times
 - Board of Independent Directors 1/1 times
 - Corporate Governance Committee 1/1 times

Mrs. Nongnuch Dawasuwan



- Age** ● 67 years old
- Type of Director** ● Independent Director
- Date of appointment** ● 29 March 2017
- Years in Director position** ● 2 years 9 months
- Current Position** ● Director / Member of Audit Committee /
Member of Risk Management Committee /
Member of the Corporate Governance Committee
- Address** ● 244 Udomsuk Soi 26, Sukhumvit 103,
Bangna, Bangkok
- Education** ● Bachelor's Degree: Bachelor of Accountancy,
Chulalongkorn University

Director Training

- Directors Accreditation Program (DAP) class 137/2017
- Advance Audit Committee Program (AACP) class 26/2017
- Risk Management Program for Corporate Leasers (RCL) class 13/2018

Current Position

- 2014 - 2015 Chief of Customs Service Sub-division, Nakhonphanom, Customs house, Thai Customs
- 2012 - 2013 Chief of Duty Accounting Sub-division, Suvarnabhumi Airport, Passenger Control Customs Bureau, Thai Customs
- 2010 - 2011 Chief of Duty Free Zone Audit Sub-division, Tax Incentives, Bureau Customs, Thai Customs

Shareholding -None-

Current Position in other Listed Companies -None-

Current Position in other companies (not listed) -None-

Position in the Company which might be conflicts of interest -None-

The Legal Dispute -None-

Meeting attendance in 2021

- Board of Directors 8/8 times
- Board of Independent Directors 1/1 times
- Audit Committee 4/4 times
- Risk Management Committee 2/2 times

***Remark : Appointed as a member of the Corporate Governance Committee (In place of the vacant position) in accordance with the resolution of the Board of Directors Meeting No. 4/21 on July 27, 2021*

Mr. Suchart Suphayak



- Age** ● 64 years old
- Type of Director** ● Independent Director
- Date of appointment** ● 17 August 2020
- Years in Director position** ● 1 years 4 months
- Current Position** ● Independent Director / Chairman of the Risk Management Committee / Member of the Audit Committee / Member of the Nomination and Remuneration Committee
- Education** ● Master of Business Administration, Chulalongkorn University
Bachelor of Accountancy, Assumption University
- Address** ● 64/16 Soi Charoen Mit, Phrakhong Nuea Sub-district Watthana, Bangkok
- Director Training**
 - Directors Certification Program (DCP) class 72/2007
 - Audit Committee Program (ACP) class 14/2007
 - Director Diploma Examination class 20/2007
 - Risk Management Program for Corporate Leaders (RCL 24/2021)
- Shareholding** -None-
- Current Position in other Listed Companies**
 - 2008 - Present Chairman of the Corporate Governance, Nomination and Remuneration Committee of Global Connections PCL.
- Current Position in other companies (not listed)**
 - 2018 - 2020 Chief Executive Officer, Fill Up Company Limited
 - 2017 - 2021 Chairman of the Audit Committee, Advance Power Conversion Company Limited
 - 2011 - 2015 Associate judge, Juvenile and Family Court in Prachinburi
 - 2014 - 2016 Executive Committee, ITX Transport Company Limited
 - 2007 - 2013 Financial Consultant, Rermudom Company Limited
- Position in the Company which might be conflicts of interest** -None-
- The Legal Dispute** -None-
- Meeting attendance in 2021**
 - Board of Directors 8/8 times
 - Board of Independent Directors 1/1 times
 - Risk Management Committee 2/2 times
 - Audit Committee 4/4 times

***Remark : Appointed as a member of the Nomination and Remuneration Committee (In place of the vacant position) in accordance with the resolution of the Board of Directors Meeting No. 4/21 on July 27, 2021*

Dr. Suksit Petampai



Age	● 40 years old
Type of Director	● Director
Date of appointment	● 18 April 2020
Years in Director position	● 2 year 8 months
Current Position	● Director / Member of the Corporate Governance Committee / Member of the Nomination and Remuneration
Address	● 13 Soi Charansanitwong 83/1, Bangna Sub-district, Bangplad District, Bangkok

Education

- Doctor of Philosophy (Architectural Heritage Management and Tourism), International Program, Faculty of Architecture, Silpakorn University
- Master of Business Administration with two concentrations in Strategic Management and International Business, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Arts in International Management with a concentration in Finance, Dominican University of California, San Rafael, CA, USA

Director Training

- Directors Certification Program (DCP) class 277/2019
- Corporate Governance for Capital Market Intermediaries (CGI) class 22/2019

Work Experience

- 2012 - 2015 Silpakorn University International College: Guest Lecturer
- 2015 - 2020 Silpakorn University International College: Lecturer

Shareholding

- 902,100 shares Percentage 0.043 (As of 31 December 2021)

Current Position in other Listed Companies -None-

Current Position in other companies (not listed) -None-

Position in the Company which might be conflicts of interest -None-

The Legal Dispute -None-

Meeting attendance in 2021

- Board of Directors 8/8 times
- Nomination and Remuneration Committee 3/3 times
- Corporate Governance Committee 1/1 times

2. Executive Director details

Full name/ Position	Age (year)	Education	Shareholding Proportion 31/12/21	Family relationship between the directors	Past 5 years working experience			
					Period	Position	Company	Type of business
Mr. Surapong Pechaumpai Deputy Managing Director (Senior)	60	● Master of Business Administration, University of the Thai Chamber and Commerce ● Barrister at Law, Institute of Legal Education (Thai bar Association)	0.046	● Brother of Mr. Chuchat Petaumpai	● 2019 - Present	● Deputy Managing Director (Senior)	● Muangthai Capital PCL.	● Vehicle title loan
					● 2013 - 2018	● Deputy Managing Director	● Muangthai Leasing PCL.	● Vehicle title loan
					● 2002 - 2003	● Assistant Managing Director	● Muangthai Leasing Co.,Ltd.	● Vehicle title loan
					● 2003 - Present	● Director	● Muangthai Leasing Insurance Broker Co.,Ltd.	● Insurance broker
Mr. Parithad Petampai Deputy Managing Director	39	● Master degree in Banking and international finance, Cass business school, London ● Bachelor of Engineering with Business Finance, University College London	0.146	● Son of Mr. Chuchat Petaumpai and Mrs. Daonapa Petampai	● 2019 - Present	● Deputy Managing Director	● Muangthai Capital PCL.	● Vehicle title loan
					● 2018 - 2019	● Assistant Managing Director	● Muangthai Capital PCL.	● Vehicle title loan
					● 2015 - 2018	● Assistant Managing Director	● Muangthai Leasing PCL.	● Vehicle title loan
					● 2010 - 2014	● Marketing Manager	● Real Asset Development Co.,Ltd	● Real estate
					● 2007 - 2009	● Analyst	● Kasikorn Bank	● Banking
					● 2006 - 2007	● Analyst	● Goldman Sacks, London	● Financial Institution
					● 2019 - Present	● Director	● Muangthai Leasing PCL.	● Hire purchase loan
Mr. Surat Chayavoradech Deputy Managing Director	52	● Master degree in Finance, Thammasat University ● Master of Business Administration, Chulalongkorn University	-	-	● 2021 - Present	● Deputy Managing Director	● Muangthai Capital PCL.	● Vehicle title loan
					● 2013 - 2020	● Assistant Managing Director	● Muangthai Leasing PCL.	● Vehicle title loan
					● 2010 - 2012	● Accounting & Finance Manager	● Bio-active Co.,Ltd.	● Chemical
					● 2005 - 2009	● Accounting & Finance Manager	● Taiban Fishery Co.,Ltd.	● Cold storage service

Full name/ Position	Age (year)	Education	Shareholding Proportion 31/12/21	Family relationship between the directors	Past 5 years working experience			
					Period	Position	Company	Type of business
Ms. Duangkhae Songnuy Assistant Managing Director	54	● Master of Management and Organization, Dhurakij Pundit University	0.054	-	● 2019 - Present ● 2015 - 2018 ● 2011 - 2015 ● 2007 - 2011	● Collection Manager ● Collection Manager ● Audit Manager ● Deputy Audit Manager	● Muangthai Capital PCL ● Muangthai Leasing Plc. ● Muangthai Leasing Plc. ● Muangthai Leasing Co.,Ltd.	● Vehicle title loan ● Vehicle title loan ● Vehicle title loan ● Vehicle title loan
Ms. Vimonrat Nujul Accounting Manager	53	● Master of Accountancy, Dhurakij Pundit University	0.024	-	● 2019 - Present ● 2017 - 2018 ● 2012 - 2016 ● 2004 - 2012 ● 2012 - Present	● Accounting Manager ● Accounting Manager ● Deputy Accounting Manager ● Assistant Accounting Manager ● Director	● Muangthai Capital PCL ● Muangthai Leasing Plc. ● Muangthai Leasing Co.,Ltd. ● Muangthai Leasing Insurance Broker Co.,Ltd.	● Vehicle title loan ● Vehicle title loan ● Vehicle title loan ● Vehicle title loan ● Insurance broker
Mr. Somkiat Ratsamee Branch Manager	58	● Master of Public Administration, National Institute of Development Administration (Phitsanulok)	0.010	-	● 2019 - Present ● 2018 - 2019 ● 2016 - 2018 ● 2015 - 2016 ● 2011 - 2014	● Branch Manager ● Deputy Branch Manager ● Deputy Branch Manager ● Assistant Branch Manager ● Assistant Branch Manager	● Muangthai Capital PCL ● Muangthai Capital PCL ● Muangthai Leasing Plc ● Muangthai Leasing Plc ● Muangthai Leasing Plc ● Muangthai Leasing Plc	● Vehicle title loan ● Vehicle title loan ● Vehicle title loan ● Vehicle title loan ● Vehicle title loan

Full name/ Position	Age (Year)	Education	Shareholding Proportion 31/12/21	Family relationship between the directors	Past 5 years working experience			
					Period	Position	Company	Type of business
Mr. Amnat Niamsee Collection Manager	57	● Master of Public Administration, National Institute of Development Administration (Phitsanulok)	0.014	-	● 2019 - Present	● Collection Manager	● Muangthai Capital Plc	● Vehicle title loan
					● 2018 - 2019	● Deputy Branch Manager	● Muangthai Capital Plc	● Vehicle title loan
					● 2017 - 2018	● Deputy Branch Manager	● Muangthai Leasing Plc	● Vehicle title loan
					● 2015 - 2016	● Assistant Branch Manager	● Muangthai Leasing Plc	● Vehicle title loan
					● 2011 - 2014	● Assistant Branch Manager	● Muangthai Leasing Plc	● Vehicle title loan
Mr. Banyat Ninsiri Deputy Branch Manager	49	● Master of Public Administration, National Institute of Development Administration (Phitsanulok)	0.006	-	● 2021 - Present	● Deputy Branch Manager	● Muangthai Capital Plc	● Vehicle title loan
					● 2019 - 2020	● Assistant Branch Manager	● Muangthai Capital Plc	● Vehicle title loan
					● 2011 - 2018	● Assistant Branch Manager	● Muangthai Leasing Plc	● Vehicle title loan
					● 2007 - 2010	● Branch Manager	● Muangthai Leasing Co.,Ltd.	● Vehicle title loan
					-	● Thanon Boromtrai, Phitsanuloke		

Full name/ Position	Age (year)	Education	Shareholding Proportion 31/12/21	Family relationship between the directors	Past 5 years working experience			
					Period	Position	Company	Type of business
Mr. Niyom Rodnoi Assistant Branch Manager	51	● Master of Public Administration, National Institute of Development Administration (Phitsanulok)	0.021	-	● 2019 - Present	● Assistant Branch Manager	● Muangthai Capital Plc	● Vehicle title loan
					● 2011 - 2018	● Assistant Branch Manager	● Muangthai Leasing Plc	● Vehicle title loan
					● 2006 - 2010	● Branch Manager - Phichit	● Muangthai Leasing Co.,Ltd.	● Vehicle title loan
Mr. Pradit Thongkhum Assistant Branch Manager	56	● Bachelor of Education, Uttaradit Rajabhat University	0.009	-	● 2019 - Present	● Deputy Branch Manager	● Muangthai Capital Plc	● Vehicle title loan
					● 2014 -2018	● Deputy Branch Manager	● Muangthai Leasing Co.,Ltd	● Vehicle title loan
					● 2019 - Present	● Deputy Branch Manager	● Muangthai Capital Plc	● Vehicle title loan
Mr. Songkran Iamkai Assistant Branch Manager	51	● Bachelor of Education, Phetchabun Rajabhat University	0.0004	-	● 2019 -2018	● Deputy Branch Manager	● Muangthai Leasing Co.,Ltd	● Vehicle title loan
					● 2014 -2018	● Deputy Branch Manager	● Muangthai Leasing Co.,Ltd	● Vehicle title loan
					● 2019 - Present	● Deputy Branch Manager	● Muangthai Capital Plc	● Vehicle title loan

3. Details of the person directly responsible for accounting supervision

Topic	Description
Full name	Mr.Surat Chayavoradech (The person responsible for the most in accounting and finance.)
Age	52 years old
Education	<ul style="list-style-type: none"> ● Master degree in Finance Thammasat University (MIF) ● Master of Business Administration Chulalongkorn University (MBA) ● Bachelor of Accountancy Chulalongkorn University (BA)
Date of appointment	● 17 January 2013
Work Experience	<ul style="list-style-type: none"> ● 2021 - Present Deputy Managing Director Muangthai Capital Plc. ● 2019 - 2020 Assistant Managing Director Muangthai Capital Plc. ● 2013 - 2018 Assistant Managing Director Muangthai Leasing Plc.
Shareholding	-No shares-
Family relationship between the directors	-None-
Positions in other companies	-None-
Director position in other companies	-None-
Training	<ul style="list-style-type: none"> ● 2015 CFO Current Issues Course ● 2016 Self-Study CDP Batch 1/2016 ● 2017 <ul style="list-style-type: none"> - Self-Study CPD Batch 1/2017 - Self-Study CPD Batch 2/2017 - Preparation to be Auditor and Internal audit “Working Paper for Better Corruption Prevention” - Orientation Course – CFO focus on financial reporting Batch 2 ● 2018 - Self-Study CPD Batch 1/2018 ● 2019 <ul style="list-style-type: none"> - Self-Study CPD Batch 1/2019 - Self-Study CPD Batch 3/2019 ● 2020 <ul style="list-style-type: none"> - Financial Risk Management & Strategies in Digital World Course Batch 1 - Retail Credit Scoring Model Development and Application Batch 5 - The effect of IFRS 9 accounting standard to Financial Institutions Batch 8

Topic	Description
Full name	Miss Vimonrat Nujul (The person supervising accounting)
Age	53 years old
Education	Master of Accounting Dhurakij Pundit University Bachelor of Accounting Ramkhamhaeng University
Date of appointment	7 March 2003
Work Experience	<ul style="list-style-type: none"> ● 2019 - Present Accounting Manager Muangthai Capital Plc. ● 2017 - 2018 Accounting Manager Muangthai Leasing Plc ● 2012 - 2016 Deputy Accounting Manager Muangthai Leasing Plc.
Shareholding	504,000 shares / 0.024 percent (As of 31 December 2021)
Family relationship between the directors	-None-
Positions in other companies	-None-
Director position in other companies	Muangthai Leasing Insurance Broker Co.,Ltd.
Training	<ul style="list-style-type: none"> ● 2016 - Tax system from revenue-expenditure of business course in the end of the year / 6 hours of training - Accounting setting techniques to correspond with financial reporting standard course / 6 hours of training ● 2017 - Accounting standard and accurate tax transactions course / 6.30 hours of training - Things that should be aware when submitting financial statements in 2020 and preparation before submitting a financial statement in 2021 / 6 hours of training ● 2018 - Accounting tools and mitigate risk course / 6 hours of training - In-depth Documents received – paid updated in under the new law course / 6 hours of training ● 2019 - 5 Steps New TFRS 15 : affect to accounting-tax / 7 hours of training - Accounting & Taxation Update which accountants have to know / 6 hours of training ● 2020 - In-depth of financial analysis course / 6 hours of training - Tax benefits and accounting implications / 6.30 hours of training ● 2021 - PDPA for Accounting and Finance / 6 hours of training - Problem solving and accounting-tax auditing strategies for accounting managers / 6 hours of training - Data Analytics for Internal Auditor / 6 hours of training

4. Details of the company secretary

Topic	Description
Full name	Miss Monthon Onphan
Age	48 years old
Education	Bachelor's degree in Business Administration and Management Suwindusit Rajabhat University (Bangkok)
Date of appointment	14 May 2014
Work Experience	<ul style="list-style-type: none"> ● 2014 - Present Secretary of the Company Muangthai Capital Plc. ● 2011 - 2013 Accountant manager Muangthai Leasing Plc ● 2005 - 2010 Administrative manager Muangthai Leasing Plc.
Shareholding	276,400 shares / 0.014 percent (As of 31 December 2021))
Family relationship between the directors	-None-
Positions in other companies	-None-
Director position in other companies	-None-
Training	<ul style="list-style-type: none"> ● 2013 - Company Secretary Program (CSP) course Batch 50 ** - Effective Minute Taking (EMT) course Batch 26 ● 2018 - Anti-Corruption : The Practical Guide (ACPG) course Batch 43 ● 2019 - Annual Report and Integrated Reporting Concept Batch 1 ● 2020 - ASEAN CG Scorecard Coaching 2020 Batch 4 ● 2021 - CGR Workshop 2021 course <p>** In 2013 : trained about the roles, duties and secretary's knowledge conducted by Thai Institute of Directors</p>

The Company's Secretary

The Board of Director meeting No.3/2014 on 14 May 2014, the Board of Director approved to nominate Miss Monthon Onphan who is the Company's secretary in order to align with section 89/15 of the Securities and Exchange Act B.E.2535 as amended by Securities and Exchange Act (No.4) B.E. 2551. The following are responsibilities of the Company's Secretary.

1.To supervise and make recommendations to the Board about legal compliances rules and regulations of regulatory bodies and of the Company itself as well as monitor the Company's operations on a regular basis to ensure all activities are conducted in accordance with relevant laws.

2.To arrange the Board's meetings and shareholders' meetings and coordinate with related parties to ensure that the resolutions from the Board's meetings and shareholders' meeting are carried out.

3. To supervise the disclosure of the Company's information and information technology report to be complied with the Stock Exchange of Thailand, the Securities and Exchange Commission and other related regulations.

4.To make a report and keep the following documents:

4.1 Directors register

4.2 Notices of meetings and meeting minute reports of the Board

4.3 Notices of meetings and meeting minute reports of shareholders

4.4 Annual reports

4.5 The Board's conflict of interest reports

In this regard, the Company realizes and attaches importance to good corporate governance. Company Secretary, therefore, have undergone important training courses organized by the Thai Institute of Directors Association (IOD)

Attachment 2 : Details about the directors of the subsidiary companies as of 31 December 2021

Name list	Muangthai Capital Public Company Limited	Muangthai Leasing Insurance Broker Company Limited	Muangthai Leasing Company Limited	Muangthai Pay Later Company Limited
1. Mr. Chuchat Petaumpai	/, //	/	/	/
2. Mrs. Daonapa Petumpai	/,M	/	/	/
3. Mr. Surapong Pechaumpai	M	/	-	-
4. Ms. Vimonrat Nujul	M	/	-	-
5. Mr. Suksit Petumpai	-	-	-	/
6. Mr. Parithad Petumpai	M	-	/	/

Remark

/ = Directos

// = Chairman of Executive Committee

M = Executives

Attachment 3 : Details of the Internal Audit Supervisor and the head of the Company's Compliance Department

1. Details of the Chief Internal Auditor

Topic	Description
Full name	Mr. Chaleom Inhoum
Age	46 years
Education	Bachelor of Accountancy The University of Central Thailand, Nakhon Sawan
Work experience	<ul style="list-style-type: none"> ● 2018 - Present Assistant manager of the audit department Muangthai Capital Plc. ● 2015 - 2018 Assistant manager of the audit department Muangthai Leasing Plc. ● 2008 - 2015 Audit manager Muangthai Leasing Company Limited ● 2002 - 2008 Audit supervisor Muangthai Leasing Company Limited ● 1999 - 2002 Audit officer Muangthai Leasing Company Limited
Training	<ul style="list-style-type: none"> ● Personal Data Protection Act for Internal Audit (PDPA) training conducted by Political Science Association of Kasetsart University. ● Fraud in the organization from internal audit along with internal control to set up policies on anti-fraud and anti-corruption conducted by Dharmniti Seminar and Training Company Limited. ● Anti-fraud in organization for 6 days conducted by Federation of Accounting Professions of Thailand. ● Anti-Corruption: The Practical Guide 26/2016 conducted by the Thai Institute of Directors (IOD) ● Audit report writing conducted by Federation of Accounting Professions of Thailand. ● ASEAN Corporate Governance conducted by The Institute of Internal Auditors of Thailand. ● Evidence of examination of working paper conducted by the Institute Auditors of Thailand. ● Assurance quality of the internal audit conducted by the Federal of Accounting Professions.
Responsibility	<ul style="list-style-type: none"> ● Set up an audit plan and present to the Audit Committee for approval. ● Review and evaluate the efficiency and sufficiency of the internal audit of the risk management. Also, to supervise the business operations and the adequacy of risk management policy. ● Assess the accuracy, credibility, quality and adequacy of the internal control system and the security of the information technology. ● Monitor and review the internal business operation to be aligned with the Company's plans, rules, and regulations and other related rules and regulations to assess the efficiency and quality of the internal management system. ● Report the internal audit assessment result to the Committee regularly every quarter. Also, to propose the solution to improve the process along with the operation method for the Company to have an adequate internal control system.

2. Head of the Company's Compliance (Compliance)

Topic	Description
Full name	Mr.Akawit Srila
Age	30 years
Education	Bachelor degree in Law
Work experience	<ul style="list-style-type: none"> ● 2564 - Present Compliance Manager at Muang Thai Capital PLC.
Training	<ul style="list-style-type: none"> ● Course Personal Data Protection Act by Chulalongkorn university
Responsibility	<ul style="list-style-type: none"> ● Planning Annual Compliance Program and Compliance manual ● Coordinate with Regulator. ● Review Market Conduct Policy, Anti Money Laundering and Combating the Financing of Terrorism Policy, Privacy Policy, Compliance Charter. ● Amend issue concerning Anti Money Laundering and Combating the Financing of Terrorism Act, such as Cash reporting, Suspicious transaction reporting. ● Comply Personal Data Protection Act such as Data Protection Impact Assessment (DPIA), Data Subject Access Request, Data Breach management. ● Training related regulation, such as Anti Money Laundering (AML), Personal Data Protection Act (PDPA) ● Auditing workflow concerning related regulation. ● Consulting related regulation.

Attachment 4 : Assets used in business and details about the appraisal of the property

1. Assets used in business operation

- License for the loan business operation

The Company is the Non-Bank institute performing the loan service business operation with the business license under the supervision of the Bank of Thailand as follows:

1. License to operate personal loan business under supervision

It is allowed to operate an unsecured personal loan business. Currently, the interest rate is not more than 25 percent per year and the interest rate for the vehicle title loan is currently for not more than 24% per year.

2. License to operate Nano finance business under supervision

It is allowed to operate a retail loan business for the purpose of occupation without security. The credit limit is not more than 100,000 baht and the interest rate is not more than 33% per year.

Most of the industry competitors are the vehicle title loan operators who have the license to operate the personal loan business under supervision and the license to undertake the Nano finance business under supervision of the Bank of Thailand or the Pico Finance from the Ministry of Finance. Such licenses are one of the major barrier to entry. The operators who are interested in entering the industry competition or the operators having been licensed to undertake the loan business must have the ability to maintain and preserve various standards to comply with the supervised regulations.

- Main fixed assets used in business operation

As of 31st December, 2021, the Company has fixed assets that are used in business operations. The net book value is 1,162.19 million baht with the head office building located at 332/1 Bangplad Sub-district, Bangkok. There are only 7 branches of the Company. Almost all of the Company's branch offices are the rented buildings.

Property list	Property features	Net book value (million baht)	obligation
1. 7 plots of land	Owned by the Company	257.47	without obligations
2. Office buildings	Owned by the Company	358.74	without obligations
3. Building improvement	Owned by the Company	545.98	without obligations

2. Details of the appraisal of the property

- (Note to the financial statements No. 10)

Attachment 5 : Policy and guidelines for corporate governance and business ethics (Full version)

The Board of Directors Recognized the importance of corporate governance which represents an efficient, transparent, verifiable management system that helps building confidence and reliability among shareholders, investors, stakeholders, and all related parties. This will lead to adding value and promoting sustainable growth of the Company as a framework for performing the following tasks:

1. The Board of Directors, the executives and all employees will perform duties with determination, dedication, and responsibility to the fullest potential for the best benefit of the Company adhering to the principles of good corporate governance. It is a guideline with understanding, confidence and faith as the routine until becoming good corporate culture.

2. The Board of Directors plays an important role with the management in defining the vision, strategies, policies and important plans of the Company as well as setting up a management structure that is consistent and fairly related to the Board of Directors, executives and shareholders. The Company has management approach and appropriate business operations and must undertake to ensure that the accounting, financial reporting and auditing systems are reliable.

3. The Company's Board of Directors and executives must be the leaders in ethical matters and is an example of performing duties with honesty, fairness, transparency and accountability.

4. The Board of Directors, executives and all employees will adhere to fairness by treating all stakeholders equally along with monitoring, controlling, and preventing any decision or action that conflicts with interests and connected transactions.

5. The Board of Directors must have an anti-corruption system powerful to ensure that the management is aware and give importance to comply with the anti-corruption policy.

6. Compliance with the Company's Corporate Governance Policy is an important indicator for evaluating the business management of the Board of Directors and the management as well as evaluating the performance of all employees.

In this regard, the operational framework according to the above corporate governance policy appear in the Corporate Governance Manual which announced to all employees to strictly adhere to.

1. Guidance on the Good Corporate Governance Manual

1.1 The Board of Directors, executives and all employees understand the content of the Good Corporate Governance Manual and learn content related to their own duties and responsibilities.

1.2 The Board of Directors, executives and all employees regularly review the knowledge and understanding of the contents of the Corporate Governance Manual.

1.3 The supervisor or the person in charge are notified to know when finding the violation or not following the code of conduct.

1.4 The cooperation is given in the investigation of various facts with the assigned agency or person.

1.5 If having any question or inquiries, consult with the supervisor.

1.6 The supervisors at all levels must be leaders in strict compliance with the principles of good corporate governance.

2. Monitoring to ensure compliance

The Company defines the duties and responsibilities of directors, executives and all employees to be acknowledged and comply with the policies and requirements. These are contained in the Company's Good Corporate Governance Manual and it is considered important to encourage employees under their command to have knowledge and understanding as well as strictly complying with the Company's Good Corporate Governance Manual.

The Company will not take any action that is illegal or contrary to good corporate governance principles. If the directors, executives or employees violate the stated good corporate governance principles, they will be subject to disciplinary action. If there is an action that is believed to be against the law, rules, regulations and government regulations, the Company will refer the matter to the police for further action.

If the employees at all levels of the Company have problem in making decisions or performing work related to business ethics that are not stipulated in the Company's business ethics, the following questions about the action must be asked:

2.1 Is the action against the law?

2.2 Does the action have negative effect on the stakeholders of the Company seriously?

2.3 Is the action against the policy or code of conduct or negatively affect the image of the company or not?

The employees at all levels can report complaints, comments and suggestions as well as clues about illegal actions and/or codes of conduct in accordance with good corporate governance principles. This includes the behaviors that may imply corruption or misconduct of individuals in the organization and the stakeholders of the Company to report clues to the Company's communication channels.

Guidelines for good corporate governance principles

Category 1: Rights of Shareholders

Principles

The shareholders have ownership rights by controlling the Company through the appointment of the committee to act on their behalf and have the right to make decisions about material changes of the Company. Therefore, the guidelines have been established to perform various tasks and to encourage shareholders to exercise their rights, including the fundamental rights of shareholders by disseminating them through communication channels in the Company. This includes the Company's website to be used as a guideline for treating shareholders as business owners which reflects respect for the fundamental rights of shareholders consisting of:

1. The right to trade or transfer shares
2. The right to attend the shareholders' meeting
3. The right to vote for election or removal of individual directors
4. The right to vote on the appointment and determination of the auditor's remuneration
5. The right to appoint another person to attend the meeting and vote on his/her behalf
6. The right to determine the remuneration of the Company's directors
7. The right to vote on matters requiring approval from the shareholders' meeting
8. The right to be informed of important information and news of the Company accurately, completely, sufficiently and in a timely manner, equally verifiable, and provide up-to-date important information through the website
9. The right to express opinions and ask questions at the shareholders' meeting, including offering an option for shareholders unable to attend the

Guidelines for practice

As the Company recognizes and places importance on the rights of shareholders, the good practices have been established to supervise the rights of shareholders as follows:

1. Arrangement of shareholders' meeting

The Company stipulates that the Annual General Meeting of Shareholders is held every year. This will be held within 4 months from the end of the fiscal year of the Company or related to the interests of shareholders which requires approval from shareholders. The Board of Directors can call an Extraordinary General Meeting of Shareholders on a case by case basis. In organizing this Annual General Meeting of Shareholders, the Company has followed the AGM Checklist prepared by the Thai Investors Association in order to organize the event according to the standards to supervise the business as follows:

1.1 The Company must send documents to shareholders for notifying the information on the date, time, place and agenda of the meeting as well as all information related to matters to be decided at the meeting to all shareholders at least 30 days in advance and must be published on the Company's website in both Thai and English before giving to the Thailand Securities Depository Co., Ltd. which is the registrar of the Company's shares to send the invitation letter to the shareholders' meeting and supporting documents to all shareholders at least 7 days prior to the meeting date for some cases such as the allocation of shares to directors and employees (ESOP), connected transactions acquisition or disposition of assets.

1.2 The Company must give an opportunity to shareholders to submit questions in advance of the meeting date during October - December of every year and in accordance with the rules prescribed by the Company, which have been published on the Company's website www.muangthaicap.com.

1.3 In case the shareholders are unable to attend the meeting in person, the Company gives the opportunity for shareholders to appoint their independent directors or any person able to attend the meeting on his/her behalf by using the proxy form B that the Company has sent along with the meeting invitation letter. At least 1 independent director will be nominated as an alternative for the proxy of shareholders.

1.4 The Company does not add any agenda or change important information without notifying the shareholders first.

1.5 The Board of Directors support the use of ballots in every agenda including the agenda for the appointment of individual directors for transparency and verifiability.

1.6 The Company must facilitate the shareholders to exercise their rights to attend the meeting and vote in full by convening a meeting on business days at a hotel in Bangkok and/or the Company's meeting room. The adequate technology will be provided for document verification and the revenue stamp is also provided for shareholders who are proxies.

1.7 The Company has prepared separate ballots for each agenda for voting. For the convenience of voting and counting of votes, when the votes are completed, they will be combined with the votes that have been entered in the proxy form to consolidate the scores and announce the total score immediately on the meeting day.

1.8 The Company will not take any action which has the nature of eliminating the right to attend the meeting of the shareholders. Every shareholder has the right to attend shareholder meeting throughout the meeting and giving the shareholders an opportunity to ask questions as well as expressing opinions freely.

1.9 When the meeting starts, the directors attend the meeting in unison including senior management as well as auditors and independent legal advisors (if any). Before starting the meeting, the Company will explain the rules related to all meetings, such as the opening of the meeting and voting including the method of counting the votes of the shareholders who must vote on each agenda under the Company's Articles of Association.

1.10 The Company will specify the interests of the directors in the invitation letter and at the shareholders' meeting. If any director has a stake or involved in the consideration of any agenda, the chairman of the meeting and/or the company secretary will inform the attendees before considering the agenda. The directors who have conflict of interest will not attend the meeting in that agenda.

1.11 The Company gave the opportunity to volunteer shareholders to act as witnesses in the vote counting for transparency in operation as well as giving shareholders an opportunity to inquire about the voting process and methods.

1.12 The attendees are encouraged to exercise their rights to protect their interests by asking questions and expressing opinions, give suggestions and vote together to make decisions on important matters possibly affecting the Company at the shareholders' meeting, such as the appointment or removal of directors, nomination of persons to be independent directors, appointment and prescription, approval of auditor's

remuneration, dividend allocation, capital reduction or capital increase, determination or amendment of the Company's Articles of Association, Memorandum of Association, and approval of special transactions, etc.

1.13 The assessment of the quality of the Annual General Meeting of Shareholders is arranged by answering the assessment form from the shareholders to use the information in developing meetings to be more efficient, transparent and beneficial to shareholders.

1.14 The important information of the Company is displayed. The area surrounding the general meeting of shareholders as well as organizing an investor relations corner with the Company's staffs are also arranged to welcome and answer any question to shareholders

2. Treatment of shareholders after the date of the Annual General Meeting of Shareholders

2.1 The Company must prepare the minutes of the shareholders' meeting with efficiency. It covers important details in various matters, such as informing the shareholders of the method of vote counting by using ballots for acknowledgment first, the meeting recorded questions and answers that allowed shareholders to ask questions on various agendas. At the meeting, the resolutions of the meeting were recorded clearly together with the votes of agreeing, disapproving and abstaining in every agenda that requires voting. The names of directors attending the meeting are recorded. The minutes of the shareholders' meeting and must publish via the Company's website within 14 days from the date of the shareholders' meeting.

2.2 The Company has prepared the minutes of the shareholders' meeting to inform the SET within 14 days after the date of the general meeting of shareholders according to the regulations of the Stock Exchange of Thailand.

Category 2 : The Equitable Treatment of Shareholders

Principles

1. All shareholders must be treated equally and fairly.
2. The Board of Directors should organize a shareholder meeting process by encouraging equal treatment of all shareholders.
3. The Board of Directors should ensure that shareholders are treated and protect their fundamental rights in Category 1 equally.
4. The Board of Directors should have preventive measures in case directors and executives use inside information for oneself or others in a wrong way.

Guidelines for practice

The Company attaches great importance to the equitable treatment of all shareholders, including minority shareholders and foreign shareholders, by having guidelines to protect and prevent violations of shareholders' rights equally and fairness to build confidence in the investment with the Company. Therefore, good practice guidelines have been established for practice to shareholders equally as follows:

1. The Company gives an opportunity to shareholders to propose meeting agendas, to nominate candidates for directorships, and to submit questions in advance of the meeting date during October-December. It will continue to practice every year. However, proposing the meeting agenda or nominating a person to be a director must comply with the laws and regulations of the Company including the rules set by the Company and disseminating details on the Company's website at www.muangthaicap.com.

2. The Company provides a proxy form for shareholders who are unable to attend the meeting and sets voting guidelines for other people and or independent directors of the Company to be a proxy to attend the meeting by specifying the name of the work, history of all independent directors to consider choosing one person for being a proxy on behalf of the shareholders.

3. The Company does not add any agenda or change important information without notifying the shareholders first.

4. The Board of Directors support the use of ballots in every agenda including the agenda for the appointment of individual directors for transparency and verifiability.

5. The Company has established a code of conduct on the use of internal information and trading in the Company's securities to prevent directors, executives and employees from using internal information for unlawful benefits for themselves or others. The guidelines and policies have been informed for everyone in the organization to follow and have regular monitor.

6. The Board of Directors and the executives have duty to report securities holdings and changes in securities holdings to be in accordance with the criteria of the Securities and Exchange Commission and report to the Board of Directors every time there is a stock trading. At the board meeting, the secretary must report a summary of the directors' holdings to the meeting every time.

Category 3: Role of Stakeholders

Principles

1. The stakeholders should be taken care of by the Company according to the rights that are stipulated by relevant laws.

2. The Board of Directors should consider having a process to promote cooperation between the companies and stakeholders in creating financial stability and sustainability of the business.

3. The Board of Directors should have measures to report clues to the Committee on issues about breaking the law, financial report accuracy, defective internal control system or unethical behavior.

4. The Board of Directors should establish the policy and guidelines on preventive measures corruption on receiving and giving things or any other benefits in order to incentivize them to act in a wrong way, causing conflicts by disclosing the guidelines to the Company's business partners, assessment process, fraud risk control, monitoring, evaluation, and training.

5. The Board of Directors policy on fair treatment and responsibility to trading partners should be formulated and does not infringe on the property or copyright of others.

6. The Board of Directors should have a policy to strictly comply with the conditions, contracts and obligations agreed with creditors.

7. The Board of Directors policy should be established for efficient use of resources taking into account the environment and society.

Guidelines for practice

The Company realizes that stakeholders in the Company's interests should be taken care of by the Company according to the rights established by law or by mutual agreement taking into account the good relationship and cooperation between each other to create financial stability and sustainability of the business. Therefore, the following guidelines have been established:

1. The Company has established a code of conduct towards its stakeholders, namely shareholders, customers, employees, business partners, creditors and competitors, society and the environment by announcing to all directors, executives and employees to be informed and strictly follow including the penalties for non-compliance in employee manual.

2. The Company has established a mechanism to protect the rights of whistleblowers to the Board of Directors on issues of illegality, financial reporting accuracy, defective internal control systems, or unethical practices through the Board of Directors and the Audit Committee directly.

3. The Company has established a policy to provide equal and fair treatment to its trading partners, taking into account the best interests of the Company and on a fair basis for both parties. The situations that lead to conflicts of interest are avoided and comply with contractual obligations to provide true information and accurate report in compliance with the conditions strictly agreed with partners. In the event that any conditions cannot be complied with, it must be notified in advance to jointly consider and find a solution to the selection criteria to be a partner covering 6 areas as follows:

- 3.1 Technical Capabilities
- 3.2 Financial Status
- 3.3 Expertise and Experience
- 3.4 History related to complaints
- 3.5 Conflicts of Interest / Connected Transactions
- 3.6 Anti-Corruption Policy and quality policy

4. The Board of Directors should have a policy to strictly comply with the conditions, contracts and obligations agreed with creditors whether it is the purpose of using the money, repayment, quality care collateral and any other matters that have been agreed upon with the creditors. In the event that any of the conditions cannot be complied with, the Company will notify the creditors as soon as possible in order to jointly find solutions using reasonable principles. The Company is committed to maintaining sustainable relationships with creditors and trusting each other by specifying guidelines for capital management to build strong stability and prevent the Company to be in a difficult position to repay debt to creditors. We attach importance to financial liquidity management by planning to pay debts to creditors clearly and in a timely manner.

However, the Board of Directors has given importance to follow-up plan and control financial liquidity to ensure suitable for the Company's financial activities. There is a process for assessing the ability to prevent significant risks in all aspects both under normal and critical conditions.

5. The Company has announced that the Executive Directors and employees who are aware of internal information that may significantly affect the change in the trading price of the securities must suspend the purchase and sale of the Company's securities in the period after the closing of the financial statements until the results of operations are announced or the inside information will be disclosed to the public.

In addition, the directors and senior management must notify the Board of Directors or the person assigned by the Board of Directors regarding the trading of the Company's shares at least 1 day in advance of trading.

6. The Company has promoted the efficient and cost-effective use of resources with training to promote knowledge of the environment requiring employees to pay attention and work with safety in mind and environment. This can promote the Company's stakeholders to participate in community and social development and continues to uphold and develop the treatment of stakeholders continually.

7. The Board provides measures for whistleblowing or complaints against illegal acts, codes of conduct, or behaviors that may imply corruption or misconduct of individuals in the organization from employees and other stakeholders. This includes inaccurate financial reports or defective internal control system. There is a mechanism to protect whistleblowers so that stakeholders can take part in looking after the interests of the Company more efficiently.

Channels for whistleblowing or complaints

7.1 Via electronic mail channel (Email: whistleblower@muangthaicap.com)

7.2 By post to

Chairman of Audit Committee
Muangthai Capital Public Company Limited
No. 332/1 Charansanitwong Road,
Bangplad Subdistrict, Bangplad District,
Bangkok 10700

8. The Board of Directors has formulated policies and guidelines on anti-corruption and prohibits directors, executives, and employees of the Company (including subsidiaries, associated companies, other companies that the Company have control business partner and persons who may be regarded as intermediaries or agents of the Company) to act or accept or support all forms of corruption, directly or indirectly, and has disclosed the practice to be known to all.

Category 4 : Disclosure and Transparency

Principles

The Board of Directors recognizes and gives importance to the disclosure of important information accurately, completely, in a timely manner, equally, and sufficiently for decision-making. At the same time, the Company's information is based on business confidentiality and key operational strategies.

The Board of Directors is responsible for the Company's financial statements and financial information appearing in the annual report. Such financial statements are prepared in accordance with generally accepted accounting standards in Thailand by choosing the appropriate accounting policy and implementing it regularly including the disclosure of complete and sufficient information in the financial statements. In this regard, the Audit Committee is responsible for reviewing the quality of financial reports and internal control systems including sufficient disclosure of important information in the notes to the financial statements and report to the Board of Directors for acknowledgment.

The Company is committed to equitable disclosure of information to its shareholders, investors and stakeholders as well as to the public in accordance with the requirements of the Securities and Exchange Commission and the regulations of the Stock Exchange of Thailand. Apart from disclosing through the Annual Report, the Company has presented the information through the website of the Stock Exchange of Thailand and the Company's website. This makes it easy for shareholders, investors, analysts, stakeholders and interested parties to have easy access to information as well as equality and reliability. There is also a policy for disclosing information about the securities holdings of directors and executives clearly.

Guidelines for practice

1. The Company has guidelines for disclosing important information through channels that are easily accessible, convenient and reliable such as disseminating various information through the website of the Stock Exchange of Thailand. (www.set.or.th), website of Securities and Exchange Commission (www.sec.or.th), and the Company's website (www.muangthaiacapleasing.comco.th) so that all groups of stakeholders can access the Company's information which contains the following information

- 1.1 Company Vision and Mission
- 1.2 Nature of the Company's business
- 1.3 List of Board of Directors and Executives
- 1.4 Financial statements and reports on current and previous year's financial position and results of operations

1.5 Annual Report which can be downloaded
1.6 Any other information or documents that the Company presented to analysts, fund managers, or media

1.7 Direct and indirect shareholding structure
1.8 Group of major shareholders, both directly and indirectly holding shares of at least 5% of the total number of shares sold and having voting rights.

1.9 Direct and indirect shareholding of directors, major shareholders, senior management

1.10 Invitation to the General and Extraordinary General Meeting of Shareholders

1.11 Company's Articles of Association, Memorandum of Associations, and agreements of the group of shareholders (if any)

1.12 Good Corporate Governance Policy of the Company

1.13 Risk management policy including methods for managing various risks

1.14 Anti-Corruption policy including channels for reporting complaints or whistleblowing

1.15 Charter or duties, responsibilities, qualifications, term of Office of the Board of Directors including matters requiring approval from the Board of Directors.

1.16 Charter or duties, responsibilities, qualifications, office terms of the Audit Committee

1.17 Code of Conduct for the Board of Directors, executives and employees of the Company

1.18 Contact information of agencies or persons who are responsible for investor relations, such as the name of the person who can provide information and phone number

2. Submit financial reports to the Office of the Securities and Exchange Commission, Stock Exchange of Thailand, within the specified time and there is no item that the auditor expresses a conditional opinion.

3. Disclose the information in the annual report and the Company's website such as financial statements, corporate governance policies, business ethics, Corporate Social Responsibility Policy, analysis from various institutional analysts, nature of business, annual report, annual registration statement, shareholder meeting, list of major shareholders, SET news, news from publications, etc.

4. Establish an investor relations unit to be a channel for communication in a variety of information, such as organizing a meeting of analysts and presenting information to investors (Road Show) in the country and abroad.

5. Purchase-sale of the Company's shares: The policy is set for directors and executives to inform the Company at least 1 day in advance for trading

securities through the Company's secretary and reporting to the Board of Directors' meeting quarterly.

6. Clearly disclose the criteria for remuneration of directors and executives in the annual report.

7. Clearly disclose information about the shareholding of directors and executives and set a policy for directors and executives to report the following matters:

7.1 Purchase-sale of the Company's shares: The policies are set for all directors, executives and management including close people (spouse and minor children) to refrain from buying, selling or transferring the Company's shares in the period before the disclosure of the financial statements. In the event that the financial statements have been announced to the public, the purchase-sale must notify the secretary to prepare a report on the change of securities holding (59-2) to the SEC within the specified time. The securities holdings of directors are reported to the Board of Directors' meeting quarterly.

7.2 Connected transactions and reports on interests of directors and executives to prevent conflicts of interest of directors and executives are reported to the Chairman of the Board and are included as an agenda to inform the Board of Directors' meeting quarterly.

8. The Company has no history of being ordered to amend financial statements from the Stock Exchange of Thailand and the Securities and Exchange Commission.

9. In appointing a certified public accountant approved by the general meeting of shareholders, the auditor's qualifications are not contrary to the regulations of the Stock Exchange of Thailand. The auditor does not give other management to the Company and has no relationship and/or having a stake in the company/subsidiary/executive/major shareholder or related person.

10. The Company's financial statements are unconditionally certified by the auditor.

11. Disclosure information about directors and executives on the Company's website, including name, position, education, shareholding in the Company. The work experience and photographs are clearly stated.

12. The Company's senior management attaches great importance to investor relations by regularly participating in meetings, providing information and exchanging opinions with shareholders, investors, analysts and journalists. The shareholders, investors, analysts,

journalists, and the general public are able to equally access the Company's information that is accurate, complete, transparent and timely especially important information that will affect the Company's stock price and can bring those information to make effective investment decisions. This will affect the true value of the Company. Finally, the company has disclosed information and news in accordance with the guidelines and rules set by the Securities and Exchange Commission and the Stock Exchange of Thailand through various channels such as the use of communication channels and dissemination of information of the Stock Exchange of Thailand, opportunity for investors or analyst to visit the Company's business (Site Visit) or talk to the Company's executives (Company Visit); giving journalists an opportunity to meet and interview, issuing news documents on the Company's performance to the public on a regular basis to hold the meeting with analysts to monitor the Company's performance quarterly.

Category 5 : Responsibilities of the Board of Directors

Principles

Muangthai Capital attaches great importance to the determination of the Board's responsibilities in order to protect the interests of shareholders and all stakeholders such as formulating business strategies, operational audit to ensure that the business operation is transparent and is subject to the specified criteria with details as follows:

1. The Board of Directors must play an important role in corporate governance for the best interest of the Company.
2. The Board of Directors must be responsible for the performance of duties to the shareholders.
3. Board of Directors must be independent of the Company's management.

Guidelines for practice

As a representative of the shareholders, the Board of Directors is responsible for overseeing the Company's management to comply with the law, objectives and Articles of Association of the Company. The Sufficiency Economy Philosophy has been applied in business operations by defining the Company's vision, mission, business plans, strategies and policies with details as follows:

1. Structure of the Board of Directors

1) The structure of the Board of Directors consists of directors who have a wide range of qualifications in terms of skills and experience, special abilities that are beneficial to the Company. They play an important role in formulating policies and the overview of the organization, business plans. They also play an important role in overseeing, auditing and evaluating the Company's operations to be in accordance with the plan as well as operating the Company's business to be in accordance with the laws, regulations and resolutions of the shareholders' meeting with honesty and ethics under the Code of Business Conduct. It includes overseeing the management in accordance with the goals and guidelines that have been set and create the greatest benefit to the Company and its shareholders having both males and females. The Board of Directors has provided the disclosure of the policy in determining the composition of the said committee including the number of years of being a director in the Company of each director in the annual report and on the Company's website. There are sufficient number of directors to supervise the business of the Company which consists of persons who have sufficient knowledge, experience and abilities to perform their duties effectively. There must be at least 5 directors by law, which must consist of independent directors at least one-third of the total number of directors but must not be less than 3 persons and must consist of at least half of the Board of Directors who are non-executive directors. This is for creating the balance between non-executive directors and executive directors. Independent directors must be independent from management's control and major shareholders. It must not be involved or have interest in finance and business administration and must have at least the qualifications in accordance with the rules prescribed by the Office of the Securities and Exchange Commission.

2) The structure of the Board of Directors of the Company consists of 5 independent directors out of the total number of 7 directors, which is more than one-third of the total number of directors of the Company. Such independent directors are able to comment on their work of the management department independently. This creates a balance in voting in considering various matters as well as reviewing the management for the maximum benefit of the Company. All 3 independent directors of the Company are in the position of Audit Committee. The number of independent directors and the number of audit committees of the Company is in accordance with the rules prescribed by the Office of

the Securities and Exchange Commission to have independent directors at least one-third of the total number of directors. There shall be at least 3 members of the Audit Committee, including independent directors and directors. All of them are qualified in accordance with the rules of the Notification of the Capital Market Supervisory Board in all respects.

3) The appointment of directors in accordance with the Company's Articles of Association and the requirements of relevant laws must be transparent and clear. In selecting directors to proceed through the corporate governance process and considering, there must be a history of Education and professional experience of that person with sufficient details for the benefit of the Board of Directors and Shareholders' decision making.

4) The Board of Directors shall have the office term of 3 years each. The directors who retire from office may be re-elected to the position. At every annual general meeting, one-third of the total number of directors shall be retired.

5) The Board of Directors has a policy for independent directors to hold directorships for no more than 3 consecutive terms and can renew their terms for a total of not more than 9 years, unless they are knowledgeable persons. Expertise and work experience that is very beneficial to the company's business operations. and express their opinions independently.

6) The Board has considered the division of powers and responsibilities in formulating the governance policy and administration clearly separated from each other. The Chairman of the Board and the Chief Executive Officer are elected by the Board of Directors. The Chairman and Chief Executive Officer are not the same person in order to provide clarity in terms of responsibility for formulating governance policies and managing routine tasks. The responsibilities are clearly determined between the Board of Directors and the management. There is a balance of power in operation by the Board of Directors responsible for formulating policies and supervising the operations of the executives at the policy level. While the executives are responsible for managing the Company's affairs in various fields in accordance with the specified policies, they do not participate in the normal day-to-day management but provides support and advice on the management's business operations through Chief Executive Officer regularly. The Chief Executive Officer is responsible for the management of the Company under the framework of the powers assigned by the Board of Directors.

7) The directors can hold directorship positions in other businesses but must not be an obstacle to the performance of the Company's directors. It is stipulated that the directors hold the positions of directors in not more than 5 companies listed on the Stock Exchange of Thailand.

8) The Board of Directors determines the policy of holding a directorship position in other companies of the Company's directors according to the Company's regulations that the Company's directors will operate a business or becoming a partner in an ordinary partnership or an unlimited liability partnership in a limited partnership or being a director of the Company Limited or any other public limited company that operates businesses of the same nature and cannot compete with the Company's business unless notifying the shareholders' meeting prior to the resolution of appointment.

In addition, the Board of Directors has no policy to send executives to be directors of the Company other than the Group. In the event that the Company's executives wish to hold a directorship in other companies, the prior approval from the Executive Committee must be obtained, except for the Director position in a non-profit charitable organization. It is provided that the position is not contrary to the provisions of the law and regulations related to the Company's business operations. The Company's position must not be used for referral to promote external business.

9) The Board of Directors has appointed the Company's secretary qualifications and experience of an appropriate Company's secretary have duties and responsibilities under the Securities and Exchange Act. It serves to provide legal advice and rules that the Board must know and perform duties in overseeing the Board's activities, including coordinating the implementation of the Board's resolutions. The qualifications and experiences of the Company's secretary were disclosed in Annual report and on the Company's website.

10) The Board of Directors has promoted and supported the Company's secretary to receive training and continually develop knowledge in law, accounting, or performing duties of the Company's secretary.

2. Sub-committees

The Company has appointed sub-committees consisting of 1) Audit Committee which is in accordance with the requirements of the Office Securities and Exchange Commission and the Stock Exchange of Thailand, 2) Executive Committee, 3) Risk Management Committee, and 4) Nomination and Remuneration Committee to perform specific duties and propose matters to the Board of Directors in considering, approving or acknowledging. The sub-committees have the rights and duties as stipulated in the powers and duties of each sub-committee.

2.1 Audit Committee

The Company has appointed sub-committees consisting of 1) Audit Committee which is in accordance with the requirements of the Office Securities and Exchange Commission and the Stock Exchange of Thailand, 2) Executive Committee, 3) Risk Management Committee, and 4) Nomination and Remuneration Committee to perform specific duties and propose matters to the Board of Directors in considering, approving or acknowledging. The sub-committees have the rights and duties as stipulated in the powers and duties of each sub-committee.

2.1.1 Audit Committee

The Audit Committee consists of 3 independent directors who have full qualifications as specified by the SEC and SET with at least 1 person having sufficient knowledge and experience to review the credibility of the financial statements. The Vice President of Audit Department is the secretary of the Audit Committee.

Office term of the Audit Committee

The Audit Committee has the office term of 3 years from the appointment date. The Audit Committee members who vacate the position by rotation may be re-appointed to a new position. In the event that the position of the Audit Committee is vacant for any reason other than the expiration of the term, the Board of Directors shall appoint a person with full qualifications as Audit Committee in order for the Audit Committee to complete the required number of the Company's Board of Directors. The person who is the member of the Audit Committee will hold the position for only the remaining term of the Audit Committee member who resigned.

2.1.2 Scope of duties and responsibilities of the Audit Committee

1) Review for the Company to have the financial report accurately, sufficiently, and timely. Disclose adequate information to ensure equality of shareholders.

2) Review for the Company to have internal control and internal audit systems that are appropriate, sufficient and effective as well as considering the independence of the internal audit department or any other department responsible for internal audit, as well as consideration on assigning, transferring and terminating the head of internal audit or other related unit performing the internal audit.

3) Review for the Company to comply with the Securities and Exchange Act, SET requirements and laws related to the Company's business.

4) Consider the related transaction or the transaction that may have a conflict of interest to follow the law and the regulations of the Stock Exchange of Thailand to ensure that such transaction is reasonable and is the most benefit to the Company.

5) Review and consider the major risks detected with the management including giving suggestions for improvement.

6) In compliance with the scope of powers and duties, the Audit Committee has the power to invite or order the management or supervisors to attend the meeting to clarify or submit relevant documents and has the power to employ or seek independent opinions from consultants or other professional experts when deemed necessary.

7) Prepare the report of the Audit Committee and disclose in the annual report of the Company. The mentioned report must be signed by the Chairman of the Audit Committee and must contain the following information:

- An opinion on the accuracy, completeness, and credibility of the Company's financial reports
- Comments about the sufficiency of the internal control system of the Company
- Comments on the compliance with the Securities and Exchange Act, SET requirements or laws related to the Company's business
- Explanation regarding the suitability of the auditor.
- Comment on transactions that may have conflicts of interest.
- The number of the audit committee meetings and attendance of each member of the audit committee
- Overall opinion or observation that the Audit Committee has received from performing duties under the Charter.
- Other transactions which the shareholders and general investors should know within the scope of duties and responsibilities assigned by the Board of Directors.

8) Perform any other acts as assigned by the Board of Directors and with the approval of the Audit Committee. However, in the performance of such assigned duties, the Audit Committee is directly responsible to the Board of Directors and the Board of Directors still have responsibility for the operation of the Company to outsiders.

9) In performing the duties of the Audit Committee, if finding or suspecting that the following transactions or actions may have a material impact on the financial position and operating results of the Company, the Audit Committee must report to the Board of Directors to make improvement within the period deemed appropriate by the Audit Committee.

- Items that cause conflicts of interest
- Corruption or something wrong or there is a significant deficit in the internal control system
- Violation of the Securities and Exchange

Law Requirements of the Stock Exchange of Thailand or the law related to the Company's business. If the board of directors or executives do not take action to have internal revisions period under paragraph one, any member of the Audit Committee may report that an item or act under paragraph one to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

10) Consider and give opinions on the follow-up of anti-corruption measures including the system to manage risks linked to risks that may arise from corruption. This is to ensure that the operations of the company are transparent, honest, fair, based on morals and ethics, and conduct business with anti-corruption in all forms

11) Receive complaints, notifying clues, acts of corruption both inside and outside that the Company's directors, executives or employees of the Company involved and check the facts as informed and propose to the Board of Directors to jointly consider penalties or solve problems according to the anti-corruption policy.

12) Summarize the tasks of the Audit Committee proposed to the Board of Directors for acknowledgment

In this regard, the Audit Committee has the power to perform various actions, such as inviting directors, employees or employees of the Company to attend the meeting to discuss, clarify or answer questions about the duties and responsibilities of the Audit Committee, consult with the Company's experts or consultants (if any), or hiring a third-party consultant or expert from time to time in case of necessity at the expense of the Company, request the Company's employees to submit documentary evidence about Company's business for the benefit of inspection or investigation in various matters in order to operate under the duty of responsibility to be successfully accomplished.

2.2 Corporate Governance Committee

The Corporate Governance Committee by the approval of the Board of Directors is responsible for supporting the performance of the Board of Directors in defining policies and guidelines in various aspects of the Company in order to continually develop better corporate governance, create good work ethics standards as well as fostering an organizational culture for all employees to have knowledge, understanding, and be able to apply them thoroughly and continuously in real work. This is for business administration to operate on the basis of morality, quality and efficiency in accordance with international good corporate governance practices that listed companies should

follow and to build confidence for investors and all stakeholders.

2.2.1 Office term of the Governance Committee

1) The term of office of the Corporate Governance Committee is 3 years and the retiring directors may be reappointed.

2) The Corporate Governance Committee will retire when

- Being terminated by office term
- Retired from being a director of the Company
- Death
- Resignation
- The Board of Directors has resolved to vacate the position.

3) For the resignation, the Corporate Governance Committee member must submit a resignation letter to the Chairman of the Board of Directors not less than 30 days in advance, unless there is a necessity which is a force majeure approved by the Board of Directors.

4) When the Corporate Governance Committee vacates office before the expiration of the term, the Board of Directors shall appoint a director who is fully qualified to be a member of the Corporate Governance Committee by holding office only for the term of the Corporate Governance Committee who vacates office.

2.2.2 Scope of duties and responsibilities of the Corporate Governance Committee

1) Propose guidelines for corporate governance to the Board of Directors.

2) Supervise the operations of the Company following the principles of corporate governance of the regulatory institutions such as the Stock Exchange of Thailand, the Securities and Exchange Commission.

3) Consider and review the corporate governance policy regularly. Comply with the international practices and recommendations of relevant institutions or agencies.

4) Consider and propose best practices regarding corporate governance for the committee or affirm the determination of the committee's regulations regarding such matters.

5) Suggest the requirements regarding the business ethics of the Company and code of conduct for the Company's executives and employees.

6) Promote the dissemination of culture in good corporate governance and participate in social activities.

7) Monitor the implementation of anti-corruption measures to ensure that the operation of The Company

is transparent, honest, fair, in accordance with moral and ethical principles and operates business with anti-corruption in all forms.

8) Other matters assigned by the Board of Directors.

2.3 Risk Management Committee

The Risk Management Committee consists of the Company's directors, Chief Executive Officer, Managing Director and the director of representatives of various departments to be members of the Risk Management Committee. They are appointed by the Chairman of the Risk Management Committee and the Chairman of the Risk Management Committee must be appointed by the Board of Directors having the Director of Corporate Governance and Assistant Managing Director to be the secretary of the Risk Management Committee by position.

2.3.1 Office term of the Risk Management Committee

The Risk Management Committee consists of at least 3 members, comprising independent directors and/or appropriate executives to ensure that responsibilities are covered in risk management by the Risk Management Committee appointed by the Board of Directors. The Risk Management Committee Chairman is appointed by the Board of Directors by considering selection from the directors Risk Management Committee. The office term is 3 years each. Directors who vacate office may be appointed by the Board of Directors to be able to continue holding the position.

2.3.2 Scope of duties and responsibilities of the Risk Management Committee

1) Establish and review policies and the organization's risk management framework.

2) Supervise and support the organization's risk management operations following the business strategy, goals, and changing circumstances.

3) Consider reporting on the results of corporate risk management and comments on the risks that may arise including guidelines for setting control measures or mitigating (Mitigation Plan) and developing organizational risk management systems for the Risk Management and Internal Control Committee (RMCC) in order to make the management system effective continuously

4) Report risk management of the organization to the Board of Directors for acknowledgment and in the case of significant factors or events that may affect the Company significantly and must report to the Board to acknowledge and consider as soon as possible.

5) Determine risk management policies. The Company's risk appetite is proposed to the Board of Directors for consideration on overall risk management, liquidity risk, market risk, operational risk or other risks that are significant to the Company.

6) Determine the strategy, organizational structure and resources used in risk management in accordance with the Company's risk management policy to be able to analyze, evaluate, measure and monitor risk management processes effectively.

7) Supervise, review and give recommendations to the Board of Directors regarding risk management policies, standard practices, overall risk strategy and measurements to ensure that risk management strategies are properly implemented.

8) Follow up on the implementation of anti-corruption measures, including the system to manage risks linked to risks that may arise from corruption.

9) Perform other duties as assigned by the Board of Directors.

2.4 Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) consists of 3 members and is an independent committee as a whole responsible for formulating rules and policies for nomination and remuneration of the Company's directors and sub-committees. This includes nominating, selecting and proposing suitable persons to serve as directors of the Company and fixing remuneration for the Company's directors as well as performing other tasks as assigned and presented to the Board of Directors and/or the shareholders' meeting as the case may be.

2.4.1 Office term of the Nomination and Remuneration Committee

1) The office term of members of the Nomination and Remuneration Committee is 3 years each.

2) The members of the Nomination and Remuneration Committee may be re-appointed as deemed appropriate by the Board of Directors.

3) Apart from the normal retirement, the Nomination and Remuneration Committee will retire when

3.1 Resignation

3.2 The Board of Directors has resolved to vacate the position.

4) The Board of Directors has authority to appoint the members of the Nomination and Remuneration Committee for the benefit of carrying out the objectives

or for replacing the Nomination and Remuneration Committee who vacate office under 3.1 or 3.2. The person appointed to be Nomination and Remuneration Committee substitute for directors who have resigned or retire shall hold office for only the remaining term of the Nomination and Remuneration Committee which he represents only.

2.4.2 Scope of duties and responsibilities

Nomination and Remuneration Committee performs duties as assigned by the Board of Directors. The scope of powers, duties and responsibilities are as follows:

Recruiting

1) Specify criteria and policies for nominating directors and sub-committee by considering the suitability of the number of structures and the composition of the Board of Director's qualifications. Propose to the Board of Directors and / or propose for approval to the shareholders' meeting as the case may be.

2) Consider, select, and propose a suitable person for the position to replace the directors who completed their terms and / or have a vacancy and / or appoint more.

3) Perform any other duties regarding the nomination as assigned by the Board of Directors.

4) Evaluate the performance of the top management of the Company to be proposed to the meeting of the Board of Directors for acknowledgment and approval.

Determination of remuneration

1) Prepare rules and policies for determining the remuneration of the Board of Directors and sub-committee to propose to the Board of Directors and / or propose for approval at the shareholder's meeting as the case may be.

2) Set necessary and appropriate remuneration both in and not in the monetary terms of the Board of Directors individually by determining the remuneration of the Board of Directors considering the appropriateness with the duties responsibility, portfolio, and compare with companies in similar businesses and the benefits expected from the directors to be proposed to the Board of Directors to consider and propose to the shareholders' meeting for approval.

3) Responsible for the Board of Directors and responsible for providing clarification, answering

the questions about remuneration for directors at the shareholders' meeting.

4) Report the policy, principles, and rationale for the remuneration of directors and executives according to the regulations of the SET by disclosing in the annual registration statement (56-1) and annual report of the Company.

5) Perform any other duties related to the remuneration as assigned by the Board of Directors, the management and various departments. The relevant information and documents must be reported or presented to the Nomination and Remuneration Committee to support the performance of the Nomination and Remuneration Committee to achieve the assigned duties.

3. Scope of duties and responsibilities of the Board of Directors

In the operation of the Board of Directors, they must perform their duties with responsibility, caution and prudence and honesty as well as in compliance with the law, objectives, and regulations of the Company and Board resolutions. At the shareholders' meeting, they must disclose the information to shareholders accurately, completely, transparently, verifiably, and timely. The Board of Directors has the duties as follows:

3.1 Scope of duties and responsibilities of the Board of Directors

The Board of Directors is responsible for considering and giving approval on important matters related to the Company's operations such as vision, policies, strategies, goals, business plans, annual budget, internal control, and risk management. These include supervising the management to operate in accordance with the established policies and plans efficiently and effectively.

In addition, the Board of Directors is responsible for the Company's financial statements. The Audit Committee is assigned to be responsible for reviewing financial reports and to ensure that financial reports are prepared with quality and accuracy according to generally accepted accounting standards. The important information of the Company was disclosed transparently and sufficiently by having the Accounting Department and/or the auditor attending the meeting together and

present the financial report to the Board of Directors/ Audit Committee of the Company quarterly/ The Board of Directors is responsible for the Company's financial statements including financial information that appears in the annual report.

The Board of Directors has the power, duties and responsibilities in the management of the Company in compliance with the law, objectives and regulations of the Company as well as lawful resolutions of the shareholders' meeting with honesty, integrity and caution on the Company's benefits. The duties and responsibilities and important responsibilities include:

1. Determine vision, policies, strategies, goals, business plan, annual budget, management structure, and various administrative power of the Company, including good corporate governance policy.

2. Manage the business for the maximum benefit of shareholders (Fiduciary Duty) by adhering to 4 important guidelines as follows:

- 1) Duty of Care
- 2) Duty of Loyalty
- 3) Duty of Obedience
- 4) Duty of Disclose

3. Supervise the process of appointing and electing directors of the Company to be transparent and clear considering appointing various sub-committees to support the performance of the Board's responsibilities as appropriate and necessary. The performance of the sub-committees is regularly monitored.

4. Supervise the information security system. This includes establishing confidentiality policies and practices, maintaining reliability (Integrity), and availability of information including management of information that may affect securities prices (Market Sensitive Information), as well as ensuring that the directors, senior executives, employees, and third parties involved in compliance with the information security system.

5. Monitoring and Supervision on the administration and management of the executives or any person assigned to perform such duties in accordance with the policies, plans and budgets that have been set efficiently and effectively as well as taking care of the Company to be managed according to the good corporate governance policy.

6. Supervise that there is an effective process and channel for receiving and dealing with whistleblowing of the whistleblowers or all stakeholders.

7. Supervise the preparation of anti-corruption policies and guidelines. Strictly comply with the Company's anti-corruption policies and measures to be a good role model for the Company's personnel as well as encouraging the communication both inside and outside the organization for real practice.

8. Determine and review the board structure on the number of directors, proportion of independent directors as well as a variety of qualifications to suit the Company's business operations. The remuneration of the Company's directors and sub-committees is considered to be appropriate which has been considered by the Nomination and Remuneration Committee.

9. Set up an internal audit unit, internal control system, and internal audit efficiently and effectively.

10. Provide the Company's secretary to help taking care of various activities of the committee and help the Committee to comply with relevant laws and regulations.

11. Provide appropriate and effective risk management policies and procedures. There is regular monitoring and assessment of risk management.

12. Provide business ethics for directors, executives and employees of the Company to be a standard for the Company's business operations by directors, executives and all employees. They must perform their duties in an ethical manner and strictly comply with the Company's business ethics.

13. Comply with the principles of good corporate governance of the Company strictly and arrange to operate in accordance with the principles of good corporate governance and encourage communication to employees at all levels in the organization to be informed and strictly adhere to.

14. Evaluate the performance of the Board of Directors both wholly and individually every year as well as following up on the evaluation results of the Board of Directors and sub-committees to jointly consider in the Board of Directors.

15. Continuously develop knowledge and abilities by attending training or attending courses related to the performance of directors' duties or any activities that continually increase their knowledge of work operation.

16. Attend the Board of Directors' meeting and the annual shareholder meeting. Except in the event

of force majeure, the directors who were unable to attend the meeting must notify the Company's director or the Company's secretary prior to the meeting.

17. Provide an accounting system financial reporting and reliable auditing including taking care to have a system for storing documents that can later verify the accuracy of the information.

18. Arrange for the preparation of the Company's financial statements to be accurate to show the financial position and performance in the past accounting period. It is true, complete and correct in accordance with generally accepted accounting standards. The financial statements at the end of the accounting period of the Company must be audited by the Company's auditor before presenting to the shareholders' meeting as well as reporting on the responsibility of the Board of Directors in the preparation of financial reports by displaying them in conjunction with the auditor's report in the Company's annual report.

19. Supervise the Company to have internal control system, efficient and effective internal audit system with comprehensive risk management system. There are risk management process, effective reporting and follow-up, and mechanisms for complaints and whistleblowing. These include taking care of the Company to be managed according to the good corporate governance policy.

3.2 Good corporate governance policy

The Board of Directors has established written corporate governance policy and communicated to everyone in the organization for understanding the good corporate governance policy. This is to encourage everyone in the organization to follow specified policies. The Board of Directors regularly review the policies and their implementation at least once a year.

3.3 Code of Conduct

The Board of Directors adheres to the correct and fair business operations by stipulating the Code of Conduct in writing for use and dissemination to directors, executives and all employees to understand the standards. The ethics that the Company uses in its business operations are practical guidelines to show the intention to conduct business with transparency, ethics and responsibility to stakeholders considering society and environment through training and

communication within the organization in various forms. The Code of Conduct reflects the values of and operational guidelines. All employees must conduct themselves and operate in accordance with the ethical framework set forth in various fields as well as informing everyone to strictly adhere to and to ensure compliance with the mentioned guidelines.

3.4 Anti-Corruption Policy

The Board of Directors establishes anti-corruption policies and measures in writing to ensure that the Company's operation complies with the requirements of laws related to anti-corruption. This includes communication to the Board of Directors, executives and employees at all levels as well as other related parties. It is promoted to be one of the Company's cultures and values. The Board of Directors has verified and reviewed the anti-Corruption policies and measures annually to comply with changes in business conditions, rules, regulations and legal provisions.

3.5 Conflict of Interest

The Board of Directors has carefully considered the conflict of interest. We have clear guidelines for the benefit of the Company and shareholders as a whole. The policy is stipulated for not allowing the directors, executives and employees, including those related to such persons, to seek personal benefits that conflict with the Company's interests. The acts that cause conflicts of interest and those involved or have an interest or related to the items considered should be avoided and notified of their relationship or connection in such transaction. Such person does not participate in any decision making in such transaction.

The Audit Committee will present to the Board of Directors about the connected transaction and conflicting items benefit which has been carefully considered suitability. The Company has complied with the rules of Office of the Securities and Exchange Commission and the Stock Exchange of Thailand by strictly setting prices and conditions with a person who may have a conflict of interest as a transaction with a third party.

The Board of Directors will supervise that the requirements regarding the procedure are followed. The disclosure of transactions that may have conflicts

of interest must be accurate and complete by disclosing the transactions in the financial statements, annual reports and the annual registration statement (Form 56-1).

3.6 Internal control system

The Board of Directors places the emphasis on supervision and internal control both at the management level and the level of work effectively. The internal control system is an important mechanism to build confidence in the management in helping to reduce the business risk. It can help operating the business efficiently by allocating resources appropriately and achieving the set goals. It also helps protecting the assets from leakage, lost, or fraudulent misconduct to help ensuring the accurate and reliable financial reports. The personnel can comply with relevant laws and regulations and help protecting the investment of shareholders. Therefore, the Company determines the obligations, operational authority of the operator and executives in various matters clearly in writing. There is a control over the use of the Company's assets to benefit. The worker's duties are separated and evaluated separately to create a balance and inspection on each other appropriately.

The Board of Directors has assigned the Audit Committee to be responsible for reviewing the suitability and the efficiency of the internal control system provided by the management as well as having established and reviewed the control system in terms of operations, financial reporting, compliance with rules, regulations, policies and governance as well as risk management. It also pays attention to early warning signs and unusual entries.

The Company has hired the third parties who are independent in the performance of their duties to be responsible for the internal control of the Company. The auditors have the duty to ensure that the Company has an adequate and appropriate internal control system. The internal auditors are independent to perform full checks and balances. The internal auditors will report the results directly to the Audit Committee in order to ensure that the system placed to be able to operate effectively. The adequacy of the internal control system will be assessed and critical systems reviewed at least once a year and disclosed in the Company's annual report.

3.7 Risk Management Policy

The Board of Directors has established the Risk Management Policy to cover the entire organization and allows the management to follow the policy including reporting to the Board of Directors on a regular basis. The review system will be arranged for the assessment on the effectiveness of risk management at least once a year and disclosed in the Company's annual report at any time the risk level has changed. This includes focusing on the signal, early warning and unusual items.

- The Audit Committee has given opinion on the adequacy of the internal control system and risk management in the Company's annual report.

- The committee provides a clear action guideline for those wishing to make complaints or report a clue or stakeholders through the website or report directly to the Company. The whistleblower shall be informed through the independent director or the Audit Committee of the Company in order that the information can be examined in accordance with the procedures specified by the Company and to report to the Board of Directors.

4. Board of Directors Meeting

4.1 The Board of Directors meeting must consists of at least half of the total number of directors presenting at the meeting to constitute a quorum. In the event that the Chairman is not present at the meeting or unable to perform duties, if there is a Vice Chairman, the Vice Chairman shall be chair the meeting. If there is no Vice Chairman or is unable to perform duties, the members attending the meeting shall elect one among themselves to chair the meeting.

4.2 The judgment of the Board of Directors Meeting shall be passed by a majority vote with one director having one vote. The director having interest in any matter has no right to vote in that matter. If the votes are equal, the Chairman of the meeting shall have an additional vote as a casting vote.

4.3 The Board of Directors Meeting is usually held for at least 3 months at a time. The President of the Board shall convene a meeting of the Board of Directors. In the necessary case, if there are more than 4 directors, the Chairman may be requested to convene the committee meeting for the Chairman to set a meeting date within 14 days from the date of receiving the request.

4.4 The President of the Board or a director assigned by the President of the Board will determine the date, time and place of the Board of Directors'

meeting. The meeting venue may be specified otherwise apart from the locality in which the Company's Head Office is located or nearby province. If the President of the Board or the director assigned by the President of the Board does not specify the meeting venue, the Company's Head Office shall be used as the meeting venue.

4.5 In convening the Board of Directors' meeting, the President of the Board or the assigned director must send the meeting invitation by registered mail or hand it over to the directors or representatives of the directors directly specifying the date, time, place and business to be held to the directors for not less than 5 days prior to the meeting date. Except in case of urgent need to preserve the rights or benefits of the Company, the meeting will be convened by other methods or set a meeting date earlier than that.

4.6 In determining the minimum number of quorums at the time the committee votes at the meeting, there must be no less than two third of the total number of directors.

4.7 The Chairman shall approve the arrangement of the matters to be included in the agenda of the Board of Directors' meeting with consultation and discussion with the Chairman of the Executive Committee and the Managing Director jointly determining the scope, level of importance and matters to be set as the meeting agenda. The director's shall be requested to include other important matters as an agenda for consideration in the next meeting.

4.8 The President of the Board shall allocate sufficient time for presentation of executive documents and information for questioning and discussion on important issues of the Board of Directors.

4.9 The Board of Directors assigns non-executive directors to have meetings as necessary without the participation of management at least once a year to provide an opportunity to discuss issues both related to the Company's business and matters of interest. The Managing Director shall inform the meeting results including the meeting report to the Executive Chairman and the Board of Directors for acknowledgement. If the Chairman cannot attend the meeting, the meeting shall select one director to act as the Chairman of the meeting and the Company's secretary shall be the secretary of the meeting of the non-executive directors.

4.10 The Board of Directors must dedicate time and attention to the Company fully and ready to attend meetings regularly. In case of important tasks resulting in not being able to attend the meeting, the President of the Board must be notified.

4.11 The Board of Directors has access to the necessary information to request documents and information. The services about the Company's operations should be consulted from senior management. The independent opinion is possibly sought from external consultant or professional when necessary to accompany each meeting which is considered as an expense of the Company.

4.12 The Board encourages senior management or related management to attend the Board of Directors' meeting as necessary and deemed appropriate to present information and additional useful information as relevant persons. The policy will be directly informed so that it can be implemented effectively for the consideration and decision of the Board of Directors as well as giving the Board of Directors the opportunity to know the senior management and to use in considering the succession plans in the future.

4.13 At the Board of Directors' meeting each time, the Company's secretary also attend the meeting. The minutes of the Board of Directors' meeting are recorded. The meeting summary and opinion of the Board of Directors must be clear for reference proposed to the meeting to certify in the next meeting as well as to store information or documents related to meetings for ease of reference searching. Normally, the Board of Directors will attend every meeting every time unless there is a necessity which will be notified before the meeting.

4.14 The Board of Directors' meeting is scheduled in advance throughout the year to inform the Board of Directors for their acknowledgment and to plan their attendance at the meeting.

4.15 Every director has the right to review the meeting documents and other important documents. If independent directors or the Audit Committee has any question, other directors and the Company's management must answer the questions as quickly and completely as possible.

4.16 In the event that the directors disagree with the resolution of the meeting, the directors can request the Company's secretary to record the objections in the minutes of the meeting or submit a letter of objection to the Chairman.

5. Performance appraisal

The Company has a policy to provide the Board of Directors with a self-assessment at least once a year to help the Board of Directors review their performance, issues, and obstacles during the past year. This can increase the effectiveness of the Board of Directors in accordance with the principles

of good corporate governance. The assessment is divided into 3 types as follows:

- 1) Evaluation of the performance of the whole committee
- 2) Evaluation of the performance of the sub-committees
- 3) Evaluation of the performance of individual directors

This is for the committee to use as a framework for setting norms, inspect the duties, and compare the results with the performance according to the Charter of the Board of Directors to reflect the responsibility in the performance to be truly effective and to improve the performance of the Board of Directors in accordance with the policy set. The problems and obstacles that occurred in the past year can be reviewed. The Company's secretary will submit the performance appraisal form of the Board of Directors to all committees for annual performance appraisal, both wholly and individually. After each committee has completed the assessment, the performance appraisal form of the Board of Directors for the year will be submitted.

The evaluation process of the entire committee/sub-committees/individuals is as follows:

1. The Company's secretary submits the Board of Directors' self-assessment form to the Company's directors by the beginning of December every year.
2. The Company's director make an evaluation form and return it to the Company's Secretary by December of each year.
3. The Company's Secretary summarizes and analyzes the results of the performance appraisal of the Board of Directors and report the results of the analysis from the assessment to the Board of Directors for acknowledgment.
4. The Company's Secretary brings analysis results and additional opinion from the Board of Directors to make a plan for improvement

5. Remuneration of directors and executives

5.1 The Board of Directors will promote and facilitate training and education for those involved in the Company's corporate governance system such as Executive Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, Company's secretary, etc. in order to continually improve the performance.

5.2 The Board of Directors assign the Company's Secretary as the one who prepares the introduction document about the Company and information for orientation for newly appointed directors to be informed of the Company's information, rules and information of the Company's business sufficiently relevant prior to the performance of duties. The directors will receive training and develop knowledge continuously to help the directors to perform their duties and supervise the Company's business effectively.

6. Development of Directors and Executives

6.1 The Board of Directors will promote and facilitate training and education for those involved in the Company's corporate governance system such as Executive Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, Company's secretary, etc. in order to continually improve the performance.

6.2 The Board of Directors assign the Company's Secretary as the one who prepares the introduction document about the Company and information for orientation for newly appointed directors to be informed of the Company's information, rules and information of the Company's business sufficiently relevant prior to the performance of duties. The directors will receive training and develop knowledge continuously to help the directors to perform their duties and supervise the Company's business effectively.

6.3 The Board of Directors requires the Chief Executive Officer to report regularly on the development and succession plans. The Chief Executive Officer, the Managing Director, and senior management have prepared the successor plan in case they are unable to perform their duties.

6.4 The Board of Directors provides a project for executive development by having the Chairman of the Executive Committee report annually what has been done during the year and consider concurrently when considering the succession plan.

7. Orientation for new director and director training

Newly appointed director shall receive proper training regarding the knowledge about the Company's business and the roles and responsibilities of the Company's director. Topics of orientation for director newly appointed by the shareholder's meeting include

regulatory practice guidelines to comply with related laws, the Company's memorandum of association and the Company's regulations; scope of duties and responsibilities of the Board and other committees; minutes of the Board meeting in the past 1 year; the Director's manual: a framework for Board governance by the Stock Exchange; the Company's corporate governance and business ethics policy; laws relating to the Company's business; rules and regulations of the Company; training programs for directors; other information relating to the Company's business operation, etc. In this training, the Company secretary will provide information to new directors. The Board has a policy to continuously promote directors' knowledge and encourage directors to participate in training courses or attend various seminars.

8. Disclosure of information

The Board of Directors supervise the disclosure of the Company's data and information both financial and non-financial to have complete disclosure of information which is truthful, reliable, consistent and timely to comply with the laws related to the business. This must be in accordance with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission strictly.

Whistleblowing measures and mechanism to protect the rights of whistleblowers

Muangthai Capital Public Company Limited has set the channel for complaints or whistleblowing from illegal or unethical acts, anti-corruption policy, or behaviors possibly leading to corruption or misconduct by individuals in the organization. This includes employees, executives and stakeholders including having a mechanism to protect information providers and attaches importance to keeping complaints confidential to reassure the whistleblowers.

Guidelines for whistleblowing and mechanism to protect the rights of whistleblowers

1. Objectives

1.1 To encourage executives and employees to conduct business properly, transparent, fair and accountable in accordance with the principles of good corporate governance and the Company's Code of Conduct. The Company expects everyone to report in good faith. The conduct is contrary to or

suspect that it is contrary to the aforementioned matter for the Company to acknowledge. The Company will correct it or proceed to ensure accuracy, appropriateness, transparency, fairness and in accordance with securities laws. The Stock Exchange of Thailand also provides protection for those who provide good faith information to regulators which is the principle that the Company has applied.

1.2 To ensure that supervisor and the Human Resources Department of Muangthai Capital Public Company Limited is responsible for and give advice as well as to monitor the behaviors and actions of employees to ensure they are correct. Those who report suc

2. Scope of whistleblowing or complaints

If anyone has a clue about the wrongdoing which meets the conditions in the following matters:

1. Offenses, Policy/Principles of Corporate Governance or business ethics
2. Behaviors that may imply corruption or misconduct to seek unlawful benefits for oneself or others, such as corruption embezzlement, fraud, etc.
3. Violation of the Company's rules and regulations
4. Exposure to injustice in the performance of work or found a defective internal control system of the Company until it is suspected that it may be a channel for corruption or cause to suspect possibly causing the Company to lose benefits

Determining channels for reporting complaints and suggestions on various matters including reporting the whistleblower of wrongdoing by giving employees and stakeholders the opportunity to freely express their opinions to lead to improvement of the management system. The whistleblowers can file complaints via email of independent directors directly or send a letter of complaint through the channels for whistleblowing or complaints as follows:

1. Via electronic mail channel (Email: whistleblower@muangthaicap.com)
2. By post to
Chairman of Audit Committee
Muangthai Capital Public Company Limited
No. 332/1 Charansanitwong Road,
Bangplad Sub-district, Bangplad District,
Bangkok 10700

3. Conditions and consideration of whistleblowers

3.1 The received information will be kept secret and the name of the whistleblower will not be disclosed to public without consent.

3.2 The details of the clues or complaints must be true, clear, or sufficient to investigate the facts for further proceedings.

3.3 The response time to the whistleblowers should not exceed 3 days after receiving the complaint.

3.4 Timeline for complaint processing depends on the complexity of the story, document adequacy, evidence received from the whistleblower including documentary evidence and explanation of the whistleblower but not later than 30 business days.

3.5 The whistleblowers will be entitled to protection whether they are employees or outsiders.

3.6 Those who received the complaints and those involved in the investigation process must keep relevant information confidential. It can be disclosed as necessary taking into account safety and damage of the whistleblowers or those who cooperate in the investigation of facts or source of information or related persons.

4. Protective measures for the whistleblowers

4.1 The Company will collect information and identity of the whistleblowers and the complainants confidential.

4.2 The Company will disclose information as necessary taking into account safety and the damage of the person reporting the source of the information or the person involved in the damage to be mitigated through appropriate and fair procedures.

4.3 The Company will not act unfairly to whistleblowers whether by changing job position, job nature, workplace, suspending work, intimidating, interfering with work, termination of employment, or any other act that is unfair to the whistleblower or complainant or those who cooperate in the investigation of facts.

4.4 In the case of the complainant or those who cooperate in the investigation of facts, the Company may request to determine appropriate protection measures, or the Company may impose protection measures by the complainant or those who cooperate in the investigation without request if seeing that it is prone to damage or insecurity.

Business ethics

The Company is determined to manage and operate business with due regard to social responsibility and stakeholders such as shareholders, customers, business partners, employees, communities and surrounding society. This is to create sustainability in business and able to manage the business to grow steadily and be accepted in society as well as to be able to generate returns to shareholders efficiently taking into account the benefits and impacts of business operations on stakeholders related to the Company. The focus is on social responsibility which can be divided into 8 areas as follows.

1. Policy on Responsibility to Shareholders

- The Company emphasizes that the employees perform their duties with honesty and straightforwardness within the framework of the Company's rules and regulations by upholding this code of conduct to act in all activities, decisions and transactions. We will conduct our business with honesty and take any action with fairness to all shareholders.

- The Company is committed to operating business in order to provide sustainable growth returns to shareholders and arrange for the disclosure of accurate, complete, adequate, and timely information for shareholders to have equal access to information. We are careful not to mislead the shareholders or confused in the information including notification of news and progress in business operations through various media such as newspapers and Company's websites. Thus, the shareholders can be informed equally prohibiting those involved or having interests to buy/sell shares ahead of schedule.

2. Conducting business with fairness

- The Company has established policies and guidelines for dealing with all customers by clearly notifying the conditions. Such conditions are fair and give advice to help customers with politeness and gentleness. We are ready to listen to problems and suggest solutions to customers without disclosing customer secrets.

- The Company has treated business partners and creditors fairly, equitably, without taking advantage by complying with trade conditions and/or contractual agreements made strictly together to develop business relationships that benefit both parties.

- The Company treats the competitors fairly without action that is an attack, slander, or damage the reputation of competitors including affixing publicity labels. The operation will be conducted under good competition. There is no label to destroy competitors.

- The Company's business operation must be managed in order for the business to grow sustainably and stably under careful operation honesty being fair to those involved.

- We do not seek competitors' confidential information through dishonest means or inappropriate, such as paying employees of competitors.

3. Respecting Human Rights

- The Company values and respects human rights and does not do anything that violates the rights and freedoms of any person or group of persons both directly and indirectly equally regardless of race, religion, gender or physical difference.

- The Company has an organizational culture that all employees adhere to as a guideline for working so that employees can live altogether under happy working environment and accept one another. For the treatment of employees, the Company values every employee and every level.

- The Company promotes and strictly complies with intellectual property rights, copyrights, patents, and moral rights. We encourage the executives and employees to use the Company's resources and assets effectively to increase the ability in competition. We provide good service to customers and use copyrighted goods and services. We do not support products or actions that infringe intellectual property.

4. Fair treatment of employees

The Company realizes that being able to continuously expand the business and have stability for more than 23 years is the result of cooperation of all employees at all levels who are determined to work in order to achieve the goals set by the Company. We treat all employees equally and fairly as follows:

- The Company provides appropriate compensation according to the knowledge and abilities of each employee. This can be compared with companies that operate the same business as well as taking care of the working environment by considering the quality of life and safety at work. In addition, we offer proper care, assistance and welfare for employees.

- The Company has developed the Company’s personnel in every position and every level continuously. The emphasis is placed on organizing training and seminars on an annual basis by inviting speakers with knowledge and reputation to train. Thus, the employees can learn and continuously develop their potential and skills.

- The Company provides training within the organization and outside the organization according to related fields. The training can increase the potential of employees and executives by formulating human resource development policies and guidelines. The average number of hours of employee training per year are disclosed as follows:

Employee Level	Average Total Training Hours/person*	Goals of the programs
Executives and managers	22	Focus on the management of the executives with knowledge and understanding of principles, concepts and techniques in leadership and coaching subordinates who are different with conflict resolution.
Supervisors	22	Focus on the ways to develop the leadership abilities such as communication skills, motivation, coaching, setting goals for work and teamwork
Operational employees	16	Focus on correct operating techniques to provide excellent service to customers, organizational culture used as a framework and respect for supervisors

* Only the Company’s standard training excluding specialized field training

- The Company has a system for assessing merit and fairness by disclosing the assessment criteria to employees at all levels for acknowledgment.

- The Company has a policy to encourage employees at each level to progress and be able to continuously grow in the organization.

- The Company provides opportunities for employees at all levels to participate in questioning or expressing opinions, both directly and indirectly, which will bring benefits in solving problems altogether.

5. Consumer Responsibility

- The Company’s business operations is a service-related business which is the key to making the business successful, progressive and sustainable. The Company has set the service as the 5th mission statement that “The Company will provide excellent service and create the highest customer satisfaction” It is in line with the Company’s slogan which is “intimate service like close relatives” for all employees to treat customers as the mission and slogan that has been set.

- In presenting the loan approval conditions, the Company will present the conditions and/or the benefits that customers will receive in a transparent and clear manner in order to benefit the customers as much as possible.

- The Company gives customers the opportunity to complain about the service of employees directly to the complaints department of the Head Office by calling at 02-4838888 or making the complaint through a letter in the form of a questionnaire sent by the Head Office to the customers.

- The Company provides a policy for whistleblowing, monitoring and protection of the whistleblower's rights.

- In the event that customers face financial crises caused by natural disasters affecting the public such as floods, delays in payment of rice sold to farmers, etc., the Company will have measures to provide assistance to customers as appropriate.

6. Caring for the environment

Although the Company's business will not cause direct impact on the environment, the Company is aware of and instilling awareness among employees to focus on and help to protect the environment starting from the environment. The Company stipulates 5 Sor activities to be held annually. In addition, there is a control over the use of office equipment under the budget received, campaign to use electricity and tap water economically, reduce the use of equipment that has the effect of causing pollution, reducing the use of paper by reusing used paper including the storage of documents in electronic media more.

7. Community and Society Development

The Company has a social responsibility policy by participating in community development to adhere to local traditions that the Company establish and carry out activities with communities regularly, both public and private sectors, such as

- **Religion:** The Company has arranged the Kathin ceremony every year at least 2 temples a year. The Company is the host to gather the things to offer to the temples. The Company has practiced it as a tradition for more than 30 years until now by rotating around the area where the Company is located. This is in order to carry on the traditions that have been passed down from generation to generation and to create unity among the people in that community.

- **Education:** The Company has donated scholarships to students and financial support for schools located in the same community as the temple. Since 2012, the Company has started a project to build a child center building under the name "Ban Mai Khong Noo Project" by continually building a child care center every year which will rotate according to the area of the branch. The project started in 2012 with details as follows:

In 2012, the **first** child care center building was built at the Kiri Rat Sub-district Administrative Organization, Phop Phra District, Tak Province.

In 2013, the **second** child care center building was built at Na Khaem Sub-district Administrative Organization, Muang District, Loei Province.

In 2014, the **third** child care center building was built at the Pa Klang Sub-district Administrative Organization, Pua District, Nan Province.

In 2015, the **fourth** child care center building was built at Ban Makham En School and the **fifth** building was donated to Wat Rang Sane Nakhonchan School, Tha Koei Sub-district Administrative Organization, Suan Phueng District, Ratchaburi Province

In 2016, the **sixth** child care center building was built at "Thai Samakkhi Sub-district Land Reform Village" and the **seventh** building was donated to "Ban Sap Sai Thong School, Wang Nam Khiao Sub-district, Wang Nam Khiao District, Nakhon Ratchasima Province

In 2017, the **eighth** child care center building was built at Ban Dong Noi School, Niyomchai Subdistrict, Sa Bot District, Lopburi Province and the **ninth** house for Ban Khlong Samui School Pong Nam Ron Sub-district, Muang District, Kamphaeng Phet Province

In 2018, the **tenth** child care center building was built at Baan Kong Wa Child Development Center, Pong Thung Sub-district, Doi Tao District, Chiang Mai Province. The **eleventh** was donated to the Child Development Center, Sri Banphot Kindergarten, Khao Ya Sub-district, Si Banphot District, Phatthalung Province. The **twelfth** building was donated to Ban Nong Phak Waen Child Development Center, Thap Rat Sub-district, Ta Phraya District, Sa Kaeo Province.

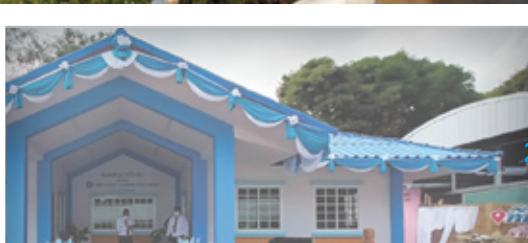
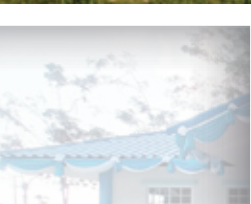
In 2019, the **thirteenth** child care center building was built at Ban Thaeo School, School, Phra Nakhon Si Ayutthaya Province. The **fourteenth** was donated to the Ban Nong Wa Child Development Center, Khon Kaen Province. The **fifteenth** was donated to the Ban

Nong Kung Child Development Center, Surin Province. The **sixteenth** was donated to the Child Development Center in Bang Ngon Sub-district, Surat Thani Province.

In 2020, the **seventeenth** child care center building was built at Ban Yod Huay Kaew Child Development Center, Mae Lay Sub-district, Mae Wong District, Nakhon Sawan Province. The **eighteenth** was donated to the Ban Bo Dok Son Child Development Center, Phra Song Sub-district, Na Kae District, Nakhon Phanom Province. The **nineteenth** was donated to the Ban Rai Pa Child Development Center, Huai Khayeng Sub-district, Thong Pha Phum District, Kanchanaburi Province. The **twentieth** was donated to the Ban Phu Noi Child Development Center, Sam Roi Yot Sub-district, Sam Roi Yot District, Prachuap Khiri Khan Province.

In 2021, the **twenty one** child care center building was built at Non Daeng Temple, Na Ngam Subdistrict, Manchakhiri District, Khon Kaen Province. The **twenty two** was donated to Ban Khlong Khut Child Development Center, La-ngu Sub-district, La-ngu District, Satun Province. The **twenty three** was donated to Sri Maha Pho Child Development Center School Ban Lum Subdistrict, Mueang District, Sukhothai Province. The **twenty four** was donated to Wat Khet Udom Child Development Center, Wat That Subdistrict, Mueang District, Nong Khai Province

● **Society:** In June of every year, the Company invites the employees to donate blood to the Red Cross Society. The Company has practiced this tradition for more than 30 years, including supporting local traditions such as the long boat race tradition, the worshipping tradition, dragon costume parade tradition, etc. In addition, the Company has formulated policy to prohibit employees at all levels from dealing with drugs of any kind, either as a trader or a drug user. There is drug testing from employees once a year under the project “White Company”.



8. Anti-corruption

The Company attaches great importance to anti-corruption. The anti-corruption guidelines have been set up in the Code of Business Conduct. On 18th October, 2019, the Company received the certificate from the Collective Action Coalition. The Board of Directors announced the mentioned policy for directors, executives and all employees to comply with the policy in general by communicating to all employees through internal journals and specifying the details in the Good Corporate Governance Manual including such topics in the training of new employees to realize anti-corruption.

The Company prohibits directors, executives and employees of the Company to solicit, act or accept any form of corruption, directly or indirectly, whether monetary or non-monetary to government agencies or private entities or business partners with whom the Company operates or is in contact with. This is for the benefit of the organization, self, family, friends and acquaintances or for the benefit of business. This covers all businesses and all related departments of the Company and to regularly review the implementation of this anti-corruption policy and measure as well as reviewing practices and operating requirements. This is for complying with changes in business, rules, regulations and legal requirements. The violation of any action that supports and helps or cooperating with corruption will be considered punishable according to the Company's regulations.

Guidelines for practice

1. This Anti-Corruption Policy covers the process of personnel management from the recruitment and selection of personnel to work performance appraisal and promotion by requiring supervisors at all levels to communicate with employees for use in business activities under their responsibility and to supervise them to be effective.

2. The directors, executives and employees must avoid giving or receiving things or any other benefits from partners or those related to the Company's business, except for the benefit of normal business operations or festivals or traditions.

3. The Company provides for the management of corruption risks with a risk assessment prioritize and determine appropriate measures as well as continuously monitoring the results of the aforementioned matters.

4. Not conducting unlawful transactions related to government officials, other persons or other entities directly or indirectly.

5. Do not accept or give bribes in business of any kind. The Company operation and contacts with the government sector must be transparent and honest. The operation must strictly conform to the law.

6. Do not give and receive gifts of value beyond what a reasonable person should give between a superior and a subordinate, regardless of any occasion.

7. The employees who commit fraud will be punished in all cases without considering how much the amount of fraudulent activity and regardless of the position of the employee who commits fraud. There will be equal consideration and punishment. The penalty is dismissal.

8. The Company has cultivated and emphasized that all employees in the organization must be aware of and must perform duties with honesty not seeking benefits from their own position or giving any benefit to others. All employees are aware of the penalties as well as the impact, suffering and damage that will be received from the act of corruption.

9. Every employee has duties in helping and monitoring. If finding that there is an incident of corruption occurring in the department, it must be reported to the Company immediately by reporting through the supervisor or through other channels specified by the Company or the internal audit department.

10. The directors and executives of the Company at all levels must show honesty and be a good role model in compliance with anti-corruption policies and measures. The branch affairs department and the manager of the human resources department are assigned to be responsible for disseminating knowledge, creating understanding, and encouraging employees at all levels to seriously adhere to the anti-corruption policy continuing and enhancing it as part of the corporate culture.

11. For the clarity in operation in matters that have a high risk of corruption, the directors, executives and employees of Muangthai Capital Public Company Limited at all levels must proceed with caution in the following matters:

- Entertainment, gifts and expenses, giving or receiving gifts entertainment to be in accordance with the stipulations in the Company's Code of Conduct

- Charitable donations or financial support. Giving or receiving donations or financial support must be transparent and legal by ensuring that the donation or the subsidy is not used as an excuse for bribery.

- For political assistance, the Company has a policy of not helping, supporting political parties, political group, or politician whether directly or indirectly.

- Charitable donations public interest and financial support

The Company requires to make a donation to charity, public benefits and financial support as follows:

1. To be transparent, legitimate and not contrary to morality including not doing any act that will have a detrimental effect on the society entirely.

2. Giving or receiving donations for charity, public interest, or support are not allowed to be used as an excuse for bribery.

3. Follow the procedures for reviewing and approving charitable donations, public interest, or financial support according to the Company's regulations.

4. In case of doubt that may affect the law, the advice must be sought from the Legal Department in writing or in other important matters at the discretion of the management.

- For the business relationship and procurement with the government sector, it is prohibited to give or accept bribe in the conduct of business of any kind of the operation of Muangthai Capital Public Company Limited. This includes contacts with the government sector which must be transparent, honest and must act in accordance with relevant laws.

Compliance

The Company has set it up as the duties and responsibilities of directors, executives and all employees to be acknowledged and strictly comply with the anti-corruption policy. It is important to encourage employees under their command to have knowledge and understanding and follow the good corporate governance manual and business ethics strictly. The Company will not take any action unlawful or contrary to good corporate governance principles. If the directors, executives or employees commit an offense, they will be subject to disciplinary action. If there is an action that is believed to be an offense, the Company will refer the matter to the police for further legal action. The Internal Audit Department assesses the risk of corruption throughout the organization annually.

Code of Conduct

The employee's Code of Conduct has been prepared in this manual as a basic standard for employees in conducting oneself in an ethical manner according to the principles of good corporate governance as follows:

1. Employee's Code of Conduct towards the Company

- Avoid any action which is contrary to the interests of the Company whether due to contact with the Company's trade related parties such as customers, competitors or the use of opportunities or information obtained from being a director or employees in private exploitation or working other than the work of the Company which will affect the work on the job

- Take full responsibility for your duties their knowledge and abilities taking into account the maximum benefit of the Company. Do not take the opportunity or use the job position to seek benefits for oneself.

- Have good attitude maintain reputation and corporate image by maintaining the good reputation of the Company not to be malicious or to provide information that will cause disgrace to the Company and understanding with outsiders to maintain a good image of the organization.

- Perform duties with honesty and forthrightness, not asking/accepting or agreeing to receive money, things, or any other benefits from people related to the Company's business especially procurement. It must be operated under transparency being able to check and compare prices from the same businesses that were tendered.

- All employees must contribute and maintain a good working atmosphere to build solidarity among employees, avoid any action which will affect the reputation and image of the Company or causing problem for the Company later.

- The employees must be taken seriously and strictly commit to all activities that will enhance the quality, efficiency and development of the organization towards excellence.

- The employees are prohibited from accepting any traditional gifts, except for receiving them on behalf of the Company and collectively.

- It is forbidden for the employees to claim or accept things or any other benefits for themselves or others who are in the way of motivation to act or

refraining from performing duties in a wrong way such as procurement, etc.

- The employees have duties and responsibilities to take care of the Company's assets not to be damaged, lost, and to use assets effectively for the full benefit of the Company and not to use the Company's assets for the benefit of oneself or others.

Such property means any tangible and intangible property as well as confidential information that is not disclosed to the public such as business plan, financial projection, human resources information and debtor information.

2. Employee's Code of Conduct towards the management

- Respect, polite, humble, respect for supervisors to comply with lawful orders

- Not make false reports or offer dishonest opinions to supervisors as well as not defaming the management without the facts.

- Refrain from giving gifts to supervisors or receive gifts from subordinates

3. Employee's Code of Conduct towards the colleagues

- Provide knowledge and transfer work experience to participants or to give advice to colleagues for good organization development

- Maintain and strengthen unity including participating in various activities organized by the Company to build good relationships between colleagues

- Treat colleagues with politeness and respect for each other.

- Not use the work of fellow employees to pretend to be their own work.

4. Employee's Code of Conduct towards oneself

- Have good attitude to take pride in being an employee and maintain their reputation and the honor of their employees.

- Be punctual and devote time to work fully

- Develop oneself to be able to work effectively and always effective

- Refrain from all evil not behaving in a way that could defame your reputation and the dignity of oneself and the Company.

- Study and acquire knowledge and experience to enhance oneself to be competent in professional work by always working efficiently and effectively along with maintaining good moral character being both good person of the organization.

5. Employee's Code of Conduct towards the customers

- The success of the Company is based on customer satisfaction. All employees must create good relationship with customers by adhering to the principles of honesty, ethical treatment and realize that each customer has different needs and expectations. The employees must meet the needs of various customers including giving advice to customers about the timing, conditions for arranging contracts for customers by clearly presenting the information in the contract arrangement truthful, transparent, and fair.

- The performance of contracts, agreements or conditions towards customers. In the event that it will not be possible to conform to, the employees must negotiate with customers in advance to jointly find solutions and prevent damage.

- Respond to customers' needs with speed willing to serve under the slogan that "Intimate service like close relatives".

- The employees must not claim, accept or not give any benefits dishonest with customers.

6. Employee's Code of Conduct towards the competitors

- The employees must behave within the framework of good competition rules without damaging the reputation of competitors by accusing them of harming the competitors including affixing publicity labels. It will be operated under good competition and there is no label to destroy competitors.

- The employees must not seek competitors' confidential information through dishonest or improper means such as paying competitors' employees

Code of Conduct of the management

Regarding the requirements for the executives, Muangthai Capital Public Company Limited expects executives to demonstrate the Company's intention to conduct business with transparency and morality. The duties are performed according to the highest ethical standards with honesty, caution and prudence for the benefit of shareholders and stakeholders. Therefore, the code of ethics is defined to be used as a practical guideline for executives as follows:

1. Management's Code of Conduct towards the Company

- Perform duties with honesty and does not take any action in a manner that causes a conflict of interest to the Company
- Perform management duties to the best of their ability with care under the rules of good corporate governance
- Provide a control system and effective internal audit to ensure that the Company has complied with various standards and laws related under the scrutiny of the internal auditors and review of the Audit Committee.
- Company's Management is responsible for preparing financial reports that are accurate, complete and timely. Both quarterly and annual statements are prepared according to accepted accounting standards.

2. Management's Code of Conduct towards the shareholders

Prepare a report on the status and performance of the Company and other important information to shareholders equally, consistently, and completely according to reality.

3. Management's Code of Conduct towards the employees

- Provide appropriate compensation according to the knowledge and abilities of each employee. It can be compared with the Company operating the same business as well as taking care of the working environment by considering the quality of life and safety at work. In addition, there is proper care, assistance and welfare for employees.
- There is a clear policy and guidelines on compensation, career growth, and welfares that all employees receive. There is an announcement posted on the Company's internal website under the topic of the personnel department which employees can read and study.

- There is the development of the Company's personnel every position and every level continuously. The emphasis is placed on organizing training and seminars on an annual basis by inviting speakers with knowledge and reputation to train. The employees can learn and continuously develop the potential and skills of employees to increase the knowledge and skills necessary for career growth as well as preparing the organization to create executives to replace important positions.

- The appointment and relocation including rewarding and punishing employees must act in good faith and based on knowledge the ability of that employee.

- There is a system for assessing merit and fairness by disclosing the assessment criteria to employees at all levels for acknowledgment and encourage employees at each level to progress and be able to continually grow in the organization.

- Emphasize on employees' understanding of the code of conduct and roles which employees can do to encourage behavior within the framework of the Code of Conduct throughout the organization.

- The supervisor should behave in a way that is respected by employees and employees should not do anything which is disrespectful to the supervisor.

- Refrain from giving gifts to subordinates or receive gifts from subordinates

4. Management's Code of Conduct towards the customers

- Present loan approval conditions and/or benefits that customers will receive transparently and clearly in order to benefit the customers as much as possible.

- In the event that customers face financial crises caused by natural disasters that affect the public, the Company will have measures to provide assistance to customers as appropriate.

- Provide an opportunity for customers to complain about the service of employees directly to the complaints department of the head office by calling 02-880-1033 or 1455 making a complaint through a letter in the form of a questionnaire sent by the Head Office to the customer

5. Management's Code of Conduct towards the competitors

- Treat competitors fairly without action that is an attack slander or damage the reputation of competitors including affixing publicity labels. It will be operated under good competition. There is no label to destroy competitors including no infringement of intellectual property or copyright of others.

- For the Company's business operation, it must be managed in order for the business to grow sustainably and stably under careful operation honesty and being fair to those involved.

- Not seek competitors' confidential information through dishonest or inappropriate means such as paying employees of competitors.

Code of Conduct of the directors

- The requirements for the Board of Directors of Muangthai Capital Public Company Limited is committed to complying with international standards. The highest ethics for the benefit of shareholders and other stakeholders are under the following principles:

1. Director's Code of Conduct towards the Company

- Perform the duties with honesty, transparency for the best interest of the Company and do not act in a manner that may cause conflicts with the interests of the Company.

- Apply knowledge and management skills to their full potential.

- The directors will adhere to the laws, rules and regulations related to business operations under the principles of good corporate governance including directors and senior management. This must be notified to the Board of Directors or the person assigned by the Board of Directors regarding the trading of the Company's shares at least 1 day in advance of trading.

- Buying and selling shares of the Company, executives and all management including close people (spouse and minor children). Refrain from buying, selling or transferring the Company's shares in the period before the disclosure of the financial statements. In the event that the financial statements have been announced to the public, if there is the purchase or sale, the secretary must be notified to prepare a report on the change of securities holding (59-2) to

the SEC within the specified time. The securities holdings of directors are reported to the Board of Directors' meeting every quarter.

- The connected transactions and stakeholder reports of directors and executives to prevent conflicts of interest of directors and executives must be reported to the chairman and included as an agenda to inform the Board of Directors' meeting every quarter.

2. Director's Code of Conduct towards the shareholders

- Determine to disclose information accurately, completely, adequately, and timely for equal access to information and be careful not to mislead the shareholders or confused in the information

- Maintain the rights of shareholders and treat all shareholders equally regardless of gender, age, race, nationality, religion, belief or political opinion. Even if the shareholders are unable to attend the meeting due to any inconvenience, the shareholders have the right to appoint another person to attend the meeting on their behalf.

- Not seeking benefits for oneself and those involved using any inside information that have not yet been disclosed to the public.

3. Director's Code of Conduct towards the employees

- Determine the welfare, compensation and welfare policies that are fair to employees.

- Treat employees with politeness. Avoid any unfair action and listen to the opinions and suggestions of employees.

- Promote knowledge development and the ability of employees on a regular basis.

- Follow up for the Company to take action on the code of conduct and the roles that employees can perform to create behavior that is within the framework of the code of conduct throughout the organization.

4. Director's Code of Conduct towards the customers

- Support and encourage the Company to innovate in order to achieve the highest customer satisfaction.

- Supervise the Company to organize the system for customers to complain about the service and giving customers a quick response.

ทุกทิศทั่วไทย

เมืองไทย แคมป์ตลอด

พร้อมให้บริการ



Attachment 6 : Independent Auditor's Report

Dear Shareholders

The Audit Committee of Muangthai Capital Public Company Limited consists of 3 qualified independent directors whose names are as follows;

1. Mrs. Kongkaew Piamduaytham
Chairman of the Audit Committee
2. Mr. Suchart Suphayak
Member of the Audit Committee
3. Mrs. Nongnuch Dawasuwan
Member of the Audit Committee

The Audit Committee performs their duties within the scope of responsibilities specified in the Audit Committee Charter assigned by the Board of Directors. This is in line with good practice guidelines as stipulated in the announcement of the Stock Exchange of Thailand and the Office of the Audit Committee. It emphasizes the establishment of a systematic work process in the matter of good corporate governance, risk management system and adequate internal control, including a focus on efficient internal audit processes and effectiveness.

And from the COVID-19, the Audit Committee suggest that the Internal Audit Department adjust the audit process according to the situation by applying technology as a tool in the analysis. Continuous monitoring of abnormalities to increase the efficiency of the inspection.

In 2021, the committee held 4 meetings to perform its duties within the framework stipulated in the Charter of Audit Committee. All committee's members attended every meeting, while one of these meetings was to meet with external auditors without the presence of the Company's management to discuss about findings during the auditing process and the issues in which the auditors considered as material. This practice is to promote the Company's good corporate governance and to enhance the transparency of the Company's financial statements. The minutes of meetings were prepared and reported to the Board of Directors on quarterly basis, as follows

1. Review of financial reports:

The Audit Committee reviewed the quarterly financial statements, and annual financial statements and consolidated financial statements. Items that may have conflicts of interest. To ensure that the company's financial reports properly prepared as it should be according to financial reporting standards. Preparation of the Company's financial statements are accurate and reliable. There is sufficient and timely disclosure of important information to users of the financial statements. Comply with laws and announcements related to Regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC)

2. Review of internal control and internal audit system:

The committee approved the audit plan for the year 2021 of the Internal Audit Department and regularly monitored the operating results on quarterly basis considering the key risks. The committee provided useful recommendations and comments to ensure that the existing internal control processes could help prevent or mitigate an errors in business operations. The committee also reviewed the appropriateness and adequacy of human resources as well as the independency of internal audit team. The committee commented that the Company's internal control and internal audit system were effective, appropriate and sufficient. The internal audit team performed their duties independently, transparently and fairly.

3. Review of compliance:

The committee reviewed the Company's business operations and viewed that company were complied with the laws relating to securities, such as the SET's regulations and other regulations which were related to the Company's business, including the Company's anti-fraud policy and the regulatory changes that may impact the business operations.

4. Review of connected transactions and conflict of interest:

The committee reviewed the connected transactions and conflict of interest based on a fair, reasonable and transparent basis. Also, taking the benefits of all stakeholders and the sufficiency of information disclosures into consideration as required by SET and SEC.

5. Consideration of nomination and appointing of external auditor and the audit fee:

An audit was proposed by the Audit Committee annually, approved by the Board of Directors, Recommend to the shareholders' meeting in 2021, the shareholders resolved to appoint KPMG Phoomchai Audit Co., Ltd. to be the auditor. Considering from qualifications of auditors, knowledge, abilities, experience in business audits, inspection guidelines, Auditor's independence in accordance with the Bank of Thailand's regulations Securities and Exchange Commission as well as to the appropriateness of the audit fee with the list of auditors as follows;

- 1) Mr.Chanchai Sakulkoedsin Certified Public Accountant No 6827 and/or
- 2) Mr.Chokechai Ngamwutikul Certified Public Accountant No 9728 and/or
- 3) Miss Sureerat Thongarungsang Certified Public Accountant No. 4409 and/or
- 4) Miss Orawan Chunnakitpaisan Certified Public Accountant No. 6105

6. Consideration and review of the Charter of Audit Committee:

The Audit Committee reviews the Audit Committee Charter annually. in order to comply with internal audit standards, relevant rule and consistent with current business operations

The Audit Committee has performed duties as assigned by the Board of Directors. and in accordance with the responsibilities specified in the Audit Committee and Charter with caution, prudence, independence express an honest opinion, be transparent can be inspected in accordance with good corporate governance as well as giving opinions and suggestions honestly for the best benefit of the company and fairness to shareholders Stakeholders without limitation in obtaining information resources and cooperation from the company. Company's financial statement and disclosure has completed, reliable, and consistent with generally accepted accounting standards. Auditors are independent and perform their duties as professional practitioners. Risk management and internal control system is effective and appropriate enough. Internal audits are independent covering high-risk operational processes.

Mrs. Kongkaew Piamduaytham
Chairman of the Audit Committee

บริการใกล้ชิด ดูจนูาตามิตรที่รู้ใจ

“เราคือผู้นำอันดับ 1 ในธุรกิจสินเชื่อทะเบียนรถจักรยานยนต์





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